



**HAWAI'I RETIREMENT
SAVINGS BOARD March 17,
2026, Meeting Packet**



**Hawai'i Retirement Savings
Board Agenda – March 17,
2026, Meeting**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

AHLANI K. QUIOGUE
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813

**HAWAII RETIREMENT
SAVINGS BOARD**

Co-Chairs
Jade T. Butay
Seth Colby, Ph.D.

Members
William G. Kunstman
Derek Shigano
Jessie Keola Dean
Barbara Krieg
Andrew Nomura
Representative Jackson D. Sayama
Senator Brandon J.C. Elefante

**HAWAII RETIREMENT SAVINGS
BOARD MEETING**

AGENDA

Date: March 17, 2026

Time: 10:00 a.m.

In-Person Meeting Location: Princess Ruth Ke'elikolani Building
830 Punchbowl Street, Room 321
Honolulu, Hawaii 96813

Virtual Participation: Virtual Videoconference Meeting – Zoom Meeting
(Link below)

<https://us02web.zoom.us/j/88104538897?pwd=18vDA3aPHTo8cYbL2JYbod9dbQxhNT.1>

Meeting ID: 881 0453 8897

Passcode: 506429

Phone: +1 808-829-4853

Phone Conference ID: 692408588#

Agenda: The agenda was posted to the State electronic calendars as required by §92-7(b), Hawaii Revised Statutes ("HRS").

Board Meeting Materials: Meeting materials are available at <https://labor.hawaii.gov/hrsp/board-meetings/>.

If you wish to submit written testimony on any agenda item, please email your testimony to dlir.hrsp@hawaii.gov or by hard copy mail to: Attn: Hawaii Retirement Savings Program, 830 Punchbowl Street, Room 321, Honolulu, HI 96813. We request submission of testimony at least 24 hours prior to the meeting to ensure that it can be distributed to the Board members.

INTERNET ACCESS:

*To view the meeting and provide live oral testimony, please use the link at the top of the agenda. You will be asked to enter your name. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You will also be asked for an email address. You may fill in this field with any entry in an email format, e.g., *****@***mail.com.*

Your microphone will be automatically muted, and video will be turned off. When the Chairperson asks for public testimony, you may click the Raise Hand button found on your Zoom screen to indicate that you wish to testify about an agenda item. You will individually be enabled to unmute your microphone, turn on your video if you choose to, and testify. When recognized by the Chairperson, please unmute your microphone and turn on your video if you choose to before speaking and mute your microphone and turn off your video after you finish speaking.

PHONE ACCESS:

If you cannot get internet access, you may get audio-only access by calling the Zoom Phone Number listed at the top on the agenda. Upon dialing the number, you will be prompted to enter the Meeting ID which is also listed at the top of the agenda. After entering the Meeting ID, you will be asked to wait until you are admitted into the meeting.

When the Chairperson asks for public testimony, you may indicate you want to testify by entering "" and then "9" on your phone's keypad. After entering "*" and then "9", a voice prompt will let you know that the host of the meeting has been notified. When recognized by the Chairperson, you may unmute yourself by pressing "*" and then "6" on your phone. A voice prompt will let you know that you are unmuted. Once you are finished speaking, please enter "*" and then "6" again to mute yourself.*

For both internet and phone access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to five minutes of testimony per agenda item. The Chairperson of the Board has the discretion to provide a member of the public with more or less time according to the agenda item and the number of persons signed up to testify on the agenda item. Pursuant to Hawaii Revised Statutes section 92-3.7(e), the Board may remove or block any person who willfully disrupts or compromises the conduct of the meeting.

If connection to the meeting is lost for more than 30 minutes, the meeting will be continued on a specified date and time. This information will be provided on the Board's website at <https://labor.hawaii.gov/hrsp/board-meetings/>.

Instructions to attend State of Hawaii virtual board meetings may be found online at <https://labor.hawaii.gov/wp-content/uploads/2025/01/State-of-Hawaii-Virtual-Board-Attendee-Instructions.pdf>.

I. Call Meeting to Order

II. Approval of the Minutes

- a. February 10, 2026, Open Session Meeting Minutes

III. Implementation of the Hawai'i Retirement Savings Program

The Hawai'i Retirement Savings Board will be provided an update on the progress of the Hawai'i Retirement Savings Program's implementation. During this session, the Board will also determine whether to proceed with a single-phase or multi-phase rollout of the program, among other considerations.

IV. 2026 Legislation

- a. H.B. 1290, Relating to Labor

Establishes a Portable Benefits Program under the administration of a board of trustees to provide portable benefits to gig workers. Expands the Hawai'i Retirement Savings Program to gig workers. Appropriates funds.

- b. H.B. 2106, H.D.1, Relating to Financial Disclosures

Expands the scope of persons who are subject to public financial disclosure requirements.

- c. S.B. 2246, S.D. 1, Relating to Financial Disclosures

Expands the scope of persons who are subject to public financial disclosure requirements.

- d. S.B. 2248, S.D. 2, Relating to Financial Disclosure

Expands the scope of persons who are required to file financial disclosures to include gubernatorial nominees subject to Senate confirmation. Makes technical amendments relating to legislators.

- e. S.B. 2662, S.D. 2, Relating to Government Accountability

Requires each purchasing agency to provide justification for hiring external consultants. Requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount. Requires annual reports to the Legislature. Requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance. Establishes exceptions. Requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor.

V. Executive Director's Report

a. Hawaii State Ethics Commission

The members of the Hawai'i Retirement Savings Board are reminded to file their annual financial disclosures by June 1, 2026, and to complete their ethics training course.

VI. Next Meeting: Tuesday, April 14, 2026
10:00 a.m.

and

In-Person Meeting Location: Princess Ruth Ke'elikolani Building
830 Punchbowl Street, Room 321
Honolulu, Hawai'i 96813

VII. Adjournment

Reasonable accommodations for people with disabilities are available upon request. Requests for accommodations should be submitted by email to dhir.hrsp@hawaii.gov or by calling Ahlani Quiogue at (808) 586-8846 (voice) as soon as possible. Such requests should include a detailed description of the accommodation needed. In addition, please include a way for Ms. Quiogue to contact the requester if more information is needed to fulfill the request. Last-minute requests will be accepted but may not be possible to accommodate. Upon request, this notice is available in alternate formats.



**II. Approval of Meeting
Minutes:
A. February 10, 2026, Open
Session Meeting Minutes**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
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WILLIAM G. KUNSTMAN
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**HAWAII RETIREMENT SAVINGS
BOARD**

MINUTES OF THE MEETING

Date: February 10, 2026

Time: 10:00 a.m.

**In-Person
Meeting
Location:** Princess Ruth Ke'elikolani Building
830 Punchbowl Street, Room 321
Honolulu, Hawaii 96813

**Virtual
Participation:** Virtual Videoconference Meeting – Zoom Webinar
<https://us02web.zoom.us/j/81823999516?pwd=92uarRZpAasbRfCGqCYgrqRI4jknhj.1>

Present: William G. Kunstman, Deputy Director, Department of Labor and Industrial Relations (“DLIR”), Director Designee
Derek Shigano, Special Assistant, Department of Budget and Finance, Director Designee
Jessie “Keola” Dean, Member
Barbara Krieg, Member
Andrew Nomura, Member
Brian Taniguchi, Member
Senator Brandon J.C. Elefante
Gary K.H. Kam, Deputy Attorney General
Ahlani K. Quiogue, Executive Director
Deborah K. Kuwaye, Executive Assistant to the Deputy Director, DLIR
WDD-Intern
WDD-Intern

Excused: Representative Jackson D. Sayama, Member

Zoom Guests: Angela M. Antonelli, Research Professor, Executive Director, Center for Retirement Initiatives, McCourt School of Public Policy, Georgetown

University
Jessica Muirhead, Executive Director, MyCT Savings Program
William "Hunter" Railey, Executive Director, Colorado Secure Savings
iPhone User
aknecht
Reem Nassif

**In-Person
Guest(s):**

None.

Agenda:

The agenda for this meeting was posted to the State electronic calendar as required by Hawai'i Revised Statutes ("HRS") section 92-7(b).

Co-Chairperson Kunstman explained to the members of the public the procedures to participate in the hybrid board meeting, including how a member of the public can participate and interact with the Board during the board meeting.

Call to Order:

The meeting was called to order at 10:08 a.m., at which time quorum was established.

Co-Chairperson Kunstman welcomed everyone to the meeting and proceeded with a roll call of the Board members. All Board member(s) attending the meeting virtually confirmed that they were present.

**Approval of the
Minutes:**

a. December 15, 2025, Open Session Minutes

Co-Chairperson Kunstman asked for public testimony on this agenda item. There were none.

Co-Chairperson Kunstman asked for comments or amendments to the minutes from the Board members.

Co-Chairperson Kunstman and Deputy Attorney General Kam identified two revisions that need to be made to the minutes as follows:

- Page 1, list of members and staff present: "Gary K.M. Kam" should read "Gary K.H. Kam"
- Page 4, the following statement "*Representative Suyama left the virtual meeting room at 10:53 a.m.*" should read "*Representative Jackson D. Sayama, left the virtual meeting room at 10:53 a.m.*"

It was moved by Ms. Krieg, seconded by Mr. Dean and unanimously carried to accept the meeting minutes of December 15, 2025, with the noted revisions.

**Implementation
of the Hawai'i
Retirement
Savings
Program:**

Co-Chairperson Kunstman informed the public that the Hawai'i Retirement Savings Board will evaluate two proposals for multistate partnerships aimed at implementing the Hawai'i Retirement Savings Program. The evaluation will focus on cost, governance, scalability, and operational readiness. The proposals under consideration are the Partnership for a Dignified Retirement (PDR, led by Colorado) and the Multistate Retirement Alliance for Retirement Security (led by Connecticut). Key evaluation criteria considered by the Board included cost structure, governance model, scalability, and operational readiness.

Co-Chairperson Kunstman asked for public testimony. There were none.

As a reminder, the Board voted to defer choosing a partnership at its December 15, 2025, meeting, and requested additional information from both PDR and the Retirement Alliance.

Mr. Railey and Ms. Muirhead were admitted to the virtual meeting room at 10:13 a.m.

Ms. Quiogue informed the Board members that after the December 15, 2025, meeting, with the assistance of Mr. Dean and Ms. Krieg, she had requested additional information from Mr. Railey and Ms. Muirhead as follows:

- Fees
 - Simulations 1 – 3: Individual investment amounts of \$5 per month, \$20 per month for the mid-level number with \$100 per month as the high-level number:
 1. \$5 per month (\$60 per year) for 3 years
 2. \$20 per month (\$240 per year) for 3 years
 3. \$100 per month (\$1,200 per year) for 3 years
 - Aggregate investment amounts of:
 1. Use the study estimates of how much HRSP is anticipated to have under management after year 1, year 3, and year 5
 2. Then, calculate the number of accounts and the average account balance after year 1, year 3, and year 5
- Fee types
 1. Asset-based
 - Program Management Fees (Retirement Alliance calls these Vestwell Program Management Fees) (%) – based on total assets under management; use the study estimates of how much HRSP is anticipated to have under management after year 1, year 3, and year 5
 - Program Manager Asset Level and Fee
 - Less than \$2B: PDR at 0.15% vs. Retirement Alliance at 0.17%

- \$2B – 4B: PDR at 0.12% vs. Retirement Alliance at 0.15%
 - Over \$4B: PDR at 0.10% vs. Retirement Alliance at 0.12%
 - State asset-based fee
 - Retirement Alliance at 0.02% (may Hawaii assess similar fee under PDR?)
 - Investment fees - also asset-based fees (%) – based on individual amount invested in different investment types (see below in Investment Assumptions for scenarios)
 - Program administration fees – also asset-based fee (%) – based on individual amount invested across account balances
 - PDR: 0.20%
 - Retirement Alliance: 0.19%
2. Account-based fees (flat per account) – based on total accounts under management; use the study estimates of how much HRSP is anticipated to have under management after year 1, year 3, and year 5
- Account Total and Fee
 - PDR: Less than 200K accounts at \$22 per account per year vs. Retirement Alliance: Less than 75K accounts at \$24 per account per year
 - PDR: 200K – 350K accounts at \$20 per account per year vs. Retirement Alliance: 75K – 350K accounts at \$20 per account per year
 - PDR: Over 350K accounts at \$18 per account per year vs. Retirement Alliance: Over 350K account at \$18 per account per year
 - Note: In Retirement Alliance, there is a CRSP Administrative Fee – Need to confirm this is included in the Account-based fees above.
3. Startup fees
- Retirement Alliance: \$100,000
- Run four scenarios
 1. All investments in target retirement funds
 - Assume 47-year-old participant (Target Date 2045)
 - Investment Fees: PDR at 0.09% vs. Retirement Alliance at 0.035%
 2. All investments in higher risk funds
 - Domestic Equity (for PDR) at 0.03% vs. Growth (for Retirement Alliance) at 0.032%
 3. All investments in lowest risk funds

- Money Market (for PDR) at 0.12% vs. Cash Preservation (for Retirement Alliance) at 0.10%
4. All investment in medium risk funds
- Fixed Income (for PDR) at 0.025% vs. Income (for Retirement Alliance) at 0.074%

Ms. Quiogue informed the members that, after consulting with Mr. Railey and Ms. Muirhead regarding the initial request for additional information, it was concluded that using flat dollar rates of \$500, \$1,500, \$5,000, and \$7,500 would more accurately reflect the savings amounts by participants and provide a clearer analysis of the information. She noted further that \$1,500 balance most closely reflects the average annual fees paid by a typical participant in the first year after launch of a program.

Ms. Quiogue indicated that Mr. Nomura would lead the discussion; however, members are welcome to direct any questions to Mr. Railey and Ms. Muirhead.

Mr. Nomura examined the responses submitted by Mr. Railey and Ms. Muirhead addressing the Board's inquiry, stating that he was unable to interpret the figures as presented. He specifically remarked that the comparison of simulations using a flat rate dollar amount based on a \$1,500 balance did not adequately clarify the methodology used to calculate the associated fees. Upon reviewing the data, Mr. Nomura concluded that Colorado's numbers should be lower, while Connecticut's figures should be higher. For instance, both programs utilized comparable assumptions in their analyses, including the application of a 0.02% Hawaii asset-based fee; however, the resulting outcomes appear inconsistent.

Ms. Muirhead informed the Board that a 0.02% fee was utilized; however, since a mid-point calculation on the account balance is employed, the resulting impact is effectively halved. Consequently, this approach produces an effect equivalent to applying a 0.01% fee for the entire year.

The mid-point calculation methodology aligns with the procedures outlined in Section 4 of the document, which presents the original analysis. A similar approach is applied when determining the market return.

This rationale is predicated on the fact that contribution amounts are not deposited simultaneously at the start of the year, but rather incrementally throughout the year. Therefore, a more accurate fee assessment should be based on the mid-point—while acknowledging that this is still an oversimplification—of the account balance, rather than the full-year balance. Assessing the fee on the ending balance at year-end would overstate the fee's impact on participant accounts.

Mr. Nomura thanked Ms. Muirhead for her thorough explanation but indicated that the comparison and methodology used to create the simulations is deceptive and may not offer the Board the direct, equivalent

analysis it requested.

Ms. Muirhead expressed appreciation for Mr. Nomura's feedback and offered her apologies for any misinterpretation of the Board's request. She stated her readiness to submit the simulations for further review by the Board and provide a 12-month analysis.

Mr. Railey affirmed that the methodology employed in formulating his responses adhered to established assumptions, and confirmed that, consistent with the fees negotiated with Vestwell, the information he provided was accurate.

Ms. Krieg expressed her appreciation to Mr. Railey and Ms. Muirhead for the materials prepared for the Board's review, noting that she now has sufficient information to make a well-informed decision and proceed with selecting a partnership.

Mr. Dean expressed agreement with the remarks made by Ms. Krieg.

Co-Chairperson Kunstman inquired if there were any additional comments or points for discussion. There was none.

Ms. Quiogue informed the members that, in the absence of any comments, it would be appropriate to offer a motion for entering into a partnership with either Colorado or Connecticut.

Ms. Krieg moved to join the Multistate Retirement Alliance for Retirement Security led by Connecticut. For purposes of having a motion carried, Mr. Taniguchi seconded the motion. The matter was then opened for discussion.

Mr. Nomura indicated his preference for choosing the Partnership for a Dignified Retirement initiative led by Colorado. He expressed confidence in the program's strong foundation, its substantial capacity for scalability, and its anticipated achievement of important milestones in the foreseeable future.

Mr. Dean acknowledged Mr. Nomura's remarks and concurred with his observations, while highlighting that the Connecticut program offers lower investment fees, which provides greater benefits to participants. He additionally noted that asset-based fees may rise as assets under management grow; currently, the account-based fee is lower in Connecticut (\$20.00) compared to Colorado (\$22.00); and that the account-based fee is anticipated to decrease further as participation increases.

Mr. Railey observed that, at present, certain fees associated with the PDR—specifically the asset-based fee and fixed income fees—are comparatively lower.

Ms. Muirhead noted that certain investment funds and state program fees offered by the Retirement Alliance are comparatively lower.

Mr. Dean expressed his appreciation to Mr. Railey and Ms. Muirhead for their remarks and observed that Colorado is expected to reach breakpoints earlier due to the participant count and assets under management.

Mr. Taniguchi expressed his gratitude to both partnerships for their comprehensive presentations and valuable information provided to the Board, which supported his decision-making process. While he considers both partnerships to be of high quality, he currently favors the Colorado partnership, citing reasons aligned with those of Mr. Nomura.

Mr. Dean stated his preference is to join the Connecticut partnership.

Senator Elefante noted that Mr. Dean may have addressed this question previously; however, to enhance his own understanding, he requested that Mr. Railey specify the number of partner states under the PDR as well as the current assets under management.

Mr. Railey reported that five states have joined the PDR: Nevada, Delaware, Maine, Vermont, and most recently, Minnesota. He noted further that in late 2025, the assets under management were \$213M and as of early 2026, the assets under management will grow to \$240M.

Senator Elefante made a comparable inquiry to the state of Connecticut.

Ms. Muirhead stated that Rhode Island is now a member of the Retirement Alliance, which includes 50,000 participants and approximately \$60 million in assets under management.

Co-Chairperson Kunstman asked for questions or discussion; there were none.

The current motion being considered by the Board is to join the Multistate Retirement Alliance for Retirement Security, led by Connecticut. This motion was introduced by Ms. Krieg and seconded by Mr. Taniguchi. Considering previous comments from Mr. Nomura and Mr. Taniguchi, Ms. Quogue recommended that a roll call vote be conducted. A roll call was taken of the members:

Co-Chairperson Kunstman, Mr. Shigano, Mr. Dean, and Ms. Krieg voted in favor of the motion.

Mr. Nomura and Mr. Taniguchi voted in opposition to the motion.

The motion carried to join the Multistate Retirement Alliance for

Retirement Security, led by Connecticut.

2026 Legislative Session:

a. Delegation to Staff

Co-Chairperson Kunstman stated that the Board will deliberate on granting the Executive Director the authority to monitor legislation and prepare testimony on its behalf.

Ms. Krieg questioned whether this task was necessary, considering that the responsibilities of the Executive Director include monitoring legislation, preparing testimony for the Board, and presenting that testimony before legislative committees as she did last year.

Ms. Quiogue stated that the Office of Information Practices advises taking this action, similarly to the subsequent agenda item.

By consensus, the Board authorizes the Executive Director to oversee legislative developments, prepare testimony, and present statements to legislative committees on its behalf.

b. Delegation to Board Members

Co-Chairperson Kunstman announced that the Board will deliberate on authorizing two Board members to work collaboratively with the Executive Director during the legislative session. Their tasks will include assisting in preparing legislative testimony, engaging with legislators, and attending legislative hearings, in accordance with the Board's adopted position on legislation.

Co-Chairperson Kunstman reminded the members that, at a previous meeting, the Board had delegated authority to both him and Mr. Taniguchi to prepare legislative testimony, engage with legislators, and attend legislative hearings on behalf of the Board. If the Board concurs, they may continue to fulfill these roles and responsibilities.

By consensus, the Board agreed to have Co-Chairperson Kunstman and Mr. Taniguchi continue performing their respective roles and responsibilities.

2026 Legislation:

a. H.B. 1290 RELATING TO LABOR

Ms. Quiogue informed the Board that this bill: establishes a Portable Benefits Program under the administration of a board of trustees to provide portable benefits to gig workers; expands the Hawai'i Retirement Savings Program to gig workers; and appropriates funds.

Ms. Quiogue stated that this bill is a carryover measure from 2025, and indicated that based on her research, Hawai'i would be the first state to mandate participation of gig workers/1099 workers into a retirement savings program. She went on to say that other jurisdictions allow for voluntary enrollment into the programs for these types of workers.

While the intention of this bill is commendable, Ms. Quiogue advised members to exercise caution in supporting it without considering several factors: the Unemployment Insurance Division, which holds the necessary data for submission to Vestwell, may not have comprehensive information on gig workers or 1099 workers; integrating 1099 workers into the Vestwell system presents significant challenges; and retirement programs like the Hawai'i Retirement Savings Program are typically facilitated by the employer, rather than self-managed by employees.

- b. H.B. 847, H.D. 1, RELATING TO HAWAII RETIREMENT SAVINGS ACT
S.B. 855, S.D. 1, H.D. 1, C.D. 1 (ACT 113, SLH 2025)

Ms. Quiogue informed the Board that these bills: clarify the definition of "covered employer" under the Hawai'i Retirement Savings Act; require covered employers to automatically enroll covered employees into the Hawai'i Retirement Savings Program unless the employee chooses to opt out; repeal the limit on the total fees and expenses that can be spent for the Program each year; and appropriates funds to the Department of Labor and Industrial Relations for the development and operation of the Program.

Ms. Quiogue indicated that this bill is a carryover measure from 2025, and noted that no formal action would be required by the Board since it had previously expressed its support for H.B. 847, H.D. 1 last year.

- c. H.B. 1136, RELATING TO THE HAWAII RETIREMENT SAVINGS ACT
S.B. 1455, RELATING TO THE HAWAII RETIREMENT SAVINGS ACT

Ms. Quiogue informed the Board that these bills: clarify the definition of "covered employer" under the Hawai'i Retirement Savings Act; and require covered employers to automatically enroll covered employees into the Hawai'i Retirement Savings Program unless the covered employee chooses to opt out.

Ms. Quiogue indicated that this bill is a carryover measure from 2025, and noted that no formal action would be required by the

Board since it had previously expressed its support for these administration bills last year.

d. S.B. 1253, RELATING TO BOARDS AND COMMISSIONS

Ms. Quiogue informed the Board that this bill clarifies that the prohibition against board and commission holdover members from holding office beyond the end of the second regular legislative session following the expiration of the member's term of office takes precedence over any conflicting statutes.

Ms. Quiogue stated that this bill is being presented to the Board solely for informational purposes, as members are governed by applicable laws pertaining to board and commission terms, among other regulations.

Ms. Quiogue recommended the Board monitor this bill. The members agreed with her recommendation.

e. H.B. 724, RELATING TO OPEN MEETINGS

Ms. Quiogue informed the Board that this bill: amends the definition of a "board" under the Sunshine Law to include the Legislature; clarifies notice period requirements; repeals the Legislature's exemption from the Sunshine Law; and repeals the exemption for permitted interactions between board members.

Ms. Quiogue stated that this bill is being presented to the Board solely for informational purposes, as members are governed by applicable laws pertaining to the Sunshine Law (Open Meetings), among other regulations.

Ms. Quiogue recommended the Board monitor this bill. The members agreed with her recommendation.

f. S.B. 381, S.D.1, RELATING TO PUBLIC AGENCY MEETINGS

Ms. Quiogue informed the Board that this bill: requires appointments and selections of heads of state divisions and agencies that require a board approval to be made through a publicly established process and timeline; requires the approval of the process and timeline to appoint or select a new head of a state division or agency to be determined in an open meeting; requires that votes to appoint or select heads of state divisions and agencies be conducted in an open meeting; and provides that any vote to appoint or select a head of a state division or agency cast in violation of the foregoing shall be invalid.

Ms. Quiogue stated that this bill is being presented to the Board

solely for informational purposes, as members are governed by applicable laws pertaining to the Sunshine Law (Open Meetings), among other regulations.

Ms. Quiogue recommended the Board monitor this bill. The members agreed with her recommendation.

g. S.B. 1617, RELATING TO PUBLIC MEETINGS
H.B. 1453, RELATING TO PUBLIC MEETINGS

Ms. Quiogue informed the Board that these bills prohibit boards from beginning or continuing meetings after 9:00 p.m., excluding county council meetings.

Ms. Quiogue stated that this bill is being presented to the Board solely for informational purposes, as members are governed by applicable laws pertaining to the Sunshine Law (Open Meetings), among other regulations.

Ms. Quiogue recommended the Board monitor this bill. The members agreed with her recommendation.

h. S.B. 1543, S.D. 2, RELATING TO GOVERNMENT
ACCOUNTABILITY

Ms. Quiogue informed the Board that this bill: requires each purchasing agency to provide justification for hiring external consultants; caps the amount each agency can spend on external consultants; requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount; requires each agency to disclose new contracts with external consultants; requires annual reports to the Legislature; requires the Compliance Audit Unit to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance; and requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor.

Ms. Quiogue explained that this bill is a carryover from the 2025 Legislative Session. She also noted that the following agenda item, S.B. 2662, Relating to Government, introduced this year, is very similar.

i. S.B. 2662, RELATING TO GOVERNMENT ACCOUNTABILITY

Ms. Quiogue informed the Board that this bill: requires each purchasing agency to provide justification for hiring external consultants; caps the amount each agency can spend on external consultants; requires each agency to seek approval from the

Legislature for consulting contracts exceeding a certain dollar amount; requires each agency to disclose new contracts with external consultants; requires annual reports to the Legislature; requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance; establishes exceptions; requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor.

Ms. Quiogue presented this bill to the Board to ensure it does not adversely affect the Program's implementation or maintenance. She highlighted that the bill, among other issues, could hinder the government's ability to engage consultants with highly technical and specialized skills and experience that current staff may lack. Furthermore, she noted that the Employees' Retirement System expressed significant concerns in its testimony, which should be considered by the Board.

Ms. Quiogue inquired with Deputy Attorney General Kam whether the partnership with Connecticut, particularly the use of Vestwell, would be affected by this bill.

Deputy Attorney General Kam advised that he did not believe the HRSP would be adversely affected by this bill concerning any projects with Vestwell. However, for other types of projects, such as marketing, if the contract exceeds a certain amount, there may be implications to consider.

Mr. Taniguchi inquired about the status of S.B. 1543, S.D. 2, Relating to Government Accountability, particularly regarding the timeline of when the bill did not progress further.

Ms. Quiogue informed the Board that the Senate Committee on Ways and Means passed the measure with amendments, the bill crossed over to the House but was not heard by the House Committee on Labor.

Ms. Quiogue recommended that the Board monitor this bill for now. Members agreed with her recommendation.

**Executive
Director's
Report:**

a. **Update on the Hawai'i Retirement Savings Program Budget**

Ms. Quiogue informed the Board that as of December 2025, the budget for the program is \$935,496.90.

Next Meeting: Tuesday, March 17, 2026, at 10 a.m.

In-Person Meeting Princess Ruth Ke'elikolani Building
Location: 830 Punchbowl Street, Room 321

Honolulu, Hawai'i 96813

Virtual Videoconference Meeting – Zoom Meeting

Adjournment: There being no further business, the meeting was adjourned at 10:58 a.m.

Taken and recorded by:

/s/ Ahlani K. Quiogue

Executive Director

- () Minutes approved as is.
- () Minutes approved with changes:

DRAFT



**III. Implementation of the
Hawai'i Retirement Savings
Program**



**Program Administrator Vestwell's
March 9, 2026, Startup Fee &
Rollout Recommendation for the
Hawai'i Retirement Savings
Program**



March 9, 2026

Start up fee

Vestwell strives to be a strong partner to our state programs. As we continue to launch and service state Auto IRA programs, we have gained a deeper understanding of the nuances in individual state requirements that drive the total administration of a state program.

In determining the startup fee for the Hawai'i Retirement Savings Program, we considered both our experience servicing partner state programs and the specific characteristics of Hawai'i's program design—particularly servicing a partner state program with a 1+ employee threshold and the scale of employer and employee communications required.

With the lower employee threshold, Vestwell will be communicating with and supporting significantly more employers, with a lower number of eligible employees than other partner state programs. Based on information provided by the State, approximately 64% of the employer population has an email address on file, which means a substantial portion of communications will require print mail outreach, increasing operational costs.

Taking these factors into account, the startup fee for the Hawai'i Retirement Savings Program is \$250,000. Vestwell understands the financial considerations associated with launching a new program and is willing to accommodate a split payment across Fiscal Year 2026 and Fiscal Year 2027.

We look forward to continuing to work together to move the Hawai'i Retirement Savings Program toward a successful launch.



March 9, 2026

Two-wave recommendation

Based on information provided to Vestwell by the State, approximately 33,000 employers may fall under the mandate. This employer population is larger than other partner states who have launched with one wave.

Historically, Vestwell has recommended a single-wave launch for states with smaller employer populations. However, based on our experience launching State Auto IRA programs with larger employer bases, we recommend a two-wave approach. This approach allows for more effective communication with employers and enables our teams to better support and service employers as notices are distributed.

Vestwell is fully committed to the successful launch of the Hawai'i Retirement Savings Program. To ensure a smooth rollout and maintain a high level of service for employers, we strongly recommend implementing a two-wave launch strategy.

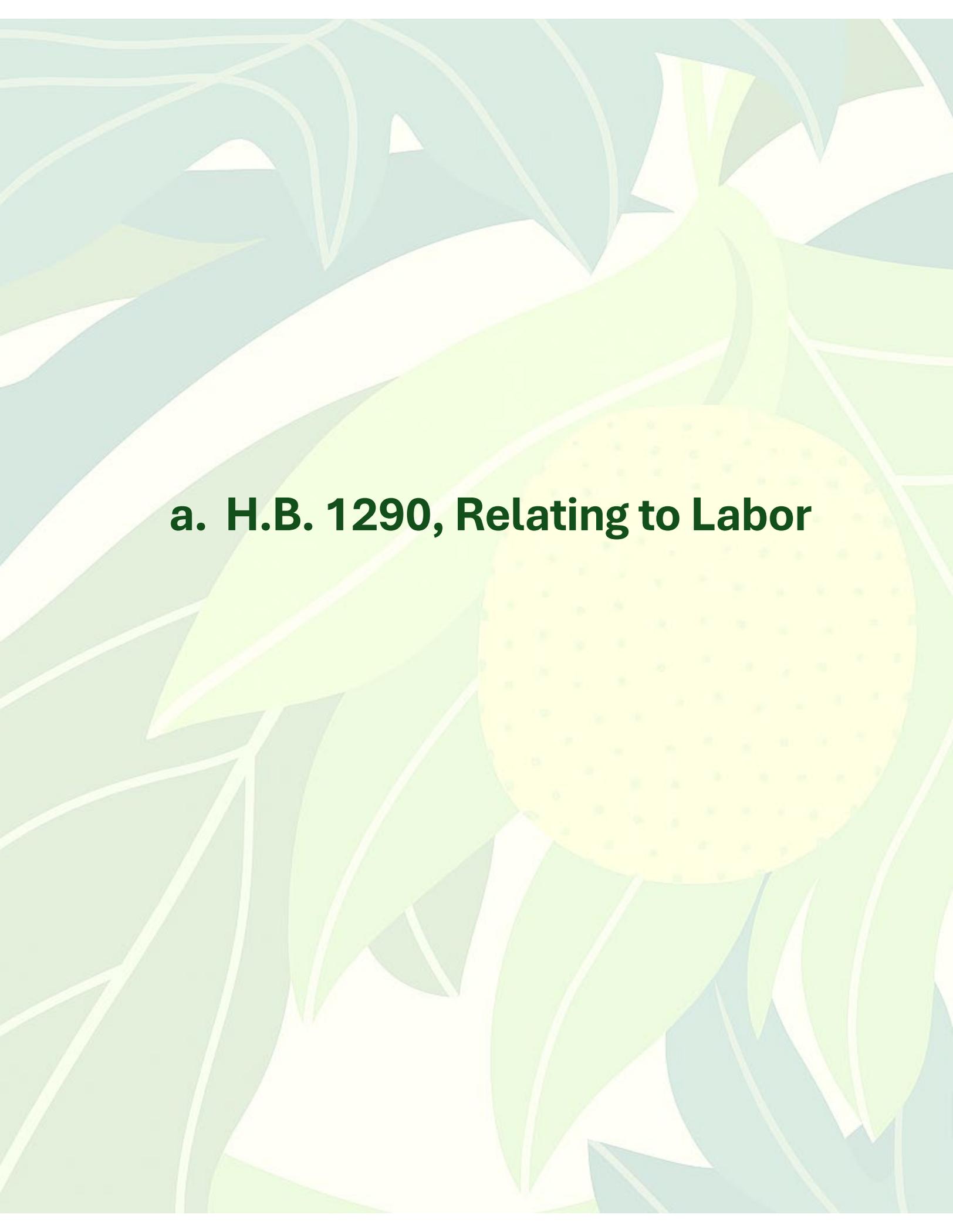
There is also flexibility in how the waves are structured. For example, Vestwell can accommodate employer deadlines that are 60 or 90 days apart, depending on the State's preferences and operational needs.

We look forward to partnering with the Hawai'i Retirement Savings Program to finalize a launch approach that ensures a smooth rollout and strong employer and employee support.



IV. 2026 Legislation

BILL NO.	REPORT TITLE	MEASURE TITLE	DESCRIPTION	LEGISLATIVE NOTES	STATUS	INTRODUCERS	CURRENT REFERRAL	COMPANION	BOARD NOTES
HRSP-SPECIFIC LEGISLATION									
HB1290	Labor; Portable Benefits; Gig Workers; Independent Contractors; DLIR; Appropriation	RELATING TO LABOR.	Establishes a Portable Benefits Program under the administration of a board of trustees to provide portable benefits to gig workers. Expands the Hawaii Retirement Savings Program to gig workers. Appropriates funds.	GIG WORKER - PARTICIPATION IN HRSP	H 1/27/2025: Referred to LAB, FIN, referral sheet 4	TEMPLO	LAB, FIN		Carry over from 2025. See attached bill briefing sheet.
BOARDS & COMMISSIONS-RELATED LEGISLATION									
HB2106 HD1	State Ethics Commission Package; Financial Disclosures; Requirements	RELATING TO FINANCIAL DISCLOSURES.	Expands the scope of persons who are subject to public financial disclosure requirements. Effective 7/1/2027. (HD1)	State Ethics Commission	H 3/5/2026: Passed Second Reading as amended in HD 1; placed on the calendar for Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Perruso excused (1).	NAKAMURA (Introduced by request of another party)	JHA	SB2246	
SB2246 SD1	State Ethics Commission Package; Financial Disclosures; Requirements	RELATING TO FINANCIAL DISCLOSURES.	Expands the scope of persons who are subject to public financial disclosure requirements. Effective 7/1/2027. (SD1)	State Ethics Commission	S 3/5/2026: 48 Hrs. Notice 03-10-26.	KOUCHI (Introduced by request of another party)	JDC	HB2106	
SB2248 SD2	State Ethics Commission Package; Financial Disclosures; Requirements	RELATING TO FINANCIAL DISCLOSURES.	Expands the scope of persons who are required to file financial disclosures to include gubernatorial nominees subject to Senate confirmation. Makes technical amendments relating to legislators. (SD2)	State Ethics Commission	S 3/5/2026: 48 Hrs. Notice 03-10-26.	KOUCHI (Introduced by request of another party)	JDC, WAM	HB2108	
OTHER									
SB2662 SD2	Auditor; External Consultants; Purchasing Agencies; Disclosure Requirements; Spending Caps; Audit; Exceptions; Reports	RELATING TO GOVERNMENT ACCOUNTABILITY.	Requires each purchasing agency to provide justification for hiring external consultants. Caps the amount each agency can spend on external consultants. Requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount. Requires each agency to disclose new contracts with external consultants. Requires annual reports to the Legislature. Requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance. Establishes exceptions. Requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor.	RELATING TO GOVERNMENT ACCOUNTABILITY.	S 1/26/2026: Passed First Reading.	KIM, DECORTE, HASHIMOTO, KIDANI, MCKELVEY, Chang, Lamosao, Wakai	GVO, WAM		Note that this measure is very similar to SB1543 (carry over from 2025). At the Board's February 10, 2026, meeting, the Board decided to monitor this bill.



a. H.B. 1290, Relating to Labor



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HB1290

Measure Title: RELATING TO LABOR.

Report Title: Labor; Portable Benefits; Gig Workers; Independent Contractors; DLIR; Appropriation (\$)

Description: Establishes a Portable Benefits Program under the administration of a board of trustees to provide portable benefits to gig workers. Expands the Hawai'i Retirement Savings Program to gig workers. Appropriates funds.

Companion: 

Package: None

Current Referral: LAB, FIN

Introducer(s): TEMPLO

Sort by Date		Status Text
12/8/2025	D	Carried over to 2026 Regular Session.
1/27/2025	H	Referred to LAB, FIN, referral sheet 4
1/23/2025	H	Introduced and Pass First Reading.
1/22/2025	H	Pending introduction.

S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.



HOUSE OF REPRESENTATIVES
THIRTY-THIRD LEGISLATURE, 2025
STATE OF HAWAII

H.B. NO. 1290

A BILL FOR AN ACT

RELATING TO LABOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that gig workers are
2 independent contractors or freelancers who typically do short-
3 term work for multiple clients. The gig work may be project-
4 based, hourly or part-time, and can either be an ongoing
5 contract or a temporary position.

6 Due to new labor market dynamics and technological
7 innovations, the enlistment of gig workers is increasingly more
8 popular. By some estimates, over one-third of United States
9 workers now participate in the gig economy. In Hawaii, reports
10 have estimated that there are more than one hundred ten thousand
11 gig workers in the State. Of these gig workers, the highest
12 proportion are between the ages of eighteen and twenty-nine.

13 The legislature further finds that due to their
14 classification as independent contractors, gig workers are
15 generally excluded from a litany of employee benefits and
16 protections, ranging from paid leave and retirement plans to
17 workers' compensation and health insurance. These benefits are



1 critical to individual and household financial security and, in
 2 their absence, workers and their families are at greater risk of
 3 income and expense volatility.

4 The legislature finds that it is in the best interests of
 5 the people of the State to ensure that these benefits are
 6 extended to gig workers to ensure economic stability. In
 7 devising the new provision of benefits, the benefits should be
 8 independent of the employers and connected to the individual
 9 worker. Furthermore, the benefits would be portable, taken from
 10 job to job without interruption in coverage or loss of funding.

11 Accordingly, the purpose of this Act is to establish a
 12 program of portable benefits for gig workers.

13 SECTION 2. The Hawaii Revised Statutes is amended by
 14 adding a new chapter to be appropriately designated and to read
 15 as follows:

16 "CHAPTER

17 PORTABLE BENEFITS PROGRAM

18 § -1 **Definitions.** As used in this chapter, unless the
 19 context otherwise requires:

20 "Board" means the board of trustees of the portable
 21 benefits program established under section -2.



1 "Contracting agent" means a business, organization,
2 corporation, limited liability company, partnership, sole
3 proprietor, or any other entity that facilitates the provision
4 of services by workers to consumers seeking the services and
5 makes payments to workers, where the provision of services is
6 taxed as an independent contractor, using federal Internal
7 Revenue Service form 1099.

8 "Department" means the department of labor and industrial
9 relations.

10 "Principal" means a person or company engaged in the
11 business of manufacturing, who:

12 (1) Manufactures, produces, imports, or distributes a
13 product for wholesale;

14 (2) Contracts with a sales representative to solicit
15 orders for the product; and

16 (3) Compensates the sales representative in whole or in
17 part by commission.

18 "Qualified benefit provider" means a benefit provider that
19 is eligible to provide benefits to workers of contracting agents
20 pursuant to this act.



1 "Worker" means a person who provides services to consumers
 2 through a contracting agent. "Worker" does not include:

- 3 (1) Any person who contracts to solicit orders in the
 4 State as the sales representative of a principal; or
- 5 (2) Any person subject to a collective bargaining
 6 agreement that specifies wages, terms, and conditions
 7 of employment.

8 § -2 **Portable benefits program board of trustees;**
 9 **establishment.** (a) There is established within the department
 10 for administrative purposes only, a portable benefits program
 11 board of trustees to implement and administer a portable
 12 benefits program for workers.

13 (b) The board shall consist of nine trustees appointed by
 14 the governor in accordance with section 26-34. The trustees
 15 shall elect from among the members a chair, vice-chair, and
 16 secretary-treasurer.

17 (c) A simple majority of trustees shall constitute quorum
 18 to do business. Any action taken by the board shall be approved
 19 by a simple majority of the trustees present. Any vacancy on
 20 the board shall not impair the authority of the remaining
 21 trustees to exercise all the powers of the board. All decisions



H.B. NO. 1290

1 of the board shall be reduced into writing and shall state
2 separately the board's findings of fact and conclusions.

3 (d) Each trustee shall serve without compensation, but the
4 trustees may be reimbursed for any reasonable expenses incurred
5 in carrying out the purposes of the chapter.

6 (e) The board, or its co-chairs with the approval of the
7 board, may employ an executive director exempt from chapters 76
8 and 89, and other staff necessary to perform its duties.

9 § -3 **Portable benefits program.** There is established
10 within the department for administrative purposes only, a
11 portable benefits program. The program shall be administered by
12 the board, in consultation with the department. The board may
13 determine the time frame for the development and implementation
14 of the program.

15 § -4 **Selection of qualified benefit providers.** The
16 board shall adopt rules for organizations to become qualified
17 benefit providers. At a minimum, the rules governing qualified
18 benefit providers shall require that the following criteria are
19 met:

20 (1) The organization shall be a credit union chartered
21 under article 10 of chapter 412;



1 (2) The organization shall be independent from all
2 business entities, organizations, corporations, or
3 individuals that would pursue any financial interest
4 in conflict with that of the workers;

5 (3) All action of the organization regarding provision of
6 benefits shall be for the sole purpose of maximizing
7 benefits to the covered workers; and

8 (4) The board of directors of the organization shall hold
9 a fiduciary duty to the workers with respect to
10 provision of benefits.

11 § -5 Rules. The board shall establish rules pursuant to
12 chapter 91 to implement and administer this chapter, including:

13 (1) If appropriate, modifying any provision of this
14 chapter, including any modification to the minimum
15 contribution amount;

16 (2) Monitoring compliance of contracting agents;

17 (3) Monitoring qualified benefit providers, including the
18 ability to remove providers that are out of compliance
19 with the criteria established under this chapter;

20 (4) Establishing a fee on contracting agents to fund the
21 board's compliance efforts;



1 (5) Administering workers' compensation coverage for
2 workers under this chapter; and

3 (6) Providing procedures for workers to select qualified
4 benefit providers, to change their selections
5 annually, and to receive notices of the right to
6 select different qualified benefit providers.

7 § -6 Contributions. (a) Contracting agents that have
8 facilitated the provision of services by at
9 least individual workers in a consecutive twelve-
10 month period shall contribute funds to qualified benefit
11 providers to provide benefits to the workers of the contracting
12 agents. The requirement to contribute funds under this chapter
13 shall only apply when the services are provided to consumers
14 located in the State.

15 (b) The contribution amount shall be the lesser
16 of per cent of the total fee collected from the consumer
17 for each transaction of services provided or \$ for
18 every hour that the worker provided services to the consumer.
19 If determined per hour, then the determination shall be prorated
20 per minute.



H.B. NO. 1290

1 (c) The contribution amount required under this section
 2 may be added to the invoice or bill submitted to the consumer
 3 for the services.

4 (d) Contributions shall be made to the qualified benefit
 5 provider on no less than a monthly basis and no later than
 6 fifteen days after the end of the month in which the services
 7 were provided.

8 (e) Contributions shall indicate the assigned amount per
 9 worker per transaction, according to the following:

10 (1) If a single worker provided services for a
 11 transaction, the entire contribution is assigned to
 12 that worker; or

13 (2) If multiple workers provided services for a
 14 transaction, the contribution is assigned
 15 proportionately to those workers.

16 § -7 **Qualified benefit providers.** (a) Based on the
 17 contributions received under section -6, qualified benefit
 18 providers shall ensure that benefits are provided to workers as
 19 set forth in this section.

20 (b) Qualified benefit providers shall provide workers'
 21 compensation insurance pursuant to chapter 386 to those workers



1 entitled to benefits based on contributions made under
2 section -6.

3 (c) In addition to workers' compensation insurance,
4 qualified benefit providers shall provide some or all of the
5 benefits set forth in this subsection. Qualified benefit
6 providers shall solicit input from workers on their benefits,
7 and shall allow workers to choose from available benefits or
8 allocate the contributions among the following benefits:

9 (1) Health insurance, including but not limited to
10 subsidies to purchase health insurance;

11 (2) Paid time off;

12 (3) Retirement benefits; and

13 (4) Other benefits determined by the qualified benefit
14 providers, on behalf of the workers.

15 (d) Qualified benefit providers shall negotiate with labor
16 organizations that have workers as associate members. Any
17 public or private labor organization may establish an associate
18 member program allowing for the enrollment of workers for the
19 purposes of negotiating portable benefits under this chapter.



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1 (e) Qualified benefit providers may use up to per
2 cent of the contribution funds received for administration of
3 benefits.

4 § -8 **Enrollment.** A worker entitled to benefits under
5 this chapter shall select a qualified benefit provider and shall
6 be given the option to change that selected qualified benefit
7 provider once per year. Workers shall be provided information
8 regarding available qualified benefit providers in a format that
9 allows them to easily select their chosen qualified benefit
10 provider.

11 § -9 **Private cause of action.** In addition to remedies
12 provided by the board to a worker for a contracting agent's
13 noncompliance, a worker may bring a private cause of action
14 against a contracting agent for the contracting agent's failure
15 to comply with the contribution requirements under
16 section -6.

17 § -10 **Relation to chapter 383.** The requirements on
18 contracting agents and the benefits provided to workers under
19 this chapter shall not be considered in determinations of a
20 worker's employment status or a contracting agent's employment
21 relationship to the worker under chapter 383."



H.B. NO. 1290

1 SECTION 3. Chapter 389, Hawaii Revised Statutes, is
 2 amended by adding a new section to be appropriately designated
 3 and to read as follows:

4 "§389- Contracted workers. (a) Contracted workers
 5 shall be permitted to participate in the program pursuant to
 6 rules adopted by the board determining the contribution rates
 7 for contracted workers and the procedures for contracted workers
 8 to participate in the program.

9 (b) As used in this section:

10 "Contracting agent" means a business, organization,
 11 corporation, limited liability company, partnership, sole
 12 proprietor, or any other entity that facilitates the provision
 13 of services by contracted workers to consumers seeking the
 14 services and makes payments to contracted workers, where the
 15 provision of services is taxed as an independent contractor,
 16 using federal Internal Revenue Service form 1099.

17 "Contracted worker" means a person who provides services to
 18 consumers through a contracting agent. "Contracted worker" does
 19 not include:

20 (1) Any person who contracts to solicit orders in the
 21 State as the sales representative of a principal; or



H.B. NO. 1290

1 (2) Any person subject to a collective bargaining
 2 agreement that specifies wages, terms, and conditions
 3 of employment.

4 "Principal" means a person or company engaged in the
 5 business of manufacturing, who:

6 (1) Manufactures, produces, imports, or distributes a
 7 product for wholesale;

8 (2) Contracts with a sales representative to solicit
 9 orders for the product; and

10 (3) Compensates the sales representative in whole or in
 11 part by commission."

12 SECTION 4. There is appropriated out of the general
 13 revenues of the State of Hawaii the sum of \$ or so
 14 much thereof as may be necessary for fiscal year 2025-2026 and
 15 the same sum or so much thereof as may be necessary for fiscal
 16 year 2026-2027 for the purpose of this Act.

17 The sums appropriated shall be expended by the department
 18 of labor and industrial relations for the purposes of this Act.

19 SECTION 5. This Act shall take effect on January 1, 2026;
 20 provided that section 4 shall take effect on July 1, 2025.

21



H.B. NO. 1290

INTRODUCED BY:

A. J. Engle

JAN 22 2025



H.B. NO. 1290

Report Title:

Labor; Portable Benefits; Gig Workers; Independent Contractors;
DLIR; Appropriation

Description:

Establishes a Portable Benefits Program under the administration of a board of trustees to provide portable benefits to gig workers. Expands the Hawaii Retirement Savings Program to gig workers. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



HB1290 vs State Auto-IRA Programs

Board Briefing: Statutory Comparison & Key Differences

Snapshot: Gig Worker Treatment in Leading State Programs

State	Program Type	Gig Worker Access	Statutory Citation
California (CalSavers)	Auto-IRA (Roth)	Voluntary self-enrollment for self-employed/gig workers; mandatory facilitation applies to W-2 employers	Cal. Gov't Code §§100000–100050
Oregon (OregonSaves)	Auto-IRA (Roth)	Voluntary self-enrollment for self-employed/gig workers; employers must facilitate for employees	ORS §§178.200–178.255
Colorado (SecureSavings)	Auto-IRA (Roth & Traditional)	Voluntary self-enrollment permitted; employer mandate covers W-2 employees	C.R.S. §§24-54.3-101–111
Maryland (MarylandSaves)	Auto-IRA (WorkLife Account)	Voluntary self-enrollment; employer requirement with SDAT fee waiver	Md. Corps & Ass'ns §1-203
New York (Secure Choice)	Auto-IRA (Roth)	No explicit gig mandate ; applies to W-2 employees of covered employers	N.Y. Gen. Bus. Law §§1300–1316
Washington (Washington Saves)	Auto-IRA	Employee-focused mandate; marketplace	RCW ch.19.05

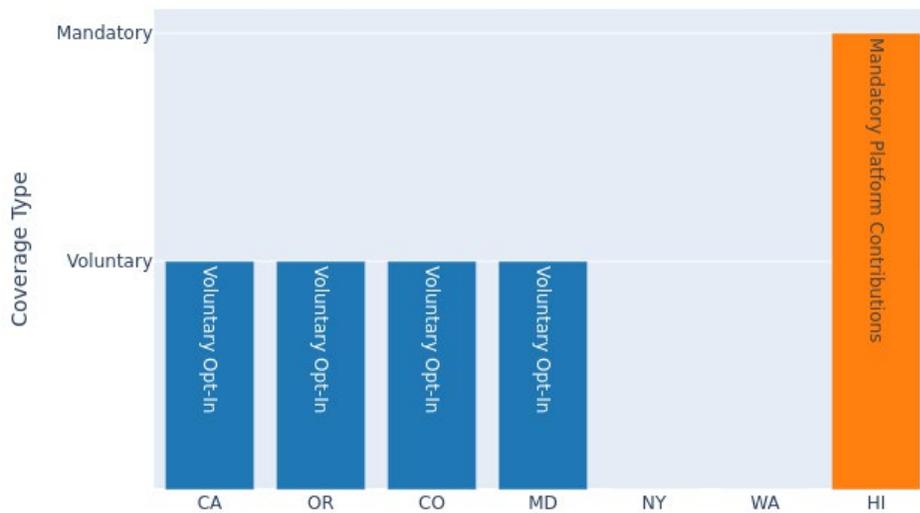
		modernized; launch 2027	
Hawaii (HB1290)	Portable Benefits Program	Gig workers covered; contracting agents must contribute; worker-selected providers	HB1290 (2025–26)

Key Differences of HB1290

- Mandatory contributions from gig platforms (contracting agents)
- Portable benefits menu (retirement + health + PTO)
- Worker choice and portability across gigs
- Compliance tools and private right of action
- Gig worker coverage is core, not optional

Visual: Gig Worker Coverage Model

Gig Worker Coverage Model by State



Who Lacks Access to Retirement Savings?

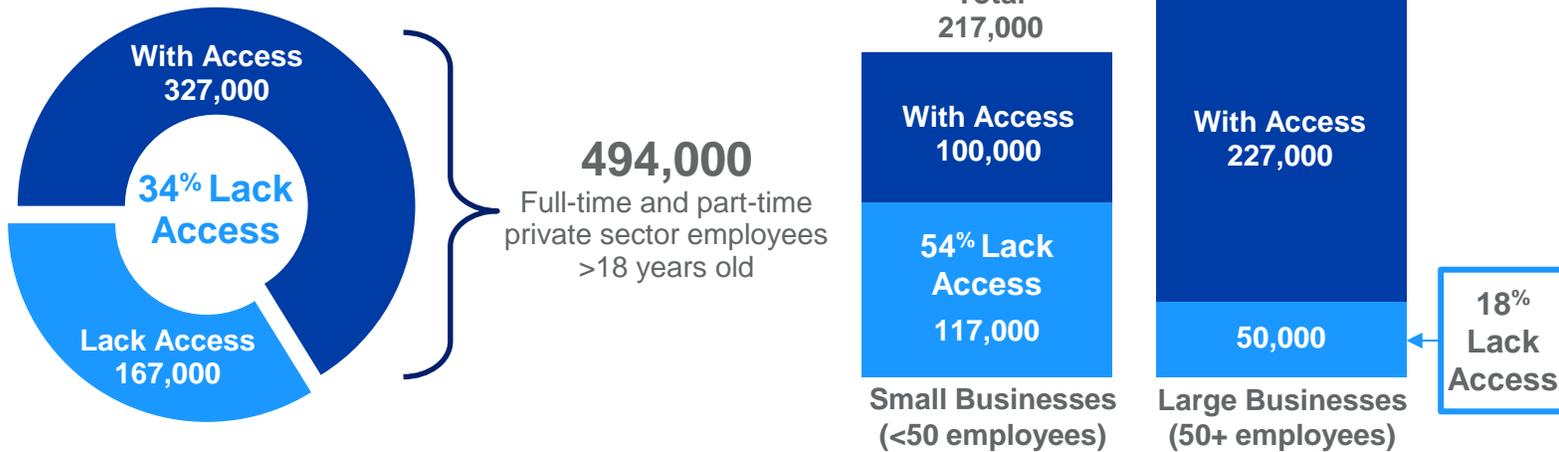
Private sector workers are much more likely to save for retirement if they have access to employer-sponsored retirement savings plans, but employers are not required to offer them. As a result, nearly half (47%) of U.S. private sector workers over the age of 18 lack access to such a plan.¹ In Hawaii, a smaller share of private sector workers lacks such access (34%) when compared with the national average (47%).

State-facilitated retirement savings programs adopted across the country demonstrate the potential to increase savings options for the 167,000 Hawaii employees who lack access. Hawaii recently enacted the Hawaii Retirement Savings Program. Such programs have been shown to expand coverage through worker participation and indirectly contribute to new private sector employer plan formation reaching even more workers. While progress is being made, a gap remains between those with access and those who still lack access.

Many Employees Lack Access to an Employer-Sponsored Retirement Savings Plan...

Workplace Access to Retirement Savings Among Private Sector Employees in Hawaii, 2023²

- Have Access at Work
- Lack Access at Work



Hawaii has 24,000 small businesses with employees.³ Employees at these businesses are less likely than those working at larger firms to have access to retirement savings through their workplaces.

...while Gig Workers Represent Another Significant Population Lacking Access

“Gig economy” workers with non-traditional employment arrangements are less likely to have access to workplace retirement savings options.⁴ Access for this population is growing in importance as work arrangements change and this segment of the workforce grows.⁵



Notes:

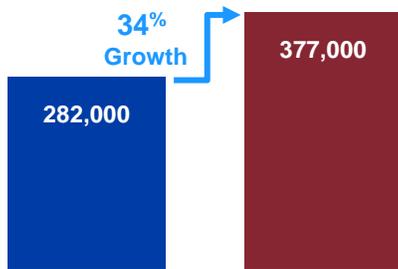
1: ESI Analysis of Census Bureau (2022-2024) and BLS Data (2024); 2: ESI Analysis of Census Bureau (2022-2024) and BLS Data (2024). Results may not sum precisely due to rounding; 3: U.S. Small Business Administration (2024); 4: Gig workers include independent contractors, on-call, temporary, and contingent workers, as defined by the BLS; 5: Collins, et al., “Is Gig Work Replacing Traditional Employment? Evidence from Two Decades of Tax Returns” (2019); 6: ESI Analysis of BLS Data (2023) and Census NES Data (2022).

Why Do Retirement Savings Matter?

Too many of the elderly in Hawaii already rely almost exclusively on Social Security. Because Hawaii's senior population will grow significantly, boosting private retirement savings is crucial to supporting a better quality of life for seniors and greater economic activity from their household spending, while constraining growth in the costs of government support programs.

Hawaii's Aging Population...

Growth of Population 65 and Older:
2020–2040¹



...Already Relies Heavily on Social Security...

Share of Elderly Households Relying on Social Security for at Least 90% of Their Income²



...and Benefit Programs

Median Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients in Hawaii³



State-facilitated retirement programs provide a simple pathway for workers without employer-sponsored plans to save for retirement. These programs, most often designed as automatic enrollment individual retirement accounts (Auto-IRAs), make saving easy and automatic while giving workers full control to adjust their contribution levels or opt out at any time.

The new federal Saver's Match provides additional support for eligible low- and moderate-income workers, including those saving through these state programs. It has the potential to boost retirement savings and income for millions of Americans and help supplement Social Security benefits, which today average \$23,150 per year.⁴

Worker Contributions + Saver's Match Provide Additional Income for Retirement

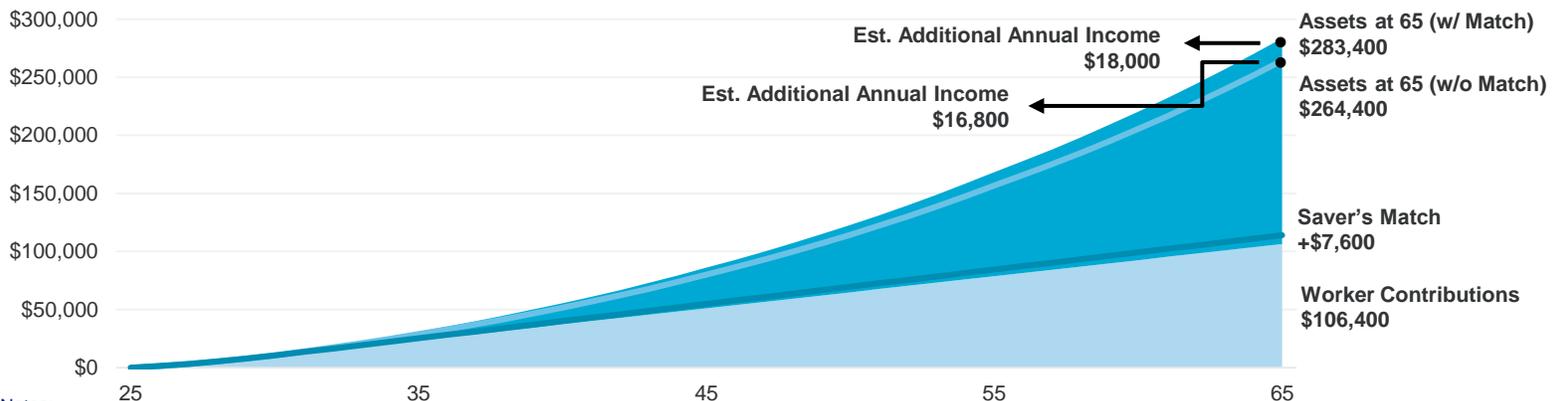


NAME: Jane Doe
OCCUPATION: Server
AGE: 25
ANNUAL INCOME: \$32,600
SAVINGS CONTRIBUTION: 5% of income to start, growing 1% annually to 10% cap
MARKET RETURN: Inflation adjusted annual return of 4.0% - 5.4%, adjusted for fees

Using the most common state Auto-IRA program defaults, Jane would contribute \$106,400 to her retirement account over a 40-year career. The Saver's Match could add \$7,600 in contributions.

By age 65, Jane's assets could grow to \$283,400, providing her with \$18,000 each year in retirement through an immediate annual fixed annuity to supplement her Social Security Income.

Potential Supplemental Income Available at Age 65 for a Saver With and Without the Saver's Match⁵



Notes: 1: University of Virginia Population Projections (2024); 2: ESI Analysis of Current Population Survey Data (2022-2024); 3: Centers for Medicaid and Medicare Services (2021-2022); 4: Social Security Administration, "Monthly Statistical Snapshot," Table 2 (Jan. 2025); 5: ESI simulation of asset growth over time for a worker in the food service industry in the state following Auto-IRA savings defaults.



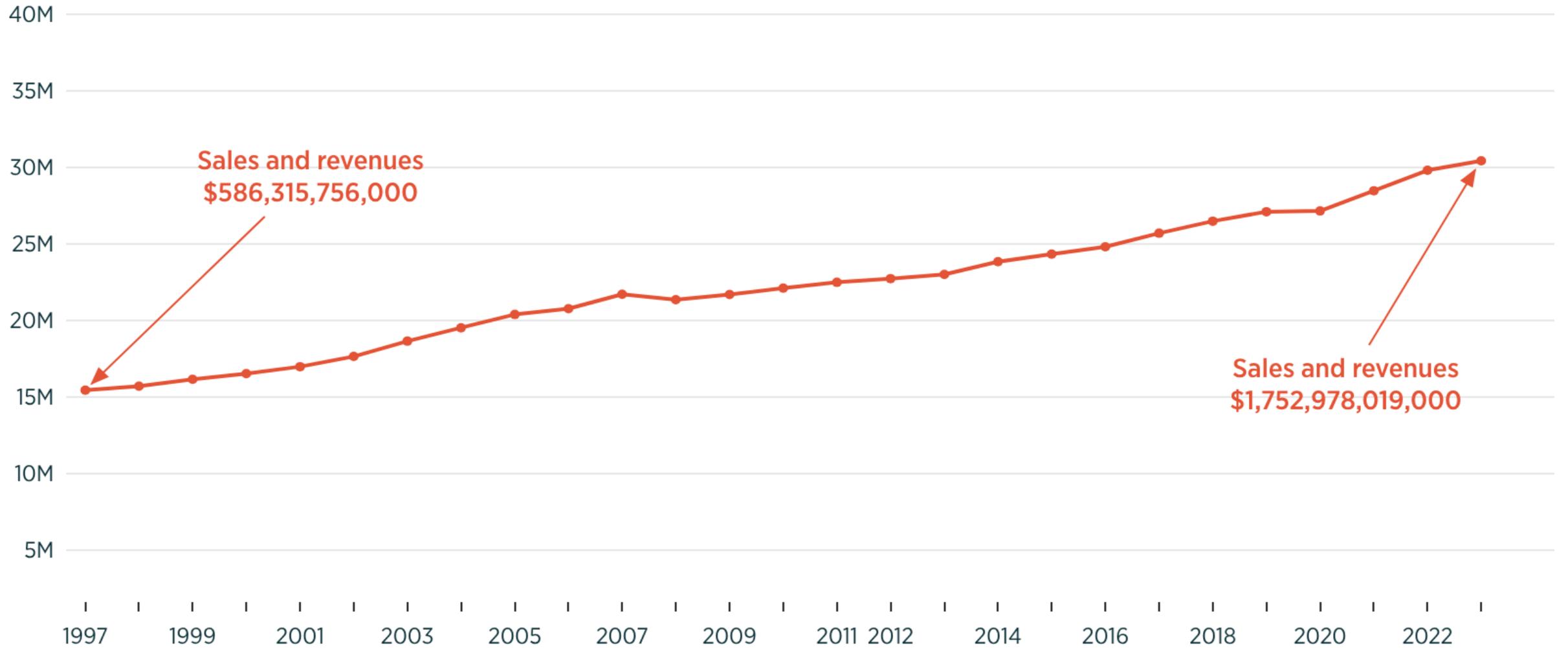
Portable Benefits

Unpacking Voluntary Portable Benefits Framework & State Auto-IRAs

Dr. Liya Palagashvili
Senior Scholar and Director of Labor Policy
Mercatus Center, George Mason University

Growth in Self-employment in the USA, 1997 to 2023

Number of self-employed establishments



Source: US Census Bureau, *Nonemployer Statistics (NES)*, last modified May 9, 2024, <https://www.census.gov/programs-surveys/nonemployer-statistics.html>.

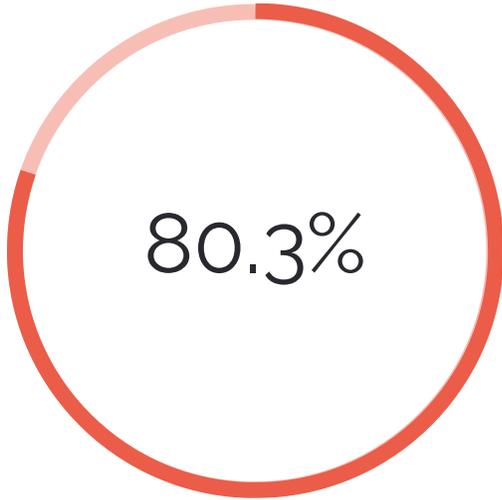
Independent Workers Across The U.S.

Top 10 Independent Work Industries

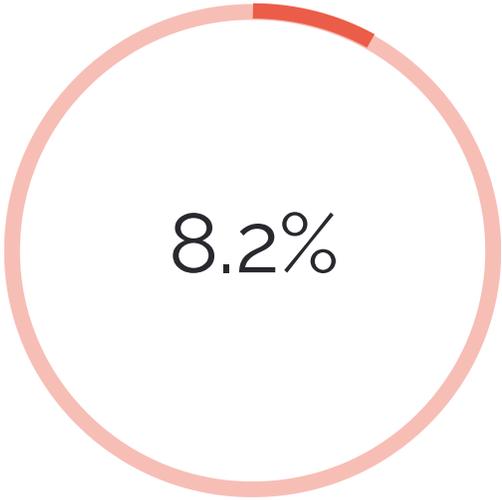
1. Professional, Scientific, and Technical	6. Retail Trade
2. Real Estate & Rental Leasing	7. Administrative & Support Services
3. Transportation & Warehousing	8. Health Care & Social Assistance
4. Construction	9. Arts, Entertainment, Recreation
5. Other Services (e.g., repair, personal care)	10. Finance & Insurance

Source: U.S. Census Bureau, Nonemployer Statistics

Self-Employed Workers Prefer Their Work Arrangements



Prefer their **self-employment** arrangement



Desire to **change** their work arrangement

Source: U.S. Bureau of Labor Statistics, *Contingent and Alternative Work Arrangements*, 2023

Self-Employed Workers Desire Access to **Portable Benefits**

81%



Self-employed workers who want portable benefits

Independent Workers & Retirement Savings

- **About 54% of nontraditional workers lacked access to any workplace retirement plan** (*Pew Research*)
 - Among nontraditional workers without any traditional job, 70.2% lacked access to a workplace retirement plan
 - 66.1% lacked access to a workplace defined plan

Voluntary Portable Benefits Framework



- **Problem:** Currently, a hiring entity that provides an independent worker with benefits is exposed to legal risk
- **A solution: Regulatory change to allow independent workers to receive these benefits or contributions**
 - Stipulate that state agencies cannot use the presence of benefits to determine whether a worker is an employee or independent contractor
 - This removes a legal barrier and allows hiring parties to voluntarily provide benefits to independent workers without legal risk
- Does **NOT** create a new program or insurance plan

Overview: Voluntary Portable Benefits Safe Harbor



No Mandates

Enables voluntary participation from both workers and hiring parties



No fiscal impact

Has no impact on the budget



Third Party Provider

Workers hold accounts with a third party provider and hiring parties as well as workers can make contributions into those accounts



Removes state legal barriers

Legalizes access to benefits for self-employed workers

How Portable Benefits Programs Work

1. Companies work with a third party (e.g. Stride, local bank) to define bespoke portable benefits programs.

Define participant eligibility, contribution amounts, and disbursement cadence.

2. Eligible workers open Benefits Savings Accounts (at no cost).

Free accounts enable workers to centralize their own benefits and contributions from multiple companies,

3. Companies direct contributions into worker Accounts via a benefits administration platform.

Eligibility driven by each company, can be on monthly or quarterly cadence.

4. Individual workers choose their own benefits based on personal needs.

Workers can shop, enroll and set up automatic premium payments across benefits including:



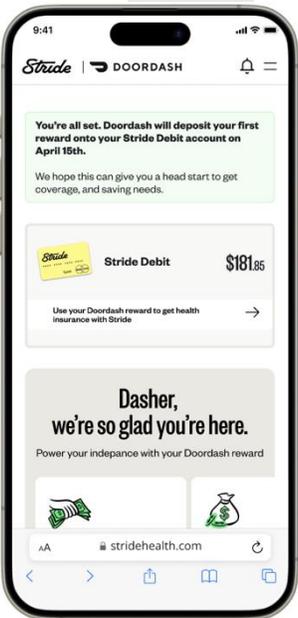
Live in **Pennsylvania** and **Georgia**, contributing 4% of monthly earnings



Live in **Utah**, contributing 7% of quarterly earnings



Live in **Utah**, contributing 4% of quarterly earnings



Portable Benefits Account



Health Insurance



Retirement



Other Insurance

(Dental, Vision, Life, Disability)



Paid Time off



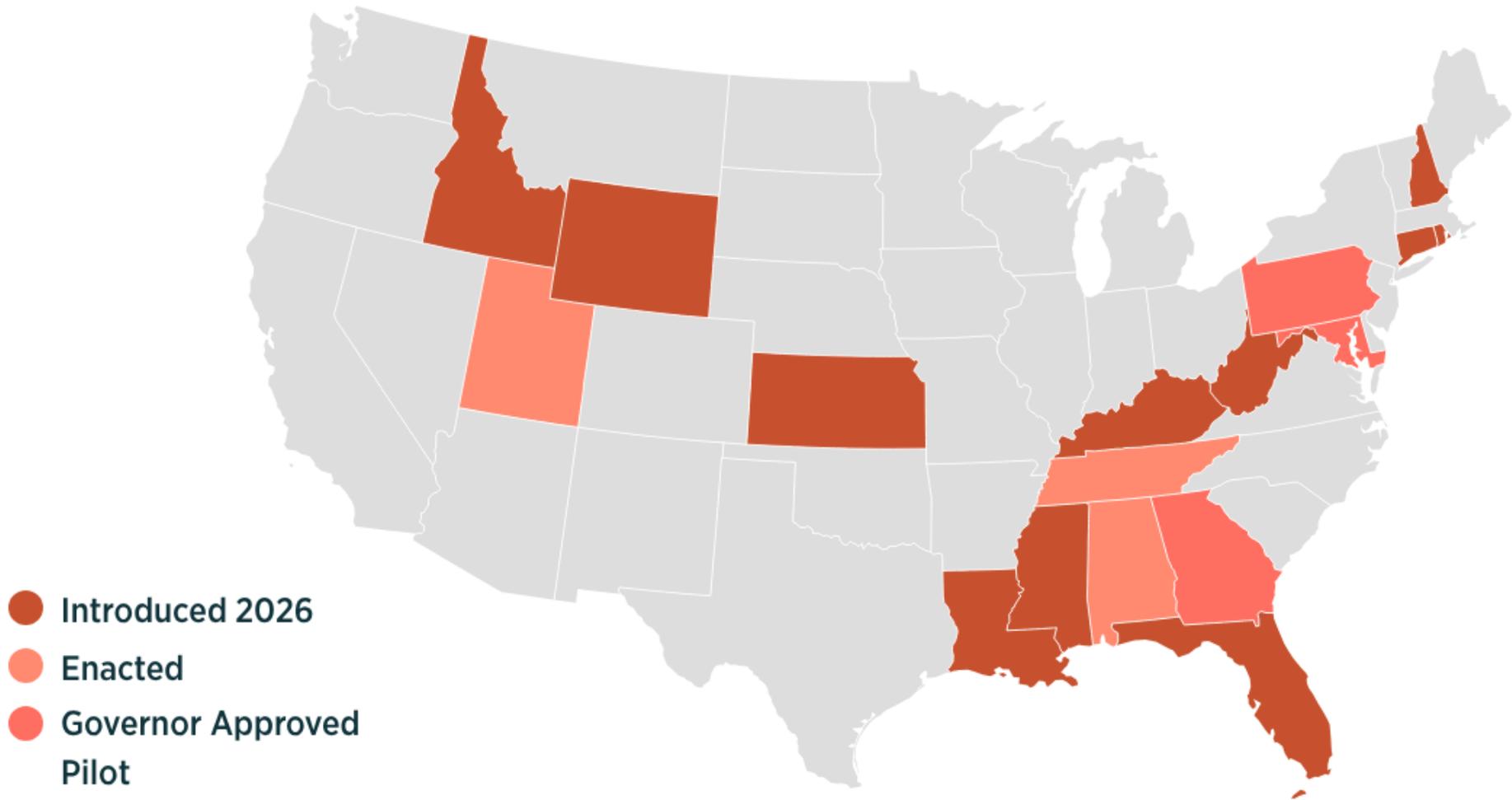
Emergency Savings

Benefits Savings Accounts are "portable" and stay with workers regardless of where or how they work.

Portable Benefits & Auto IRA Overview

- The portable benefits account is **worker-owned**, and the worker can **elect** to route funds to an IRA (including the state auto-IRA) as a **voluntary transfer**
- Portable benefits vendors/accounts allow a worker to send contributions into their IRA (including the state IRA) via worker-directed transfer
 - **Avoids ERISA risk**
- This can help expand the state program's reach to independent workers

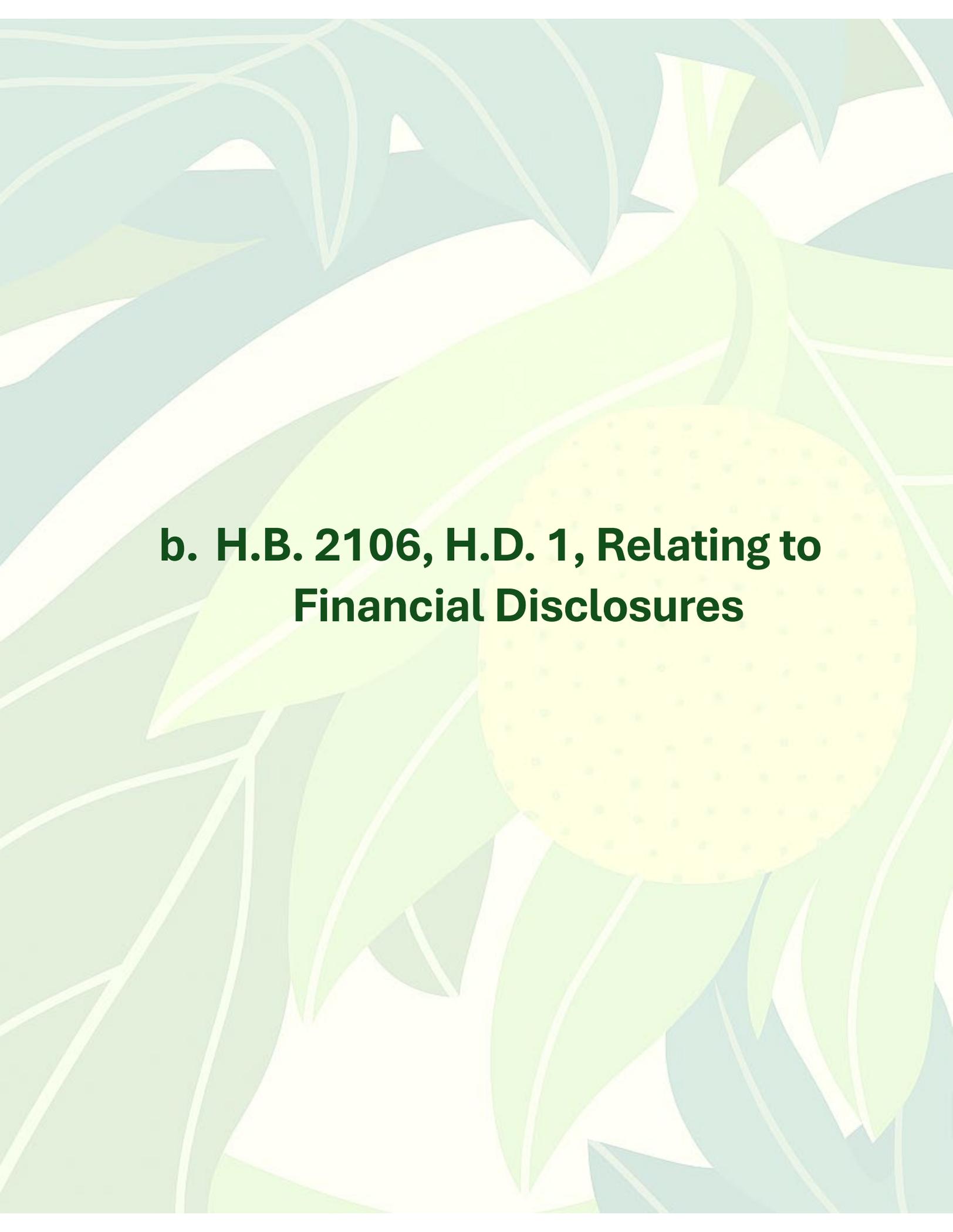
State Momentum in Voluntary Portable Benefits Reforms



Introduced in 2026: Connecticut, Florida, Georgia, Idaho, Kansas, Kentucky, Louisiana, Mississippi, New Hampshire, Rhode Island, West Virginia, and Wyoming; **Enacted:** Alabama, Tennessee, and Utah; **Pilot programs:** Georgia, Maryland, and Pennsylvania.

Contact Information

Liya Palagashvili
Lpalagashvili@mercatus.gmu.edu



**b. H.B. 2106, H.D. 1, Relating to
Financial Disclosures**



HB2106 HD1

Measure Title: RELATING TO FINANCIAL DISCLOSURES.

Report Title: State Ethics Commission Package; Financial Disclosures; Requirements

Description: Expands the scope of persons who are subject to public financial disclosure requirements. Effective 7/1/2027. (HD1)

Companion: [SB2246](#)

Package: State Ethics Commission



Current Referral: JHA

Introducer(s): NAKAMURA (Introduced by request of another party)

<u>Sort by Date</u>		Status Text
3/10/2026	H	Passed Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Kong, Pierick excused (2). Transmitted to Senate.
3/5/2026	H	Passed Second Reading as amended in HD 1; placed on the calendar for Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Perruso excused (1).
3/5/2026	H	Reported from JHA (Stand. Com. Rep. No. 913-26) as amended in HD 1, recommending passage on Second Reading and placement on the calendar for Third Reading.
2/19/2026	H	The committee on JHA recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 10 Ayes: Representative(s) Tarnas, Poepoe, Belatti, Cochran, Hashem, Kahaloe, Sayama, Takayama, Garcia, Shimizu; Ayes with reservations: none; Noes: none; and Excused: none.

2/13/2026	H	Bill scheduled to be heard by JHA on Thursday, 02-18-2026 in House conference room 325 VIA VIDEOCONFERENCE.
1/28/2026	H	Referred to JHA, referral sheet 4
1/26/2026	H	Introduced and Pass First Reading.
1/23/2026	H	Pending introduction.

S = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

HB2106 HD1



A BILL FOR AN ACT

RELATING TO FINANCIAL DISCLOSURES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to strengthen public
2 trust in government by expanding the categories of boards and
3 commissions whose members are required to file public financial
4 disclosure statements under section 84-17, Hawaii Revised
5 Statutes, and by including in public disclosure requirements the
6 executive directors and executive officers for those boards and
7 commissions. Under existing law, public financial disclosure is
8 required for members of certain state boards and commissions
9 whose duties involve significant regulatory authority, fiduciary
10 responsibility, or oversight of substantial public resources.
11 However, several boards and commissions that manage large sums
12 of public funds, exercise significant financial discretion, or
13 make decisions with substantial economic impact are not
14 currently included in the statute's public disclosure
15 requirements.

16 This Act addresses that gap. It adds to the public
17 disclosure list:



1 (1) Members of additional boards and commissions that
 2 oversee or control substantial state moneys,
 3 investments, or expenditures; and

4 (2) The executive directors or executive officers of those
 5 same boards and commissions, who, as state employees
 6 entrusted with day-to-day financial or operational
 7 authority, should be subject to the same transparency
 8 expectations.

9 By including both members and chief executive officers of
 10 influential boards and commissions, this Act ensures that the
 11 individuals exercising the greatest influence over high-value
 12 public resources are covered by uniform disclosure standards.
 13 Public financial disclosure helps identify and prevent conflicts
 14 of interest, promotes accountability, and reinforces the
 15 public's confidence that state decision-makers act in the public
 16 interest.

17 Accordingly, the purpose of this Act is to require public
 18 financial disclosure statements from members and executive
 19 leadership of specified boards and commissions having broad
 20 budgetary, investment, or expenditure authority.



1 SECTION 2. Section 84-17, Hawaii Revised Statutes, is
2 amended by amending subsections (b), (c), and (d) to read:

3 "(b) The disclosure of financial interests required by
4 this section shall be filed:

5 (1) By any person enumerated in subsection (c), except a
6 member of the legislature, between January 1 and
7 May 31 of each year;

8 (2) By a member of the legislature between January 1 and
9 January 31 of each year;

10 (3) Within thirty days of a person's election or
11 appointment to a state position enumerated in
12 subsection (c); or

13 (4) Within thirty days of separation from a state position
14 if a prior financial disclosure statement for the
15 position was not filed within [~~the one hundred eighty~~
16 ~~days~~] twelve months preceding the date of separation;

17 provided that candidates for state elective offices or the
18 constitutional convention shall file the required statements no
19 later than ten days after the nomination filing deadline
20 established pursuant to section 12-6.



1 (c) The following persons, regardless of the titles by
2 which the foregoing persons are designated, shall file annually
3 with the state ethics commission a disclosure of financial
4 interests:

5 (1) The governor, lieutenant governor, members of the
6 legislature, and delegates to the constitutional
7 convention; provided that delegates to the
8 constitutional convention shall only be required to
9 file initial disclosures;

10 (2) The directors and their deputies, the division chiefs,
11 the executive directors, and the executive
12 [secretaries] officers and their deputies, the
13 purchasing agents, and the fiscal officers[~~7~~
14 ~~regardless of the titles by which the foregoing~~
15 ~~persons are designated,~~] of every state agency and
16 department;

17 (3) The permanent employees of the legislature and its
18 service agencies, other than persons employed in
19 clerical, secretarial, or similar positions;

20 (4) The administrative director of the State, and the
21 assistants in the office of the governor and



- 1 lieutenant governor, other than persons employed in
2 clerical, secretarial, or similar positions;
- 3 (5) The hearings officers of every state agency and
4 department;
- 5 (6) The president, vice presidents, assistant vice
6 presidents, chancellors, and provosts of the
7 ~~[University]~~ university of Hawaii and its community
8 colleges;
- 9 (7) The superintendent, deputy ~~[superintendent]~~
10 superintendents, assistant superintendents, and
11 complex area superintendents ~~[]~~ of the department of
12 education, and the state librarian ~~[]~~ and deputy state
13 librarian of the ~~[department of education]~~ public
14 library system;
- 15 (8) The administrative director and deputy director of the
16 courts;
- 17 (9) The members of every state board or commission whose
18 original terms of office are for periods exceeding one
19 year and whose functions are not solely advisory;
- 20 (10) Candidates for state elective offices, including
21 candidates for election to the constitutional



1 convention; provided that candidates shall only be
2 required to file initial disclosures;

3 (11) The [~~administrator and assistant administrator~~] chief
4 executive officer and executive administrators of the
5 office of Hawaiian affairs; and

6 (12) The Hawaii unmanned aerial systems test site chief
7 operating officer[~~;~~ and

8 ~~(13) The members of the school facilities board appointed~~
9 ~~by the governor].~~

10 (d) The financial disclosure statements of the following
11 persons shall be public records and available for inspection and
12 duplication:

13 (1) The governor, lieutenant governor, members of the
14 legislature, candidates for and delegates to the
15 constitutional convention, trustees of the office of
16 Hawaiian affairs, and candidates for state elective
17 offices;

18 (2) The directors of the state departments and their
19 deputies, regardless of the titles by which the
20 foregoing persons are designated; provided that with
21 respect to the department of the attorney general, the



- 1 foregoing shall apply only to the attorney general and
2 the first deputy attorney general;
- 3 (3) The administrative director of the State;
- 4 (4) The president, vice presidents, assistant vice
5 presidents, chancellors, members of the board of
6 regents, and provosts of the [University] university
7 of Hawaii;
- 8 (5) The members of the board of education, superintendent,
9 and deputy [superintendent,] superintendents of the
10 department of education, and the state librarian[7]
11 and [~~deputy state librarian of the department of~~
12 ~~education;~~] the special assistant to the state
13 librarian of the public library system;
- 14 (6) The administrative director and deputy director of the
15 courts;
- 16 (7) The [~~administrator and assistant administrator~~] chief
17 executive officer and executive administrators of the
18 office of Hawaiian affairs; and
- 19 (8) The executive directors or executive officers, if
20 applicable, and board or commission members of the
21 following [~~state boards, commissions, and agencies~~]:



- 1 (A) The [~~board of directors of the~~] agribusiness
- 2 development corporation established under
- 3 section 163D-3;
- 4 (B) The board of agriculture and biosecurity
- 5 established under section 26-16;
- 6 (C) The state ethics commission established under
- 7 section 84-21;
- 8 (D) The Hawaii community development authority
- 9 established under section 206E-3;
- 10 (E) The Hawaiian homes commission established under
- 11 the Hawaiian Homes Commission Act of 1920, as
- 12 amended, and section 26-17;
- 13 (F) The [~~board of directors of the~~] Hawaii housing
- 14 finance and development corporation established
- 15 under section 201H-3;
- 16 (G) The board of land and natural resources
- 17 established under section 171-4;
- 18 (H) The state land use commission established under
- 19 section 205-1;
- 20 (I) The legacy land conservation commission
- 21 established under section 173A-2.4;



- 1 (J) The natural area reserves system commission
- 2 established under section 195-6;
- 3 (K) The [~~board of directors of the~~] natural energy
- 4 laboratory of Hawaii authority established under
- 5 section 227D-2;
- 6 (L) The [~~board of directors of the~~] Hawaii public
- 7 housing authority established under
- 8 section 356D-3;
- 9 (M) The public utilities commission established under
- 10 section 269-2;
- 11 (N) The commission on water resource management
- 12 established under section 174C-7; [~~and~~]
- 13 (O) The stadium authority established under
- 14 section 109-1[~~-~~];
- 15 (P) The employees' retirement system;
- 16 (Q) The Hawaii employer-union health benefits trust
- 17 fund;
- 18 (R) The Hawaii green infrastructure authority;
- 19 (S) The Hawaii technology development corporation;
- 20 and
- 21 (T) The school facilities authority."



1 SECTION 3. This Act shall apply only to financial
2 disclosure statements filed on or after July 1, 2027. Financial
3 disclosure statements that were confidential at the time of
4 filing shall remain confidential notwithstanding any amendments
5 made by this Act.

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on July 1, 2027.



Report Title:

State Ethics Commission Package; Financial Disclosures;
Requirements

Description:

Expands the scope of persons who are subject to public financial disclosure requirements. Effective 7/1/2027. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



STAND. COM. REP. NO. **917** -26

Honolulu, Hawaii
, 2026

MAR 05

RE: H.B. No. 2106
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2106 entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL DISCLOSURES,"

begs leave to report as follows:

The purpose of this measure is to require public financial disclosure statements from members and executive leadership of certain boards and commissions having broad budgetary, investment, or expenditure authority.

Your Committee received testimony in support of this measure from the Hawai'i State Ethics Commission; League of Women Voters of Hawaii; Public First Law Center; and seven individuals.

Your Committee finds that public financial disclosure helps identify and prevent conflicts of interest, promote accountability, and reinforces the public's confidence that state decision-makers act in the public interest. Your Committee further finds that requiring members and chief executive officers of boards and commissions that manage large sums of public funds, exercise significant financial discretion, or make decisions with substantial economic impact to public financial disclosure requirements will ensure that those individuals who exercise the greatest influence over high-value public resources are covered by uniform disclosure standards.



Your Committee has amended this measure by:

- (1) Clarifying the scope of individuals required to submit public financial disclosure statements; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2106, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair





HAWAII STATE ETHICS COMMISSION

Komikina Ho'opono Kulekele o Hawai'i Moku'āina

Committee: House Committee on Judiciary & Hawaiian Affairs
Bill Number: HB 2106
Hearing Date/Time: February 19, 2026, 2:00 p.m.
Re: Testimony in Support **with Proposed Amendments**

Aloha Chair Tarnas, Vice-Chair Poepoe, and Committee Members:

Thank you for the opportunity to provide testimony in support of HB 2106, which strengthens public trust in government by expanding public financial disclosure requirements to members of boards and commissions that exercise substantial financial authority, as well as to certain executive directors and executive officers whose roles involve significant responsibility over the expenditure, investment, or management of public funds.

Public financial disclosure is a cornerstone of transparent and accountable government. Existing law appropriately requires disclosure for officials who exercise significant regulatory authority, fiduciary responsibility, or oversight of substantial public resources. This measure builds on this framework by ensuring that similarly situated decision-makers -- particularly those serving on boards and commissions with substantial financial authority or in senior executive roles -- are subject to consistent disclosure requirements.

By expanding the scope of individuals covered by disclosure laws (including the undersigned), this measure promotes uniform ethical standards, enhances public confidence in governmental decision-making, and helps safeguard against real or perceived conflicts of interest.

As with any measure, improvements can be made. After receiving stakeholder input, the Commission recommends the following amendments to improve clarity.

Page 4, Lines 5 - 6

- (c) The following persons, regardless of the titles by which the foregoing persons are designated, shall file annually with the state ethics commission a disclosure of financial interests:

Page 4, Lines 12 - 17

- (2) The directors and their deputies, the division chiefs, the executive directors, and the executive officers and their deputies, the purchasing agents, and the fiscal officers, ~~regardless of the titles by which the foregoing persons are designated,~~ of every state agency and department;

Page 5, Lines 10 - 15

- (7) The superintendent, deputy superintendent, assistant superintendents, and complex area superintendents of the department of education, and the state librarian and deputy state librarian ~~and the special assistant to the state librarian~~ of the public library system.

Page 8, Lines 1 - 3

- (8) The executive directors or executive officers, if applicable, and board or commission members of the following ~~state boards, commissions, and agencies:~~

With the following amendments, the Hawai'i State Ethics Commission respectfully urges the Committee to pass SB 2246.

Mahalo for the opportunity to testify.

Very truly yours,

/S/ Robert D. Harris

Robert D. Harris

Executive Director and General Counsel



Committee on Judiciary and Hawaiian Affairs
Chair David Tarnas, Vice Chair Mahina Poepoe
Thursday, February 19, 2026, 2:00 pm
Room 016

HB2106 – RELATING TO FINANCIAL DISCLOSURES

TESTIMONY

Judith Mills Wong, Legislative Committee, League of Women Voters of Hawaii

Chair Tarnas, Vice Chair Poepoe, and Committee Members:

The League of Women Voters of Hawaii supports HB2106

The League of Women Voters believes in holding government to high ethical standards. In recent times, public confidence in the integrity of Hawaii government has been shaken. Expansion of financial disclosure, as is addressed in this bill, is key to transparency and confidence in government.

HB2106 strengthens public trust by expanding the public financial disclosure requirements to members of boards and commissions that exercise substantial financial authority and to certain executive directors and officers whose roles involve significant responsibility over expenditure, investment or management to public funds. For these reasons, we support HB2106.

Thank you for the opportunity to submit testimony.



House Committee on Judiciary and Hawaiian Affairs
Honorable David A. Tarnas, Chair
Honorable Mahina Poepoe, Vice Chair

RE: Testimony with Comments on H.B. 2106, Relating to Financial Disclosures
Hearing: February 19, 2026 at 2:00 p.m.

Dear Chair and Members of the Committee:

My name is Ben Creps. I am a staff attorney at the Public First Law Center, a nonprofit organization that promotes open government in Hawai`i.

Thank you for the opportunity to submit testimony with comments **supporting the intent** of H.B. 2106 and **recommending a clarifying amendment**.

As written, the inclusion of “commissions, and agencies” at page 8, line 3 may cause confusion about the subject of the disclosure requirement – the Agribusiness Development Corporation, for example, is an agency. We thus recommend removing that language.

Thank you again for the opportunity to testify with comments on H.B. 2106.

HB-2106

Submitted on: 2/13/2026 9:47:16 PM

Testimony for JHA on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2106 HB RELATING TO FINANCIAL DISCLOSURES

HB-2106

Submitted on: 2/16/2026 9:18:45 AM

Testimony for JHA on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel R Freund	Individual	Support	Written Testimony Only

Comments:

I hope you will support this good government proposal.

- Dan Freund, Kapaa

HB-2106

Submitted on: 2/16/2026 10:33:17 AM

Testimony for JHA on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pamela Elders	Individual	Support	Written Testimony Only

Comments:

RE: HB2106, Relating to Financial Disclosures.

I support this bill because it increases accountability and transparency for State retirement systems, health benefits trust fund, the Hawaii Green Infrastructure Authority, the Hawaii Technical Development Corporation and the School Facilities Authority. The public trust in these agencies must be assured; office holders must be held to a high standard in regard to fulfilling their fiduciary responsibilities to the public interests they serve.

HB-2106

Submitted on: 2/16/2026 3:33:06 PM

Testimony for JHA on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Lu Kelley	Individual	Support	Written Testimony Only

Comments:

Aloha.

I support HB2106. I want the expansion of the scope of persons who are subject to public financial disclosure requirements.

Thank you.

Mary Lu Kelley

Koloa, Kauai

HB-2106

Submitted on: 2/17/2026 7:01:32 PM

Testimony for JHA on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cristina Holt	Individual	Support	Written Testimony Only

Comments:

Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

I am submitting testimony in STRONG SUPPORT of HB 2106.

Public trust is not something government gets to assume. It has to be earned, and it has to be maintained. One of the most basic ways to do that is to make sure the people making big decisions with public money are required to show their hand when it comes to their own financial interests.

Right now, some of the most powerful boards in Hawaii, the ones controlling housing, land, energy, water, and public funds, have members and top executives who are not required to file public financial disclosure statements. That is like asking someone to referee a game without checking if they have a bet on the outcome.

HB 2106 closes that gap. It expands disclosure requirements to cover board members and executive directors at agencies like the Hawaii Public Housing Authority, the Public Utilities Commission, the Commission on Water Resource Management, and others that make decisions with enormous consequences for everyday people in Hawaii.

This is not about distrust of any individual. It is about building systems that make conflicts of interest visible before they become scandals. Transparency is not a burden for people who have nothing to hide. It is a protection for all of us.

I urge the committee to pass HB 2106.

Mahalo for your time and consideration.

To: Representative David A. Tarnas, Chair
Representative Mahina Poepoe, Vice Chair
Committee on Judiciary & Hawaiian Affairs

From: Veronica Moore, Individual Citizen

Date: February 18, 2026

RE: House Bill 2106
Measure Title: RELATING TO FINANCIAL DISCLOSURES.
Report Title: State Ethics Commission Package; Financial Disclosures;
Requirements

To All Concerned,

My name is Veronica Moore and I support House Bill 2106. Thank you for introducing this bill.

Sincerely,

Veronica M. Moore

HB-2106

Submitted on: 2/18/2026 11:40:16 AM

Testimony for JHA on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

My name is Jackie Keefe and I am **in strong support of HB2106**, which was introduced at the request of the State Ethics Commission to strengthen public trust in government.

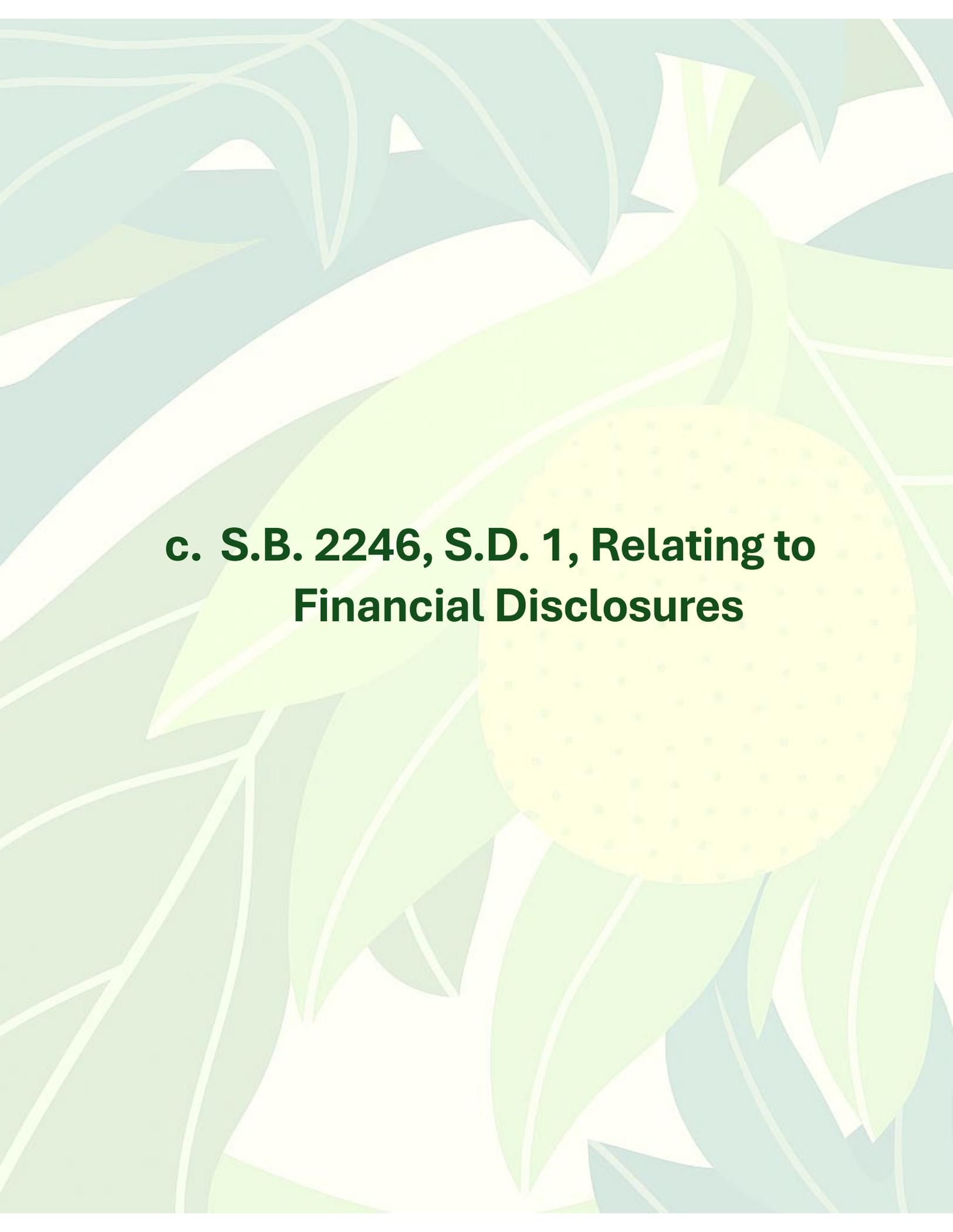
Boards and Commissions are the largest source of unelected power in our State government, but several of those that manage large sums of public funds, exercise significant financial discretion, or make decisions with substantial economic impact are not currently included in the current statute’s public disclosure requirements.

Seats on our State Boards and Commissions are already disproportionately held by wealthy residents (as it is easiest for them to accept a non-paying job), and the public deserves transparency regarding their finances.

Please **pass HB2106** to address the gap in our public disclosure statutes.

Mahalo for your consideration,

Jackie Keefe, Lahaina



**c. S.B. 2246, S.D. 1, Relating to
Financial Disclosures**



SB2246 SD1

Measure Title: RELATING TO FINANCIAL DISCLOSURES.

Report Title: State Ethics Commission Package; Financial Disclosures; Requirements

Description: Expands the scope of persons who are subject to public financial disclosure requirements. Effective 7/1/2027. (SD1)

Companion: [HB2106](#)

Package: State Ethics Commission



Current Referral: JDC

Introducer(s): KOUCHI (Introduced by request of another party)

<u>Sort by Date</u>		Status Text
3/10/2026	H	Received from Senate (Sen. Com. No. 196) in amended form (SD 1).
3/10/2026	S	Passed Third Reading, as amended (SD 1). Ayes, 25; Aye(s) with reservations: none . Noes, 0 (none). Excused, 0 (none). Transmitted to House.
3/5/2026	S	48 Hrs. Notice 03-10-26.
3/5/2026	S	Report adopted; Passed Second Reading, as amended (SD 1).
3/5/2026	S	Reported from JDC (Stand. Com. Rep. No. 2809) with recommendation of passage on Second Reading, as amended (SD 1) and placement on the calendar for Third Reading.
2/13/2026	S	The committee(s) on JDC recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in JDC were as follows: 3 Aye(s): Senator(s) Rhoads, Gabbard, Awa; Aye(s) with reservations: none ; 0 No(es): none; and 2 Excused: Senator(s) Chang, San Buenaventura.

000001

2/9/2026	S	The committee(s) on JDC has scheduled a public hearing on 2/9/2026 at 9:00AM; Conference Room 016 & Videoconference.
2/3/2026	S	Re-Referred to JDC.
1/30/2026	S	Re-Referred to JDC/WAM.
1/26/2026	S	Referred to GVO, JDC/WAM.
1/21/2026	S	Introduced and passed First Reading.
1/14/2026	S	Pending Introduction.

S = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

SB2246 SDI



A BILL FOR AN ACT

RELATING TO FINANCIAL DISCLOSURES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to strengthen public
2 trust in government by expanding the categories of boards and
3 commissions whose members are required to file public financial
4 disclosure statements under section 84-17, Hawaii Revised
5 Statutes, and by including in public disclosure requirements the
6 executive directors and executive officers for those boards.
7 Under existing law, public financial disclosure is required for
8 members of certain state boards and commissions whose duties
9 involve significant regulatory authority, fiduciary
10 responsibility, or oversight of substantial public resources.
11 However, several boards and commissions that manage large sums
12 of public funds, exercise significant financial discretion, or
13 make decisions with substantial economic impact are not
14 currently included in the statute's public disclosure
15 requirements.

16 This Act addresses that gap. It adds to the public
17 disclosure list:



- 1 (1) Members of additional boards and commissions that
2 oversee or control substantial state moneys,
3 investments, or expenditures; and
- 4 (2) The executive directors or executive officers of those
5 same boards and commissions, who, as state employees
6 entrusted with day-to-day financial or operational
7 authority, should be subject to the same transparency
8 expectations.

9 By including both members and chief executive officers of
10 influential boards and commissions, this Act ensures that the
11 individuals exercising the greatest influence over high-value
12 public resources are covered by uniform disclosure standards.
13 The legislature finds that public financial disclosure helps
14 identify and prevent conflicts of interest, promotes
15 accountability, and reinforces the public's confidence that
16 state decision-makers act in the public interest.

17 Accordingly, the purpose of this Act is to amend section
18 84-17, Hawaii Revised Statutes, to require public financial
19 disclosure statements from members and executive leadership of
20 specified boards and commissions having broad budgetary,
21 investment, or expenditure authority.



1 SECTION 2. Section 84-17, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§84-17 Requirements of disclosure.** (a) For the purposes
4 of this section, "disclosure period" refers to the period from
5 January 1 of the preceding calendar year to the time of the
6 filing of the employee's or legislator's disclosure of financial
7 interests.

8 (b) The disclosure of financial interests required by this
9 section shall be filed:

10 (1) By any person enumerated in subsection (c), except a
11 member of the legislature, between January 1 and
12 May 31 of each year;

13 (2) By a member of the legislature between January 1 and
14 January 31 of each year;

15 (3) Within thirty days of a person's election or
16 appointment to a state position enumerated in
17 subsection (c); or

18 (4) Within thirty days of separation from a state position
19 if a prior financial disclosure statement for the
20 position was not filed within [~~the one hundred eighty~~
21 ~~days~~] twelve months preceding the date of separation;



1 provided that candidates for state elective offices or the
2 constitutional convention shall file the required statements no
3 later than ten days after the nomination filing deadline
4 established pursuant to section 12-6.

5 (c) The following persons shall file annually with the
6 state ethics commission a disclosure of financial interests:

7 (1) The governor, lieutenant governor, members of the
8 legislature, and delegates to the constitutional
9 convention; provided that delegates to the
10 constitutional convention shall only be required to
11 file initial disclosures;

12 (2) The directors and their deputies, the division chiefs,
13 the executive directors [~~and~~], the executive
14 [~~secretaries~~] officers and their deputies, the
15 purchasing agents, and the fiscal officers, regardless
16 of the titles by which the foregoing persons are
17 designated, of every state agency and department;

18 (3) The permanent employees of the legislature and its
19 service agencies, other than persons employed in
20 clerical, secretarial, or similar positions;



- 1 (4) The administrative director of the State, and the
2 assistants in the office of the governor and
3 lieutenant governor, other than persons employed in
4 clerical, secretarial, or similar positions;
- 5 (5) The hearings officers of every state agency and
6 department;
- 7 (6) The president, vice presidents, assistant vice
8 presidents, chancellors, and provosts of the
9 ~~[University]~~ university of Hawaii and its community
10 colleges;
- 11 (7) The superintendent, deputy superintendent, assistant
12 superintendents, and complex area superintendents~~[7]~~
13 of the department of education, and the state
14 librarian~~[7]~~ and ~~[deputy state librarian of the~~
15 ~~department of education,]~~ the special assistant to the
16 state librarian of the public library system;
- 17 (8) The administrative director and deputy director of the
18 courts;
- 19 (9) The members of every state board or commission whose
20 original terms of office are for periods exceeding one
21 year and whose functions are not solely advisory;



- 1 (10) Candidates for state elective offices, including
 2 candidates for election to the constitutional
 3 convention; provided that candidates shall only be
 4 required to file initial disclosures;
- 5 (11) The [~~administrator and assistant administrator~~] chief
 6 executive officer and executive administrators of the
 7 office of Hawaiian affairs; and
- 8 (12) The Hawaii unmanned aerial systems test site chief
 9 operating officer[~~and~~
- 10 ~~(13) The members of the school facilities board appointed~~
 11 ~~by the governor].~~
- 12 (d) The financial disclosure statements of the following
 13 persons shall be public records and available for inspection and
 14 duplication:
- 15 (1) The governor, lieutenant governor, members of the
 16 legislature, candidates for and delegates to the
 17 constitutional convention, trustees of the office of
 18 Hawaiian affairs, and candidates for state elective
 19 offices;
- 20 (2) The directors of the state departments and their
 21 deputies, regardless of the titles by which the



- 1 foregoing persons are designated; provided that with
2 respect to the department of the attorney general, the
3 foregoing shall apply only to the attorney general and
4 the first deputy attorney general;
- 5 (3) The administrative director of the State;
- 6 (4) The president, vice presidents, assistant vice
7 presidents, chancellors, members of the board of
8 regents, and provosts of the [~~University~~] university
9 of Hawaii;
- 10 (5) The members of the board of education, superintendent,
11 deputy [~~superintendent,~~] superintendents of the
12 department of education, and the state librarian[7]
13 and [~~deputy state librarian of the department of~~
14 ~~education,~~] the special assistant to the state
15 librarian of the public library system;
- 16 (6) The administrative director and deputy director of the
17 courts;
- 18 (7) The [~~administrator and assistant administrator~~] chief
19 executive officer and executive administrator of the
20 office of Hawaiian affairs; and



- 1 (8) The executive directors or executive officers, if
2 applicable, and board or commission members of the
3 following [~~state boards, commissions, and agencies~~]:
- 4 (A) The [~~board of directors of the~~] agribusiness
5 development corporation established under
6 section 163D-3;
- 7 (B) The board of agriculture and biosecurity
8 established under section 26-16;
- 9 (C) The state ethics commission established under
10 section 84-21;
- 11 (D) The Hawaii community development authority
12 established under section 206E-3;
- 13 (E) The Hawaiian homes commission established under
14 the Hawaiian Homes Commission Act of 1920, as
15 amended, and section 26-17;
- 16 (F) The [~~board of directors of the~~] Hawaii housing
17 finance and development corporation established
18 under section 201H-3;
- 19 (G) The board of land and natural resources
20 established under section 171-4;



S.B. NO. 2246
S.D. 1

- 1 (H) The state land use commission established under
- 2 section 205-1;
- 3 (I) The legacy land conservation commission
- 4 established under section 173A-2.4;
- 5 (J) The natural area reserves system commission
- 6 established under section 195-6;
- 7 (K) The [~~board of directors of the~~] natural energy
- 8 laboratory of Hawaii authority established under
- 9 section 227D-2;
- 10 (L) The [~~board of directors of the~~] Hawaii public
- 11 housing authority established under
- 12 section 356D-3;
- 13 (M) The public utilities commission established under
- 14 section 269-2;
- 15 (N) The commission on water resource management
- 16 established under section 174C-7; [~~and~~]
- 17 (O) The stadium authority established under
- 18 section 109-1[~~-~~];
- 19 (P) The employees' retirement system;
- 20 (Q) The Hawaii employer-union health benefits trust
- 21 fund;



- 1 (R) The Hawaii green infrastructure authority;
- 2 (S) The Hawaii technology development corporation;
- 3 and
- 4 (T) The school facilities authority.

5 (e) The information on the financial disclosure statements
6 shall be confidential, except as provided in subsection (d).
7 The commission shall not release the contents of the disclosures
8 except as may be permitted pursuant to this chapter. The
9 unauthorized release of any confidential financial disclosure
10 statement information shall be a violation of this chapter.

11 (f) Candidates for state elective offices, including
12 candidates for election to the constitutional convention, shall
13 only be required to disclose their own financial interests. The
14 disclosures of financial interests of all other persons
15 designated in subsection (c) shall state, in addition to the
16 financial interests of the person disclosing, the financial
17 interests of the person's spouse and dependent children. All
18 disclosures shall include:

- 19 (1) The source and amount of all income of \$1,000 or more
20 received, for services rendered, by the person in the
21 person's own name or by any other person for the



1 person's use or benefit during the preceding calendar
2 year and the nature of the services rendered; provided
3 that required disclosure under this paragraph for the
4 income source of the spouse or dependent child of a
5 person subject to subsection (d) shall be limited to
6 the name of the business or other qualifying source of
7 income, and need not include the income source's
8 address; provided further that other information that
9 may be privileged by law or individual items of
10 compensation that constitute a portion of the gross
11 income of the business or profession from which the
12 person derives income need not be disclosed;

13 (2) The amount and identity of every ownership or
14 beneficial interest held during the disclosure period
15 in any business having a value of \$5,000 or more or
16 equal to ten per cent of the ownership of the business
17 and, if the interest was transferred during the
18 disclosure period, the date of the transfer; provided
19 that an interest in the form of an account in a
20 federal or state regulated financial institution, an
21 interest in the form of a policy in a mutual insurance



1 company, or individual items in a mutual fund or a
2 blind trust, if the mutual fund or blind trust has
3 been disclosed pursuant to this paragraph, need not be
4 disclosed;

5 (3) Every officership, directorship, trusteeship, or other
6 fiduciary relationship held in a business during the
7 disclosure period, the term of office and the annual
8 compensation;

9 (4) The name of each creditor to whom the value of \$3,000
10 or more was owed during the disclosure period and the
11 original amount and amount outstanding; provided that
12 debts arising out of retail installment transactions
13 for the purchase of consumer goods need not be
14 disclosed;

15 (5) The street address and, if available, the tax map key
16 number, and the value of any real property in which
17 the person holds an interest whose value is \$10,000 or
18 more, and, if the interest was transferred or obtained
19 during the disclosure period, a statement of the
20 amount and nature of the consideration received or
21 paid in exchange for such interest, and the name of



1 the person furnishing or receiving the consideration;
2 provided that disclosure shall not be required of the
3 street address and tax map key number of the person's
4 residence;

5 (6) The names of clients assisted or represented before
6 state agencies, except in ministerial matters, for a
7 fee or compensation during the disclosure period and
8 the names of the state agencies involved; and

9 (7) The amount and identity of every creditor interest in
10 an insolvent business held during the disclosure
11 period having a value of \$5,000 or more.

12 (g) In addition to the disclosures required under
13 subsection (f), each member of the legislature shall also
14 disclose the name of any person that is subject to section 97-3
15 and that is:

16 (1) A business partner of the member;

17 (2) An employer of the member;

18 (3) An officer or director of the member's employer; or

19 (4) A client of the member, member's partner, or member's
20 employer, who is on the lobbyist list and not just a
21 client with a lobbyist, where the client provided at



1 least \$5,000 of income during the preceding calendar
2 year.

3 As used in this subsection:

4 "Member" means a member of the legislature.

5 "Member's partner" means a member's spouse under
6 chapter 572, civil union partner under chapter 572B, or
7 reciprocal beneficiary under chapter 572C.

8 (h) Where an amount is required to be reported, the person
9 disclosing may indicate whether the amount is at least \$1,000
10 but less than \$10,000; at least \$10,000 but less than \$25,000;
11 at least \$25,000 but less than \$50,000; at least \$50,000 but
12 less than \$100,000; at least \$100,000 but less than \$150,000; at
13 least \$150,000 but less than \$250,000; at least \$250,000 but
14 less than \$500,000; at least \$500,000 but less than \$750,000; at
15 least \$750,000 but less than \$1,000,000; or \$1,000,000 or more.
16 An amount of stock may be reported by number of shares.

17 (i) The state ethics commission shall provide a method for
18 filing financial disclosure statements. The commission may
19 require that financial disclosure statements be filed
20 electronically.



1 (j) Failure of a legislator, a delegate to the
2 constitutional convention, or an employee to file a disclosure
3 of financial interests as required by this section shall be a
4 violation of this chapter. Any legislator, delegate to a
5 constitutional convention, or employee who fails to file a
6 disclosure of financial interests when due may be assessed an
7 administrative fine of \$50. The state ethics commission, upon
8 the expiration of the time allowed for filing, may post on its
9 website for public inspection a list of all persons who have
10 failed to file financial disclosure statements. The state
11 ethics commission shall notify a person, by in-person service,
12 electronic mail to the person's state electronic mail address,
13 or first-class mail, of the failure to file, and, if applicable,
14 the administrative fine. If a disclosure of financial interests
15 has not been filed within thirty days after the original
16 deadline, in addition to any initial administrative fine that
17 may have been assessed, an administrative fine of \$250 may be
18 assessed.

19 (k) The chief election officer, upon receipt of the
20 nomination paper of any person seeking a state elective office,
21 including the office of delegate to the constitutional



1 convention, shall notify the state ethics commission of the name
2 of the candidate for state office and the date on which the
3 person filed the nomination paper. Any candidate who fails to
4 file a disclosure of financial interests when due may be
5 assessed an administrative fine of \$50. The state ethics
6 commission, upon the expiration of the time allowed for filing,
7 may post on its website for public inspection a list of all
8 candidates who have failed to file financial disclosure
9 statements. The state ethics commission shall notify a
10 candidate, by in-person service, electronic mail to the
11 candidate's electronic mail address listed with the office of
12 elections, or first-class mail, of the failure to file and, if
13 applicable, the administrative fine. If a disclosure of
14 financial interests has not been filed within thirty days after
15 the original deadline, in addition to any initial administrative
16 fine that may have been assessed, an administrative fine of \$250
17 may be assessed.

18 (1) Administrative fines assessed pursuant to this section
19 may be enforced using the procedure provided in
20 section 84-31(g).



1 [+] (m) [+] All administrative fines collected under this
2 section shall be deposited into the general fund. Any
3 administrative fine for the late filing of a disclosure of
4 financial interests shall be in addition to any other action the
5 state ethics commission may take pursuant to this chapter. The
6 state ethics commission may waive any administrative fines
7 authorized pursuant to this section for good cause shown.

8 [+] (n) [+] The state ethics commission may investigate,
9 initiate, or receive charges on whether a candidate's financial
10 disclosure statement discloses the financial interests required
11 to be disclosed. After proceeding in conformance with
12 section 84-31, the state ethics commission may issue a decision
13 on whether a candidate has complied with subsection (f). This
14 decision shall be a matter of public record."

15 SECTION 3. This Act shall apply only to financial
16 disclosure statements filed on or after July 1, 2027. Financial
17 disclosure statements that were confidential at the time of
18 filing shall remain confidential notwithstanding any amendments
19 made by this Act.

20 SECTION 4. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 2027.



S.B. NO. 2246
S.D. 1

Report Title:

State Ethics Commission Package; Financial Disclosures;
Requirements

Description:

Expands the scope of persons who are subject to public financial
disclosure requirements. Effective 7/1/2027. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*



STAND. COM. REP. NO. 2809

Honolulu, Hawaii

MAR 05 2026

RE: S.B. No. 2246
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2246 entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL DISCLOSURES,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the scope of persons who are subject to public financial disclosure requirements.

Your Committee received testimony in support of this measure from the Hawai'i State Ethics Commission, League of Women Voters of Hawaii, Green Party of Hawai'i, and nine individuals.

Your Committee received comments on this measure from the Public First Law Center.

Your Committee finds that public financial disclosure is a cornerstone of transparent and accountable government. This measure will expand public financial disclosure requirements to include certain members of boards and commissions and certain executive directors and officers who exercise substantial financial authority or fill senior executive roles which will promote uniform ethical standards and strengthen public trust in the government.



Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2246, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* SB 2246	Committee Referral: JDC	Date: 2/13/26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
CHANG, Stanley				✓
SAN BUENAVENTURA, Joy A.				✓
AWA, Brenton	✓			
TOTAL	3	—	—	2 <i>EX</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes



HAWAI'I STATE ETHICS COMMISSION

Komikina Ho'opono Kulekele o Hawai'i Moku'āina

Committee: Senate Committee on Judiciary
Bill Number: SB 2246
Hearing Date/Time: February 13, 2026, 9:00 a.m.
Re: Testimony in Support of SB 2246

Aloha Chair Rhoads, Vice-Chair Gabbard, and Committee Members:

Thank you for the opportunity to provide testimony in support of SB 2246, which strengthens public trust in government by expanding public financial disclosure requirements to members of boards and commissions that exercise substantial financial authority, as well as to certain executive directors and executive officers whose roles involve significant responsibility over the expenditure, investment, or management of public funds.

Public financial disclosure is a cornerstone of transparent and accountable government. Existing law appropriately requires disclosure for officials who exercise significant regulatory authority, fiduciary responsibility, or oversight of substantial public resources. SB 2246 builds on this framework by ensuring that similarly situated decision-makers -- particularly those serving on boards and commissions with substantial financial authority or in senior executive roles -- are subject to consistent disclosure requirements.

By expanding the scope of individuals covered by disclosure laws, this measure promotes uniform ethical standards, enhances public confidence in governmental decision-making, and helps safeguard against real or perceived conflicts of interest.

For these reasons, the Hawai'i State Ethics Commission respectfully urges the Committee to pass SB 2246.

Mahalo for the opportunity to testify.

Very truly yours,

/S/ Robert D. Harris

Robert D. Harris

Executive Director and General Counsel



HAWAI'I STATE ETHICS COMMISSION

Komikina Ho'opono Kulekele o Hawai'i Moku'āina

LATE

Proposed Amendment for SB 2246

Page 8, lines 1-3

(8) The executive directors or executive officers, if applicable, and board or commission members of the following state boards, commissions, and agencies:

SB-2246

Submitted on: 2/11/2026 2:20:33 PM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan B Roberts Emery	Testifying for Green Party of Hawai'i	Support	Written Testimony Only

Comments:

Aloha Chair Rhodes, Vice Chair Gabbard, and honorable members of committee,

My name is Susan RobertsEmery, as Co Chair of the Green Party of Hawai'i, we stand in Full Support of SB2246. SB2246 strengthens public trust in government by expanding financial disclosure requirements to include boards and commissions that oversee large sums of public money or exercise significant financial authority, as well as the executive directors and executive officers who manage day-to-day operations and financial decisions. Full disclosure, also known as transparency is often times missing in our government. This is a win win for the constituents of our state.

Green Party is in Full support and we thank you for your support on SB2246.

Susan RobertsEmery

Green Party of Hawai'i

Paauilo



Committee on Judiciary
Chair Karl Rhoads, Vice Chair Mike Gabbard
Friday, February 13, 2026, 9:00 am
Room 016
SB2246 – RELATING TO FINANCIAL DISCLOSURES

TESTIMONY

Judith Mills-Wong, Legislative Committee, League of Women Voters of Hawaii

Chair Rhoads, Vice Chair Gabbard, and Committee Members:

The League of Women Voters of Hawaii supports SB2246

Public trust in government decision making is enhanced when public officials with oversight of substantial public resources are subject to public financial disclosure requirements. We believe this expansion of categories of boards and commissions that are subject of public financial disclosure filings will increase public trust and transparency and is very appropriate.

The League of Women Voters supports SB2246.

Thank you for the opportunity to submit testimony.

LATE



Senate Committee on Judiciary
Honorable Karl Rhoads, Chair
Honorable Mike Gabbard, Vice Chair

RE: Testimony with Comments on S.B. 2246, Relating to Financial Disclosures
Hearing: February 13, 2026 at 9:00 a.m.

Dear Chair and Members of the Committee:

My name is Ben Creps. I am a staff attorney at the Public First Law Center, a nonprofit organization that promotes open government in Hawai`i.

Thank you for the opportunity to submit testimony with comments **supporting the intent** of S.B. 2246 and **recommending a clarifying amendment**.

As written, the inclusion of “commissions, and agencies” at page 8, line 3 may cause confusion about the subject of the disclosure requirement – the Agribusiness Development Corporation, for example, is an agency. We thus recommend removing that language.

Thank you again for the opportunity to testify with comments on S.B. 2246.

SB-2246

Submitted on: 2/11/2026 10:20:42 AM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tanya Aynessazian	Individual	Support	Written Testimony Only

Comments:

I strongly support this measure.

Tanya Yamanaka Aynessazian

Hawaii Island

SB-2246

Submitted on: 2/11/2026 10:29:00 AM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I am testifying in strong support of SB2246, a critical government transparency bill that closes longstanding gaps in our financial disclosure laws. This legislation ensures that the individuals with the greatest influence over public resources—members of powerful boards and commissions, and the executive directors and officers who manage day-to-day financial operations—are held to the same accountability standards as elected officials.

Public trust is the currency of effective governance. Yet currently, too many decision-makers who control large sums of public money, approve major contracts, and shape policy with significant financial implications operate without any public disclosure of potential conflicts of interest. This is a transparency gap that erodes confidence and invites skepticism about whose interests are truly being served.

SB2246 fixes this by expanding financial disclosure requirements to cover:

- **Boards and commissions** that oversee substantial public funds or exercise significant financial authority; and
- **Executive directors and executive officers** responsible for day-to-day financial management and operational decisions.

This is not a burdensome expansion; it is a commonsense alignment of transparency with responsibility. If you hold significant power over public dollars, the public has a right to know about your outside financial interests, potential conflicts, and sources of income. This is how we prevent even the appearance of impropriety and ensure that decisions are made for the public good, not private gain.

Robust financial disclosure is a proven, nonpartisan tool for clean government. It helps identify conflicts before they become scandals, promotes ethical decision-making, and reassures the people of Hawai‘i that their government is working on their behalf.

I urge you to pass SB2246 and strengthen the trust between our government and the communities it serves.

Mahalo for the opportunity to testify.

SB-2246

Submitted on: 2/11/2026 10:37:36 AM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noelle Lindenmann	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,

I am submitting testimony today in support of SB 2246. Boards, commissions and executive leaders who oversee significant public funds should be subject to clear and consistent financial disclosure requirements. Transparency helps prevent conflicts of interest and strengthens public trust in government.

At a time when public trust in government keeps decreasing, we must do all we can to strengthen the trust.

SB 2246 closes existing gaps in disclosure requirements and promotes accountability for those with the greatest influence over public resources.

Mahalo for this opportunity to provide testimony,

Noelle Lindenmann, Kailua-Kona

SB-2246

Submitted on: 2/11/2026 1:28:58 PM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am writing in support of SB2246 because I believe it will promote accountability. Mahalo for your consideration.

SB-2246

Submitted on: 2/11/2026 3:30:19 PM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marcia Kemble	Individual	Support	Written Testimony Only

Comments:

Greetings Committee Members,

I support SB 2246. Boards, commissions and executive leaders who oversee significant public funds should be subject to clear and consistent financial disclosure requirements. Transparency helps prevent conflicts of interest and strengthens public trust in government, which we desperately need now!

Mahalo for your attention.

Marcia Kemble

Makiki

SB-2246

Submitted on: 2/11/2026 10:41:00 PM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
kimdonghyeon	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,

I support SB 2246. Boards, commissions and executive leaders who oversee significant public funds should be subject to clear and consistent financial disclosure requirements. Transparency helps prevent conflicts of interest and strengthens public trust in government.

SB 2246 closes existing gaps in disclosure requirements and promotes accountability for those with the greatest influence over public resources.

Mahalo,

kimdonghyeon

SB-2246

Submitted on: 2/11/2026 10:53:35 PM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Petricci	Individual	Support	Written Testimony Only

Comments:

Robert Petricci

In support of SB2246

Aloha, thank you for the this important legislation to increase transparancy and accountability. With the pay to play history in Hawaii and the ongoing investigation of money in paper bags changing hands I support more ethics disclousure from our elected representitves

Mahalo

Robert Petricci

SB-2246

Submitted on: 2/12/2026 8:11:56 AM

Testimony for JDC on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Roberta Hickey-Gómez	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,

I support SB 2246. Boards, commissions and executive leaders who oversee significant public funds should be subject to clear and consistent financial disclosure requirements. Transparency helps prevent conflicts of interest and strengthens public trust in government.

More than anything the rise of mistrust in government has brought about all manner of ills that currently plague US democracy. This would be a step toward creating better trust and accountability to strengthen this state's institutions.

SB 2246 closes existing gaps in disclosure requirements and promotes accountability for those with the greatest influence over public resources. And I fully support all manner of legislation that promotes trust and accountability in governance.

Mahalo,

Roberta Hickey-Gómez

SB-2246

Submitted on: 2/12/2026 8:13:23 AM

Testimony for JDC on 2/13/2026 9:00:00 AM

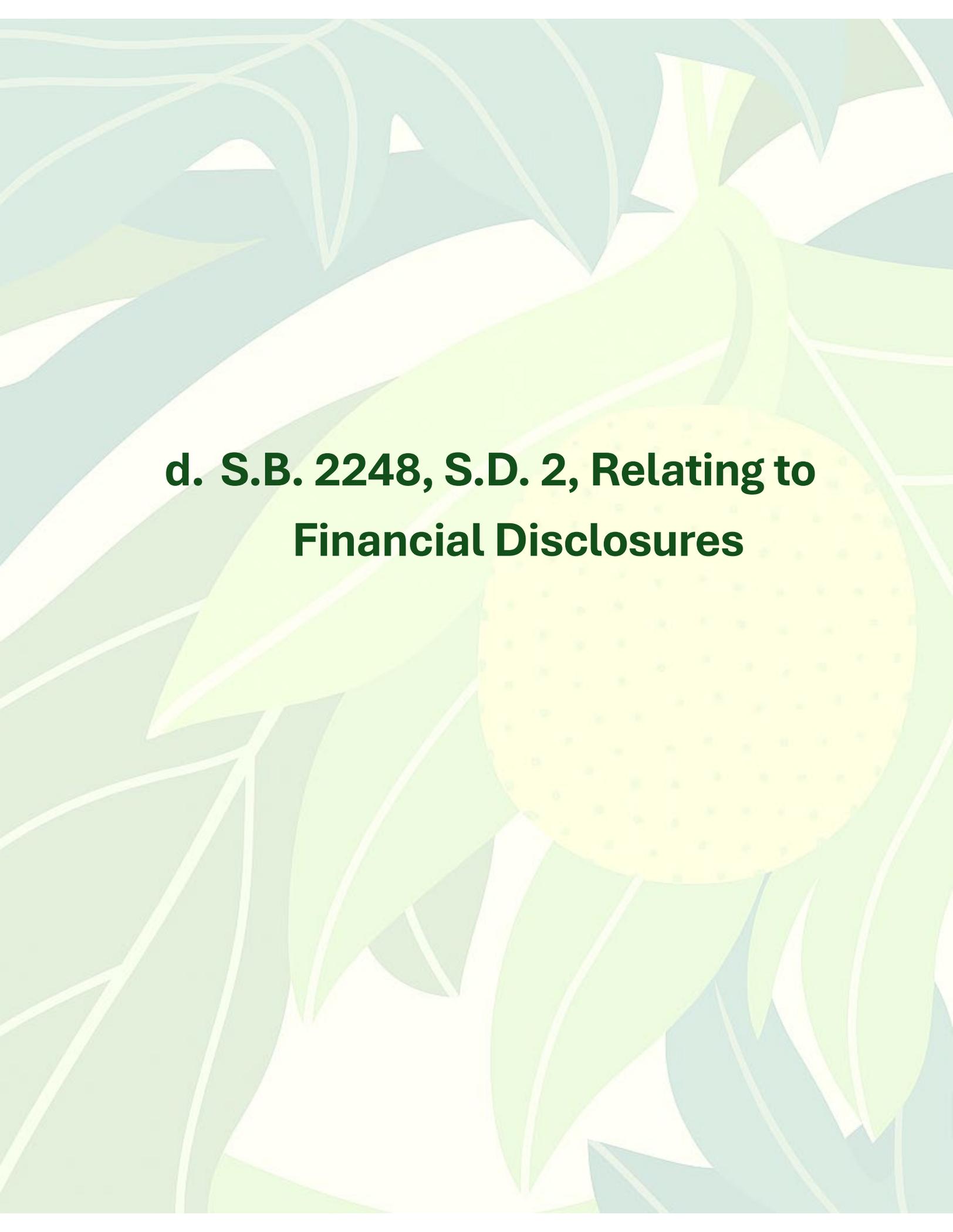
Submitted By	Organization	Testifier Position	Testify
David Ball	Individual	Support	Written Testimony Only

Comments:

I support this legislation.

David Ball

Waiālae-Kahala



**d. S.B. 2248, S.D. 2, Relating to
Financial Disclosures**



Advanced Search

SB2248 SD2

Measure Title: RELATING TO FINANCIAL DISCLOSURES.

Report Title: State Ethics Commission Package; Financial Disclosures; Requirements

Description: Expands the scope of persons who are required to file financial disclosures to include gubernatorial nominees subject to Senate confirmation. Makes technical amendments relating to legislators. (SD2)

Companion: [HB2108](#)

Package: State Ethics Commission



Current Referral: JDC, WAM

Introducer(s): KOUCHI (Introduced by request of another party)

<u>Sort by Date</u>		<u>Status Text</u>
3/10/2026	H	Received from Senate (Sen. Com. No. 197) in amended form (SD 2).
3/10/2026	S	Report Adopted; Passed Third Reading, as amended (SD 2). Ayes, 25; Aye(s) with reservations: Senator(s) San Buenaventura. Noes, 0 (none). Excused, 0 (none). Transmitted to House.
3/5/2026	S	48 Hrs. Notice 03-10-26.
3/5/2026	S	Reported from WAM (Stand. Com. Rep. No. 2847) with recommendation of passage on Third Reading, as amended (SD 2).
3/2/2026	S	The committee(s) on WAM recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in WAM were as follows: 13 Aye(s): Senator(s) Dela Cruz, Moriwaki, DeCoite, Elefante, Hashimoto, Inouye, Kanuha, Kim, Lee, C., Richards, Wakai, Fevella; Aye(s) with reservations: Senator(s) Kidani ; 0 No(es): none; and 0 Excused: none.

2/27/2026	S	The committee on WAM has rescheduled its decision regarding CR 211 to 10:02AM; CR 211 & Videoconference.
2/23/2026	S	The committee(s) on WAM will hold a public decision making on 03-02-26 10:31AM; Conference Room 211 & Videoconference.
2/19/2026	S	Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.
2/19/2026	S	Reported from JDC (Stand. Com. Rep. No. 2428) with recommendation of passage on Second Reading, as amended (SD 1) and referral to WAM.
2/10/2026	S	The committee(s) on JDC recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in JDC were as follows: 5 Aye(s): Senator(s) Rhoads, Gabbard, Chang, San Buenaventura, Awa; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.
2/5/2026	S	The committee(s) on JDC has scheduled a public hearing on 02-10-26 9:15AM; Conference Room 016 & Videoconference.
1/30/2026	S	Re-Referred to JDC, WAM.
1/26/2026	S	Referred to GVO, JDC/WAM.
1/21/2026	S	Introduced and passed First Reading.
1/14/2026	S	Pending Introduction.

S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment



Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

SB2248 SD2

THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2248
S.D. 2

A BILL FOR AN ACT

RELATING TO FINANCIAL DISCLOSURES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to promote
2 governmental transparency and strengthen public confidence in
3 the State's appointments process by requiring that nominees to
4 certain state positions requiring senate confirmation file
5 financial disclosure statements prior to their confirmation
6 hearings.

7 Under existing law, individuals appointed to certain state
8 positions must file financial disclosure statements within
9 thirty days of their appointment. However, this deadline often
10 results in disclosure statements becoming publicly available
11 only after the senate conducts its confirmation hearings,
12 limiting the ability of senators and the public to review
13 potential conflicts of interest in advance.

14 This Act ensures that financial disclosure statements for
15 nominees subject to senate confirmation are filed in a timely
16 manner, facilitating meaningful public review. In addition,
17 this Act modernizes existing statutory financial disclosure



1 requirements by aligning legislative disclosures with
 2 information already provided in lobbyist expenditure statements.

3 SECTION 2. Section 84-17, Hawaii Revised Statutes, is
 4 amended as follows:

5 1. By amending subsections (b) through (d) to read:

6 "(b) The disclosure of financial interests required by
 7 this section shall be filed:

8 (1) By any person enumerated in subsection (c), except a
 9 member of the legislature, between January 1 and
 10 May 31 of each year;

11 (2) By a member of the legislature between January 1 and
 12 January 31 of each year;

13 (3) Within thirty days of a person's election or
 14 appointment to a state position enumerated in
 15 subsection (c); or

16 (4) Within thirty days of separation from a state position
 17 if a prior financial disclosure statement for the
 18 position was not filed within the one hundred eighty
 19 days preceding the date of separation;

20 provided that candidates for state elective offices or the
 21 constitutional convention shall file the required statements no



1 later than ten days after the nomination filing deadline
2 established pursuant to section 12-6[-]; provided further that
3 persons nominated to a position subject to senate confirmation
4 shall file the required statements no later than five days after
5 being nominated or five days before the first confirmation
6 hearing, whichever occurs first.

7 (c) The following persons shall file annually with the
8 state ethics commission a disclosure of financial interests:

- 9 (1) The governor, lieutenant governor, members of the
10 legislature, and delegates to the constitutional
11 convention; provided that delegates to the
12 constitutional convention shall only be required to
13 file initial disclosures;
- 14 (2) The directors and their deputies, the division chiefs,
15 the executive directors and the executive secretaries
16 and their deputies, the purchasing agents, and the
17 fiscal officers, regardless of the titles by which the
18 foregoing persons are designated, of every state
19 agency and department;



- 1 (3) The permanent employees of the legislature and its
- 2 service agencies, other than persons employed in
- 3 clerical, secretarial, or similar positions;
- 4 (4) The administrative director of the State, and the
- 5 assistants in the office of the governor and
- 6 lieutenant governor, other than persons employed in
- 7 clerical, secretarial, or similar positions;
- 8 (5) The hearings officers of every state agency and
- 9 department;
- 10 (6) The president, vice presidents, assistant vice
- 11 presidents, chancellors, and provosts of the
- 12 [~~University~~] university of Hawaii and its community
- 13 colleges;
- 14 (7) The superintendent, deputy superintendent, assistant
- 15 superintendents, complex area superintendents, state
- 16 librarian, and deputy state librarian of the
- 17 department of education;
- 18 (8) The administrative director and deputy director of the
- 19 courts;



- 1 (9) The members of every state board or commission whose
2 original terms of office are for periods exceeding one
3 year and whose functions are not solely advisory;
- 4 (10) Candidates for state elective offices, including
5 candidates for election to the constitutional
6 convention; provided that candidates shall only be
7 required to file initial disclosures;
- 8 (11) The administrator and assistant administrator of the
9 office of Hawaiian affairs;
- 10 (12) The Hawaii unmanned aerial systems test site chief
11 operating officer; ~~and~~
- 12 (13) The members of the school facilities board appointed
13 by the governor~~[+]~~; and
- 14 (14) Persons nominated to a position subject to senate
15 confirmation; provided that nominees shall only be
16 required to file initial disclosures in advance of
17 their confirmation hearings.
- 18 (d) The financial disclosure statements of the following
19 persons shall be public records and available for inspection and
20 duplication:



- 1 (1) The governor, lieutenant governor, members of the
2 legislature, candidates for and delegates to the
3 constitutional convention, trustees of the office of
4 Hawaiian affairs, [~~and~~] candidates for state elective
5 offices[+], and nominees for state positions subject
6 to senate confirmation;
- 7 (2) The directors of the state departments and their
8 deputies, regardless of the titles by which the
9 foregoing persons are designated; provided that with
10 respect to the department of the attorney general, the
11 foregoing shall apply only to the attorney general and
12 the first deputy attorney general;
- 13 (3) The administrative director of the State;
- 14 (4) The president, vice presidents, assistant vice
15 presidents, chancellors, members of the board of
16 regents, and provosts of the [~~University~~] university
17 of Hawaii;
- 18 (5) The members of the board of education, superintendent,
19 deputy superintendent, state librarian, and deputy
20 state librarian of the department of education;



- 1 (6) The administrative director and deputy director of the
- 2 courts;
- 3 (7) The administrator and assistant administrator of the
- 4 office of Hawaiian affairs; and
- 5 (8) The members of the following state boards,
- 6 commissions, and agencies:
- 7 (A) The board of directors of the agribusiness
- 8 development corporation established under
- 9 section 163D-3;
- 10 (B) The board of agriculture and biosecurity
- 11 established under section 26-16;
- 12 (C) The state ethics commission established under
- 13 section 84-21;
- 14 (D) The Hawaii community development authority
- 15 established under section 206E-3;
- 16 (E) The Hawaiian homes commission established under
- 17 the Hawaiian Homes Commission Act of 1920, as
- 18 amended, and section 26-17;
- 19 (F) The board of directors of the Hawaii housing
- 20 finance and development corporation established
- 21 under section 201H-3;



- 1 (G) The board of land and natural resources
- 2 established under section 171-4;
- 3 (H) The state land use commission established under
- 4 section 205-1;
- 5 (I) The legacy land conservation commission
- 6 established under section 173A-2.4;
- 7 (J) The natural area reserves system commission
- 8 established under section 195-6;
- 9 (K) The board of directors of the natural energy
- 10 laboratory of Hawaii authority established under
- 11 section 227D-2;
- 12 (L) The board of directors of the Hawaii public
- 13 housing authority established under
- 14 section 356D-3;
- 15 (M) The public utilities commission established under
- 16 section 269-2;
- 17 (N) The commission on water resource management
- 18 established under section 174C-7; and
- 19 (O) The stadium authority established under
- 20 section 109-1."

21 2. By amending subsection (g) to read:



1 "(g) In addition to the disclosures required under
2 subsection (f), each [~~member of the legislature~~] legislator
3 shall also disclose the name of any person that is subject to
4 section 97-3 and that is:

- 5 (1) A business partner of the [~~member,~~] legislator;
6 (2) An employer of the [~~member,~~] legislator;
7 (3) An officer or director of the [~~member's~~] legislator's
8 employer; or
9 (4) A client of the [~~member, member's partner,~~]
10 legislator, legislator's spouse, or [member's] the
11 legislator's employer, [who is on the lobbyist list
12 and not just a client with a lobbyist, where the
13 ~~client]~~ who filed a statement of expenditures pursuant
14 to section 97-3 and provided at least \$5,000 of income
15 during the preceding calendar year.

16 As used in this subsection[+]

17 ~~"Member" means a member of the legislature.~~

18 ~~"Member's partner" means a member's], "legislator's spouse"~~
19 means a legislator's spouse under chapter 572, civil union
20 partner under chapter 572B, or reciprocal beneficiary under
21 chapter 572C."



1 SECTION 3. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 4. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 5. This Act shall take effect on January 1, 2027.



S.B. NO. 2248
S.D. 2

Report Title:

State Ethics Commission Package; Financial Disclosures;
Requirements

Description:

Expands the scope of persons who are required to file financial disclosures to include gubernatorial nominees subject to Senate confirmation. Makes technical amendments relating to legislators. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



STAND. COM. REP. NO. **2847**

Honolulu, Hawaii

MAR - 5 2026

RE: S.B. No. 2248
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2248, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL DISCLOSURES,"

begs leave to report as follows:

The purpose and intent of this measure is to make certain amendments relating to financial disclosure statements.

Specifically, the measure:

- (1) Includes gubernatorial nominees subject to Senate confirmation, other than state judicial nominees, among the persons who are required to file financial disclosure statements;
- (2) Requires those nominees to file a disclosure statement no later than five days after their nomination or five days before their first confirmation hearing, whichever occurs first; and
- (3) Makes technical amendments relating to disclosure requirements for legislators.

Your Committee received written comments in support of this measure from the Hawaii State Ethics Commission, Hawaii Alliance for Progressive Action, HULI PAC, and numerous individuals.

SB2248 SD2 SSCR LRB 26-0962.docx



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Your Committee received written comments in opposition to this measure from the Department of Budget and Finance and Department of Labor and Industrial Relations.

Your Committee received written comments on this measure from the Office of the Governor, Department of Land and Natural Resources, and Department of Taxation.

Your Committee finds that under current state ethics laws, many gubernatorial nominees subject to Senate confirmation are not required to file financial disclosure statements until after they are confirmed. Your Committee believes that requiring all nominees to provide disclosure statements pursuant to this measure will enable the Senate and the public to consider nominees' potential conflicts of interest and will facilitate more meaningful consideration of those nominees.

Your Committee has amended this measure by removing the measure's exemptions for judicial nominees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2248, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2248, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2248, SD1	UDC, WAM	3/2/2026		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.		X		
KIM, Donna Mercado	X			
LEE, Chris	X			
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	12	1	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

SETH S. COLBY, Ph.D.
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY SETH S. COLBY, Ph.D.
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2248, S.D. 1

March 2, 2026
10:31 a.m.
Room 211 and Videoconference

RELATING TO FINANCIAL DISCLOSURES

The Department of Budget and Finance (B&F) opposes this bill. The bill amends Section 84-17, HRS, to require all persons nominated for any position subject to Senate confirmation to file a financial disclosure statement no later than five days after being nominated for said position. The financial disclosure statements would be considered public records available for inspection and duplication.

This proposal is overly broad in the context of uncompensated volunteers. B&F has concerns that if passed, this measure will discourage qualified individuals from volunteering to serve on State boards and commissions.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

March 2, 2026

To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Sharon Y. Moriwaki, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Monday, March 2, 2026
Time: 10:31 a.m.
Place: Conference Room 211, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 2248 S.D. 1 RELATING TO FINANCIAL DISCLOSURES

The **DLIR respectfully opposes** this measure due to its practical impact on the recruitment and governance of state boards and commissions. The Department appreciates the intent to strengthen transparency and reinforce confidence in the appointments process.

Advisory board and commission members are not currently required to file financial disclosure statements under §84-17. The Department has forty such members serving on a variety of boards in an unpaid, voluntary capacity as a form of civic service. These individuals typically maintain full-time employment and significant professional responsibilities while contributing their expertise to the State.

Under this measure, any nominee for a position subject to Senate confirmation, including advisory members, would be required to file an initial financial disclosure statement within five days of nomination and prior to confirmation, with that information made publicly accessible. This requirement represents a substantial new obligation for private citizens who are not career public officials and who have not previously been subject to public financial reporting. It also raises reasonable privacy concerns for individuals considering service.

This concern is particularly relevant for boards with statutory composition requirements that rely heavily on private-sector participation. The State Workforce Development Council (WDC), established under the federal Workforce Innovation and Opportunity Act and HRS Chapter 202, must include a majority of business representatives along with members from labor, education, and community organizations. These individuals are selected specifically because of their active leadership in industry, workforce development, and community institutions.

To address the practical realities of appointing members to such a large, federally prescribed body, a 2016 state law provides that until the Council reaches its full forty-one members, sixteen members shall constitute a quorum (HRS §202-1).

To date, the WDC has yet to reach its full complement of forty-one members. Even with this flexibility, the WDC has historically faced challenges maintaining full membership and meeting quorum due to its size and mandated representation categories. Requiring nominees to publicly disclose detailed financial information prior to confirmation may further discourage private-sector participation, particularly among individuals who prefer not to make sensitive business or investment information public.

Similar concerns apply to the Hawaii Retirement Savings Board (HRSB), established under Act 296, SLH 2022 to implement the State's retirement savings program. The HRSB must recruit members with financial, actuarial, and fiduciary expertise. Individuals with such backgrounds often maintain substantial personal investments or business interests. Public disclosure requirements imposed before confirmation may deter well-qualified candidates at a formative stage of program development.

At a time when recruitment for public service is already challenging, particularly for roles requiring specialized expertise, the proposed changes may further narrow the pool of willing and qualified nominees. For these reasons, the DLIR respectfully opposes this measure.

Thank you for the opportunity to provide testimony on this important matter.

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JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA
P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
RYAN K.P. KANAKA'OLE
FIRST DEPUTY
CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER
AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
RYAN K.P. KANAKA'OLE
Acting Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Monday, March 2, 2026
10:31 AM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 2248, SENATE DRAFT 1
RELATING TO FINANCIAL DISCLOSURES**

Senate Bill 2248, Senate Draft 1 proposes to expand the scope of persons who are required to file financial disclosures to include certain gubernatorial nominees subject to Senate confirmation. **The Department of Land and Natural Resources (Department) offers the following comments.**

This measure provides that persons nominated to a position subject to Senate confirmation, excluding state court justices and judges, shall file initial financial disclosure statements prior to their first confirmation hearing. The Department is concerned that this measure may have a chilling effect on potential applicants for membership of boards and commissions affiliated with or administratively attached to the Department. Board and commission members are already statutorily required to file financial disclosures which are public records. Requiring applicants to open their finances to public scrutiny prior to Senate confirmation may discourage applicants and further narrow the pool of qualified individuals willing to serve in what are often demanding and contentious volunteer positions.

Mahalo for the opportunity to comment on this measure.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Senate Committee on Ways and Means

Monday, March 02, 2026

10:31 a.m.

State Capitol, Conference Room 211 and Videoconference

With Comments

Senate Bill No. 2248, SD1, Relating to Financial Disclosures

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means:

The Office of the Governor provides comments on S.B. No. 2248, SD1, Relating Financial Disclosures. This measure requires nominees subject to Senate confirmation to file financial disclosures prior to their confirmation hearings or shortly after appointment, thereby narrowing the timeframe within which such disclosures must be submitted.

The Office of the Governor believes that this measure may have potential adverse effects on the recruitment of gubernatorial nominees who are subject to confirmation. The pool of qualified candidates is often limited, and imposing additional timing requirements for financial disclosures could create an undue burden on the nomination and confirmation process.

Mahalo for the opportunity to provide testimony on this measure.



HAWAI'I STATE ETHICS COMMISSION

Komikina Ho'opono Kulekele o Hawai'i Moku'āina

Committee: Senate Committee on Ways and Means
Bill Number: SB 2248 SD1
Hearing Date/Time: March 2, 2026, 10:02 a.m.
Re: Testimony in Support of SB 2248 SD1

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, and Committee Members:

Thank you for the opportunity to provide testimony in support of SB 2248 SD1, which promotes governmental transparency and strengthens public confidence in the State's appointments process by requiring nominees subject to Senate confirmation to file financial disclosure statements **before** their confirmation hearings.

Under current law, many appointed officials are not required to file financial disclosures until **after** their appointment, which can delay disclosure until after confirmation proceedings have concluded. This timing limits the public's ability to review and provide input on perceived conflicts of interest. SB 2248 SD1 corrects this gap by requiring nominees to submit disclosures within a short timeframe after nomination or before the first confirmation hearing, thereby enabling meaningful public review and informed legislative consideration.

The measure also advances consistency, clarity, and enforceability in Hawai'i's financial disclosure framework. By extending disclosure requirements to nominees for Senate-confirmed positions and ensuring more uniform reporting standards, this measure helps establish clearer expectations and more effective oversight of reported financial interests. The bill further provides nominees with clear standards for compliance, along with guidance and support in completing required financial disclosures, helping reduce confusion and promote accurate reporting. At the same time, the measure strengthens enforcement mechanisms in cases of omission or noncompliance, ensuring that disclosure requirements are meaningful and consistently applied..

In addition, the bill makes important technical amendments to Hawai'i's disclosure laws and helps ensure transparency about legislative income from lobbyists and lobbying organizations, thereby supporting the integrity of the legislative process and public confidence in governmental decision-making.

February 27, 2026

Page 2

Financial disclosure requirements are a cornerstone of ethical governance. They help identify potential conflicts of interest, promote accountability, and reinforce public trust in government. Requiring disclosures prior to confirmation ensures that transparency meaningfully informs the confirmation process rather than occurring only after the fact.

For these reasons, the Hawai'i State Ethics Commission respectfully urges the Committee to **pass SB 2248 SD1**.

Thank you for the opportunity to testify.

Very truly yours,

/S/ Robert D. Harris

Robert D. Harris

Executive Director and General Counsel

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII 'I
DEPARTMENT OF TAXATION
Ka 'Oihana 'Auhau
P.O. BOX 259
HONOLULU, HAWAII 'I 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

Agenda Item IV.d.

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 2248, S.D.1, Relating to Financial Disclosures

BEFORE THE:

Senate Committee on Ways and Means

DATE: Monday, March 2, 2026

TIME: 10:02 a.m.

LOCATION: State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 2248, S.D.1, for your consideration.

S.B. 2248, S.D.1, amends section 84-17(b) through (d), Hawaii Revised Statutes (HRS), by adding language requiring nominees for State positions that are subject to Senate confirmation, other than state court justices and judges, to file financial disclosure statements no later than five days after nomination or before the first confirmation hearing, whichever occurs first, and subjects the financial disclosure statements to public inspection and duplication.

The bill has an effective date of January 1, 2027.

DOTAX notes that finding qualified candidates to serve on boards and commissions can be challenging. Although DOTAX appreciates the intent of this bill, the expanded financial disclosure requirements may discourage qualified candidates from serving, especially on boards and commissions that are comprised of uncompensated volunteers such as the Tax Review Commission.

Thank you for the opportunity to provide comments on this measure.

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**Senate Committee on Ways and Means
Hawai'i Alliance for Progressive Action (HAPA) Supports SB2248 SD1
Monday, March 2nd, 10:31 AM in Conference Room 211 & Videoconference**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee on Ways and Means,

Hawai'i Alliance for Progressive Action supports SB 2248, SD1, relating to financial disclosures.

Public confidence in the appointments process depends on transparency. Under current law, financial disclosure statements for gubernatorial nominees are often not available until after their confirmation hearings have already taken place. That means the public and senators are being asked to evaluate nominees without full access to information about potential conflicts of interest.

SB 2248 addresses this directly. It requires nominees to positions subject to Senate confirmation to file financial disclosure statements no later than five days before their first confirmation hearing. It also updates legislative disclosure requirements to align with existing lobbyist reporting standards.

The fiscal impact of this bill is minimal. It requires no new infrastructure or significant administrative resources. It simply adjusts the timeline for disclosures that are already required by law.

The cost of maintaining the status quo is far greater. When conflicts of interest go unexamined before confirmation, the public loses its most meaningful opportunity to weigh in. SB 2248 ensures that transparency happens when it can actually make a difference.

We respectfully urge support for SB 2248, SD1.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read 'Anne Frederick', is positioned above the typed name.

Anne Frederick, Executive Director
Hawai'i Alliance for Progressive Action



Aloha Chair and Members of the Committee,

My name is Maki Morinoue, and I am testifying on behalf of HULI PAC. HULI PAC is a grassroots organization dedicated to endorsing and supporting leaders of integrity who prioritize the 'āina and people of Hawai'i Island.

HULI PAC strongly supports **SB2248**.

SB2248 is a straightforward but powerful transparency reform. It requires gubernatorial nominees who are subject to Senate confirmation — except judges — to file their financial disclosure statements **before** their confirmation hearings. This closes a clear loophole in current law, where disclosures may become public only after hearings have already taken place.

Transparency must come **before power is granted, not after**. Senators and the public deserve the opportunity to review potential financial conflicts before a confirmation vote. Without timely disclosure, meaningful vetting is weakened, and public trust suffers.

SB2248 ensures that nominees who may oversee state policy, contracts, or regulatory decisions are transparent about their financial interests from the outset. This is not about suspicion — it is about good governance and preventing conflicts before they arise.

The bill also makes modest, technical updates to align legislative disclosure requirements with information already reported in lobbyist expenditure reports. This improves consistency, clarity, and accountability without creating unnecessary burden.

Public service requires public trust. SB2248 strengthens that trust by ensuring openness at the front end of the confirmation process.

Please pass SB2248 and reaffirm Hawai'i's commitment to transparency and integrity in government.

Mahalo for the opportunity to testify.

Maki Morinoue
HULI PAC
Hawai'i Island

SB-2248-SD-1

Submitted on: 2/23/2026 9:34:05 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruta Jordans	Individual	Support	Written Testimony Only

Comments:

"The purpose of this Act is to promote governmental transparency and strengthen public confidence in the State's appointments process by requiring that nominees to certain state positions requiring senate confirmation file financial disclosure statements prior to their confirmation hearings." If we want to strengthen public confidence in our legislators this bill is vitally important. Please support SB2248.

SB-2248-SD-1

Submitted on: 2/25/2026 11:35:07 AM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I am writing in **strong support of SB2248**, which would require gubernatorial nominees subject to Senate confirmation—except judges—to file financial disclosure statements **before** their confirmation hearings. This bill closes a significant transparency loophole and aligns disclosure requirements across branches of government.

Currently, disclosures often become public after confirmation hearings have already occurred. This means that senators and the public are asked to evaluate a nominee's fitness for office without access to information about potential conflicts of interest, financial entanglements, or outside commitments. By the time disclosures are released, the confirmation vote may already be a foregone conclusion. SB2248 fixes this by ensuring that financial disclosures are available **before** hearings begin—giving both decision-makers and the public the information they need to make informed judgments.

Timely disclosure is essential to meaningful oversight. Confirmation hearings are not mere formalities; they are opportunities to scrutinize whether a nominee is qualified, independent, and free from undue influence. Financial disclosure is a cornerstone of that scrutiny. Delaying it until after the hearing renders the process backward: asking questions without answers, then providing answers after the questions have already been asked.

The bill also aligns legislators' disclosure requirements with information already reported in lobbyist expenditure reports. This improves consistency and clarity across our ethics and transparency laws. When reporting requirements are mismatched, conflicts can slip through the cracks. By harmonizing these standards, SB2248 ensures that both sides of the lobbying relationship—those seeking influence and those in a position to grant it—are held to comparable disclosure standards.

Transparency is not a burden; it is the price of public trust. Nominees for high-level positions should expect to have their backgrounds and interests examined. That examination should happen in the light, not after the fact. SB2248 simply ensures that the public's right to know is exercised **before** a lifetime appointment or major policy role is confirmed.

I urge you to pass this bill. Mahalo for the opportunity to testify.

SB-2248-SD-1

Submitted on: 2/25/2026 12:24:59 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

SUPPORT

SB-2248-SD-1

Submitted on: 2/25/2026 12:57:52 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan Douglas	Individual	Support	Written Testimony Only

Comments:

TY!

SB-2248-SD-1

Submitted on: 2/25/2026 1:04:11 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Georgia L Hoopes	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Mahalo!

Georgia Hoopes, Kalaheo

SB-2248-SD-1

Submitted on: 2/25/2026 5:13:31 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, STRONGLY SUPPORT

2248 SB RELATING TO FINANCIAL DISCLOSURES.

SB-2248-SD-1

Submitted on: 2/26/2026 7:11:05 AM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Noelle Lindenmann	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248.

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Strengthening public trust is something that is needed at this time, please support this bill.

Mahalo for this opportunity to provide testimony,

Noelle Lindenmann, Kailua-Kona

SB-2248-SD-1

Submitted on: 2/26/2026 8:07:09 AM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Charlene K. Rowley	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Mahalo,

Charlene Kiana Rowley, Kula Maui

SB-2248-SD-1

Submitted on: 2/26/2026 11:59:25 AM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
ANDREW ISODA	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Mahalo,

*Andrew Isoda
Lahaina, Mau'i*

SB-2248-SD-1

Submitted on: 2/26/2026 1:06:29 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Individual	Support	Written Testimony Only

Comments:

SUPPORT

SB-2248-SD-1

Submitted on: 2/26/2026 1:54:31 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gary Hooser	Individual	Support	Written Testimony Only

Comments:

Please support

SB-2248-SD-1

Submitted on: 2/26/2026 5:38:44 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann Dorsey	Individual	Support	Written Testimony Only

Comments:

Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I urge you to support SB2248

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Thank you

SB-2248-SD-1

Submitted on: 2/26/2026 9:30:52 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
C.Yamamoto	Individual	Support	Written Testimony Only

Comments:

I am in strong support of SB2248.

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

SB-2248-SD-1

Submitted on: 2/26/2026 10:16:48 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Cory Harden	Individual	Support	Written Testimony Only

Comments:

Aloha legislators,

This is a no-brainer. Why would you wait till after confirmation hearings to learn what you needed to know going into the hearings?

mahalo,

Cory Harden, Hilo

.

SB-2248-SD-1

Submitted on: 2/26/2026 10:58:35 PM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Eileen Cain	Individual	Support	Written Testimony Only

Comments:

Aloha, Senators,

Please vote for SB2248 SD1 so that full financial disclosures will be available to all, including legislators, in advance of any confirmation hearings. In this way, legislators will be able to see any conflicts of interest before confirming any candidate.

Mahalo,

Eileen Cain,

Honolulu

SB-2248-SD-1

Submitted on: 2/27/2026 8:23:36 AM

Testimony for WAM on 3/2/2026 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Yvette Kay	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Mahalo,

Yvette Kay

Kailua Kona, HI

SB-2248-SD-1

Submitted on: 2/27/2026 11:29:36 AM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Marcia Kemble	Individual	Support	Written Testimony Only

Comments:

Greetings Committee Members,

I am in strong support of SB2248. This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Mahalo for your attention.

Marcia Kemble

Makiki

SB-2248-SD-1

Submitted on: 2/27/2026 1:44:30 PM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Brandt	Individual	Support	Written Testimony Only

Comments:

SUPPORT!

SB-2248-SD-1

Submitted on: 2/27/2026 1:52:08 PM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am writing in support of SB2248 SD1 because I believe that transparency before confirmation is common sense and a vital part of a representational democracy. Mahalo for your consideration.

SB-2248-SD-1

Submitted on: 2/27/2026 4:12:15 PM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Amara Karuna	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Transparency is important to me.

Mahalo,

Amara Karuna, Pahoa, HI

SB-2248-SD-1

Submitted on: 2/27/2026 4:33:53 PM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Diane Ware	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248 to increase ethical standards.

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Mahalo,

Volcano HI 96785-0698

SB-2248-SD-1

Submitted on: 2/28/2026 4:12:50 PM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Tanya Aynessazian	Individual	Support	Written Testimony Only

Comments:

This is a basic transparency step. It makes sure financial disclosures are available before confirmation hearings, when they're most needed. Why aren't we doing this already?

SB-2248-SD-1

Submitted on: 2/28/2026 7:03:31 PM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Culbertson	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Sincerely,

R A Culbertson

Honokaa

To: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Committee on Ways and Means

From: Veronica Moore, Individual Citizen

Date: March 1, 2026

RE: Senate Bill 2248 SD1
Measure Title: RELATING TO FINANCIAL DISCLOSURES.
Report Title: State Ethics Commission Package; Financial Disclosures;
Requirements

To All Concerned,

My name is Veronica Moore and I support Senate Bill 2248 SD1. Thank you for your consideration.

Sincerely,

Veronica M. Moore

SB-2248-SD-1

Submitted on: 3/1/2026 11:54:31 AM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Regina Gregory	Individual	Support	Written Testimony Only

Comments:

support

SB-2248-SD-1

Submitted on: 3/1/2026 8:16:49 PM

Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan Bambara	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee,

I am in strong support of SB2248

This is a straightforward fix for transparency. It makes sure financial disclosures are available before confirmation hearings, when they matter most. This strengthens public trust, improves legislative oversight, and aligns disclosure rules with information already reported elsewhere.

Honest, transparent government is a right and an honor to uphold. Please support this bill.

Mahalo,

Susan Bambara, Kurtistown

SB-2248-SD-1

Submitted on: 3/2/2026 12:27:22 AM

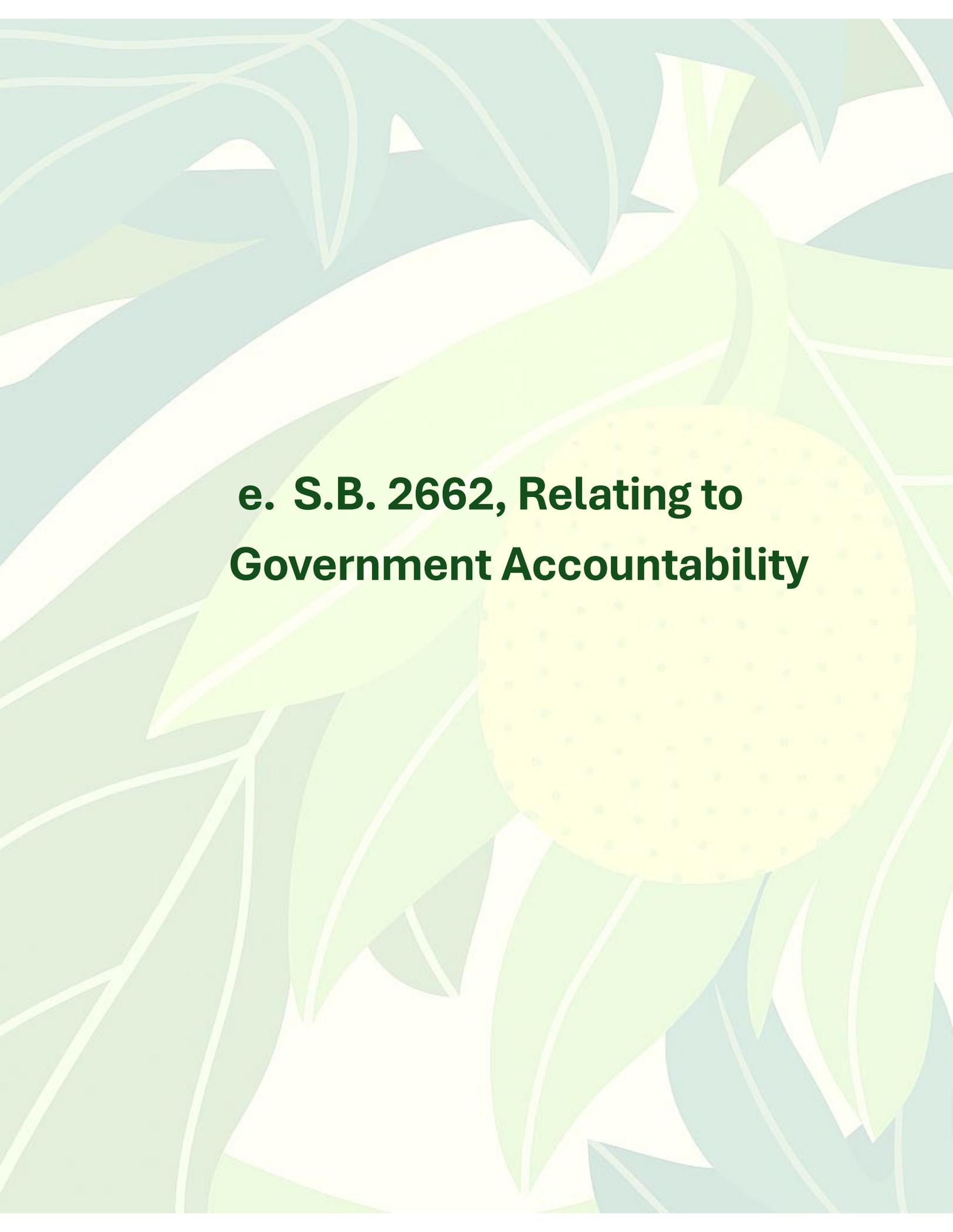
Testimony for WAM on 3/2/2026 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Greg Misakian	Individual	Support	Written Testimony Only

Comments:

I support SB2248 SD1.

Gregory Misakian

The background features a stylized illustration of an orange and its leaves. The orange is a bright yellow-orange color with small dark spots, positioned on the right side of the frame. The leaves are various shades of green, from light to dark, with white outlines. The overall style is clean and modern.

**e. S.B. 2662, Relating to
Government Accountability**



SB2662 SD2

Measure Title: RELATING TO GOVERNMENT ACCOUNTABILITY.

Report Title: Auditor; External Consultants; Purchasing Agencies; Audit; Exceptions; Reports

Description: Requires each purchasing agency to provide justification for hiring external consultants. Requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount. Requires annual reports to the Legislature. Requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance. Establishes exceptions. Requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor. Effective 1/1/2525. (SD2) 

Companion:

Package: None

Current Referral: GVO, WAM

Introducer(s): KIM, DECORTE, HASHIMOTO, KIDANI, MCKELVEY, Chang, Lamosao, Wakai

<u>Sort by Date</u>		Status Text
3/10/2026	H	Received from Senate (Sen. Com. No. 277) in amended form (SD 2).
3/10/2026	S	Report adopted; Passed Third Reading, as amended (SD 2). Ayes, 25; Aye(s) with reservations: none . Noes, 0 (none). Excused, 0 (none). Transmitted to House.
3/6/2026	S	48 Hrs. Notice 03-10-26.

3/6/2026	S	Reported from WAM (Stand. Com. Rep. No. 3004) with recommendation of passage on Third Reading, as amended (SD 2).
3/5/2026	S	The committee(s) on WAM recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in WAM were as follows: 13 Aye(s): Senator(s) Dela Cruz, Moriwaki, DeCoite, Elefante, Hashimoto, Inouye, Kanuha, Kidani, Kim, Lee, C., Richards, Wakai, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.
3/4/2026	S	The committee(s) on WAM has rescheduled its decision making to 03-05-26 12:04PM; CR 211 & Videoconference.
3/3/2026	S	The committee(s) on WAM will hold a public decision making on 03-05-26 10:15AM; Conference Room 211 & Videoconference.
2/20/2026	S	Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.
2/20/2026	S	Reported from GVO (Stand. Com. Rep. No. 2626) with recommendation of passage on Second Reading, as amended (SD 1) and referral to WAM.
2/10/2026	S	The committee(s) on GVO recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in GVO were as follows: 5 Aye(s): Senator(s) McKelvey, Gabbard, Hashimoto, Moriwaki, Awa; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.
2/6/2026	S	The committee(s) on GVO will hold a public decision making on 02-10-26 3:01PM; CR 225 & Videoconference.
2/6/2026	S	The committee on GVO has deleted the measure from decision making scheduled on 02-12-26 3:00PM; CR 225 & Videoconference.
2/5/2026	S	The committee(s) on GVO deferred the measure until 02-12-26 3:00PM; Conference Room 225 & Videoconference.
2/3/2026	S	The committee(s) on GVO deferred the measure until 02-05-26 3:00PM; Conference Room 225 & Videoconference.
1/30/2026	S	The committee(s) on GVO has scheduled a public hearing on 02-03-26 3:00PM; Conference Room 225 & Videoconference.
1/28/2026	S	Referred to GVO, WAM.
1/26/2026	S	Passed First Reading.
1/23/2026	S	Introduced.



S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2662
S.D. 2

A BILL FOR AN ACT

RELATING TO GOVERNMENT ACCOUNTABILITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there is a pressing
2 need to reduce the reliance on external consultants for work
3 that can or should be performed by qualified government
4 employees. Excessive outsourcing of government functions often
5 leads to increased costs, diminished accountability, and a loss
6 of institutional knowledge within public agencies. By
7 prioritizing the use of in-house expertise, the State can foster
8 greater transparency in its operations, ensuring that decisions
9 about the allocation of public funds are clear, justifiable, and
10 aligned with the best interests of taxpayers. Moreover,
11 reducing dependence on external consultants will promote cost
12 efficiency, enabling government agencies to allocate resources
13 more effectively while building and retaining institutional
14 capacity. Strengthening the role of public employees in
15 performing core government functions will also enhance the
16 long-term sustainability and independence of state operations.
17 Through these efforts, the legislature seeks to ensure that



1 public agencies are equipped to meet the evolving needs of the
2 State in a manner that is both responsible and effective.

3 Accordingly, the purpose of this Act is to reduce reliance
4 on external consultants for work that can be performed by
5 qualified government employees and ensure transparency, cost
6 efficiency, and the development of in-house expertise within
7 government agencies by:

- 8 (1) Requiring each purchasing agency to provide
9 justification for hiring external consultants;
- 10 (2) Requiring each agency to seek approval from the
11 legislature for consulting contracts exceeding a
12 certain dollar amount;
- 13 (3) Requiring each agency to submit annual reports to the
14 legislature;
- 15 (4) Requiring the compliance audit unit within the office
16 of the auditor to conduct regular audits of agency
17 consultant contracts to assess cost-effectiveness and
18 compliance; and
- 19 (5) Requiring each chief procurement officer to ensure
20 that inherent government functions are not delegated
21 to a contractor.



1 SECTION 2. Chapter 103D, Hawaii Revised Statutes, is
2 amended by adding a new section to part III to be appropriately
3 designated and to read as follows:

4 "§103D- External consultants; justification; spending
5 caps; reporting requirements; audits. (a) Notwithstanding
6 section 103D-301, each purchasing agency shall:

7 (1) Provide detailed justification for hiring external
8 consultants by:

9 (A) Demonstrating the lack of in-house capacity or
10 expertise;

11 (B) Conducting a cost-benefit analysis that compares
12 consultant costs with the expenses of hiring or
13 training state employees; and

14 (C) Publishing justification reports for public and
15 legislative review;

16 (2) Seek approval from the legislature for any contract
17 for consulting services exceeding \$; and

18 (3) Submit an annual report to the legislature no later
19 than twenty days prior to the convening of each
20 regular session on its contracts with external
21 consultants, which shall include:

22 (A) The number of external consultants used; and



- 1 (2) Exercise general supervision and control over all
- 2 inventories of goods;
- 3 (3) Sell, trade, or otherwise dispose of surplus goods;
- 4 (4) Establish and maintain programs for the inspection,
- 5 testing, and acceptance of goods, services, and
- 6 construction;
- 7 (5) Coordinate with the administrator regarding
- 8 procurement policies, opportunities for statewide
- 9 innovation implementation, and concerns;
- 10 (6) Report procurement contract data pursuant to
- 11 requirements established by the administrator, in the
- 12 form and manner prescribed by the state procurement
- 13 office; [~~and~~]
- 14 (7) Assist and cooperate with the administrator regarding
- 15 any compliance review by the administrator pursuant to
- 16 section 103D-206[~~-~~]; and
- 17 (8) Ensure that inherent government functions are not
- 18 delegated to a contractor."

19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 5. This Act shall take effect on January 1, 2525.



S.B. NO. 2662
S.D. 2

Report Title:

Auditor; External Consultants; Purchasing Agencies; Audit; Exceptions; Reports

Description:

Requires each purchasing agency to provide justification for hiring external consultants. Requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount. Requires annual reports to the Legislature. Requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance. Establishes exceptions. Requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor. Effective 1/1/2525. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



STAND. COM. REP. NO.

3004

Honolulu, Hawaii

MAR 06 2026

RE: S.B. No. 2662
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2662, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT ACCOUNTABILITY,"

begs leave to report as follows:

The purpose and intent of this measure is to reduce reliance on external consultants for work that may be performed by qualified government employees.

More specifically, this measure:

- (1) Requires each purchasing agency to provide justification for hiring external consultants;
- (2) Requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount;
- (3) Requires each agency to submit annual reports to the Legislature regarding external consultations;
- (4) Requires the Compliance Audit Unit to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance; and

SB2662 SD2 SSCR LRB 26-1061.docx



000009

- (5) Requires each Chief Procurement Officer to ensure that inherent government functions are not delegated to a contractor.

Your Committee received written comments in opposition to this measure from the Department of Accounting and General Services, Employees' Retirement System, City and County of Honolulu Department of Parks and Recreation, Honolulu Authority for Rapid Transportation, City and County of Honolulu Board of Water Supply, and City and County of Honolulu Department of Transportation Services.

Your Committee received written comments on this measure from the Department of the Attorney General, Department of Education, Office of the Auditor, State Procurement Office, and Office of the Mayor of the City and County of Honolulu.

Your Committee finds that there is a pressing need to reduce reliance on external consultants for the performance of work that qualified government employees can or should perform. Excessive outsourcing of government functions often leads to increased costs, diminished accountability, and a loss of institutional knowledge within public institutions. Accordingly, your Committee believes that this measure will lead to greater transparency and ensure that decisions about the allocation of public funds are clear, justifiable, and aligned with the best interests of the State's taxpayers.

Should a Committee in the House of Representatives hear this measure, your Committee respectfully requests that it consider the concerns expressed by the Department of the Attorney General and Employees' Retirement System in their written comments.

Specifically, the Department of the Attorney General expressed concerns that:

- (1) The requirement for purchasing agencies to seek legislative approval for any consulting contract exceeding a certain amount may delay time-sensitive projects and disrupt government operations when the Legislature is not in session;



- (2) The measure does not exclude the appointment of Special Deputy Attorneys General from its requirements, which may delay the appointment process when specialized legal expertise beyond current staffing is needed;
- (3) The measure does not exclude the retention of expert witnesses from its requirements, and subjecting expert witness retention to public justification, approval, and reporting requirements may impair the State's ability to prosecute and defend matters effectively, risk the disclosure of attorney work product and litigation strategies, and create unworkable delays in prosecutions; and
- (4) The measure does not define the term "inherent government functions," and the absence of a definition may create uncertainty and lead to inconsistent application across state agencies.

The Employees' Retirement System offered its concerns that the reporting and approvals required by the measure may compromise the nimbleness necessary to execute external contracts vital to the operation of the System, specifically by:

- (1) Requiring for legislative approval of contracts above a certain threshold, which would likely constrain the Board of Trustees' ability to fulfill its fiduciary duty to provide expert and necessary consultative resources to responsibly administer the System; and
- (2) Imposing justification and reporting requirements that could impair the Board's ability to use external consultants for specialized roles that currently have a twenty-five percent vacancy rate, in part due to recruitment challenges for these specialized positions.

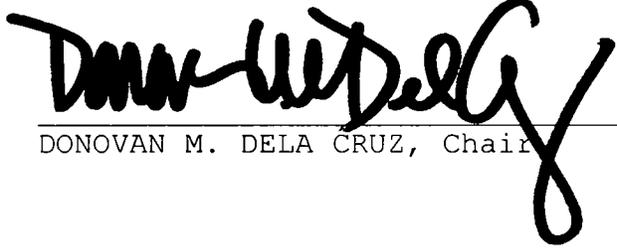
Your Committee has amended this measure by adopting a technical amendment recommended by the State Procurement Office in its written comments to clarify that the Compliance Audit Unit referenced is within the Office of the Auditor.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your



Committee is in accord with the intent and purpose of S.B. No. 2662, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2662, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

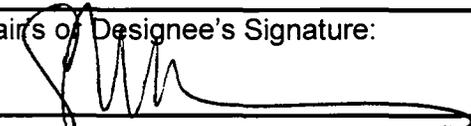


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB2662, SD1	Committee Referral: GVD, WAM	Date: 03/05/2026		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

S.B. NO. 2662, S.D. 1, RELATING TO GOVERNMENT ACCOUNTABILITY.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Thursday, March 5, 2026

TIME: 10:15 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**

(For more information, contact Jung Min (Charles) Lee,
Deputy Attorney General, at 808-586-1316)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

This bill amends chapter 103D, Hawaii Revised Statutes (HRS), to reduce reliance on external consultants. It would require purchasing agencies to document and publish justification for consultant use, expand reporting and audit requirements, and require legislative approval for consulting contracts above a specified dollar threshold. The bill also directs chief procurement officers to ensure that "**inherent government functions**" are not delegated to contractors, while exempting certain specialized and emergency needs.

First, proposed subsection (a)(2) of the new section to be added to chapter 103D, at page 3, lines 16-17, would require purchasing agencies to seek legislative approval for any consulting contract exceeding a specified dollar amount. The Department is concerned that this requirement could delay time-sensitive projects and disrupt government operations when the Legislature is not in regular session.

Second, the bill does not clearly exclude the appointment of special deputy attorneys general or the retention of expert witnesses from its requirements. The Department regularly appoints special deputy attorneys general under section 28-8(b), HRS, when specialized legal expertise is needed beyond current staffing. As drafted,

Testimony of the Department of the Attorney General
Thirty-Third Legislature, 2026
Page 2 of 2

special deputy attorneys general could fall within the scope of "external consultants." Similarly, state agencies must retain expert witnesses for litigation and administrative proceedings. Subjecting expert witness retention to public justification, approval, and reporting requirements could impair the State's ability to prosecute and defend matters effectively, risk disclosure of attorney work product and litigation strategy, and create unworkable delays.

Third, the bill uses the term "**inherent government functions**," at page 2, line 20, and page 5, line 17, but does not define it. Without a statutory definition or incorporation of an existing standard, chief procurement officers will lack clear guidance, and agencies may apply the requirement inconsistently. Under federal law, the Federal Activities Inventory Reform Act of 1998 (FAIR Act) defines "**inherently governmental function**" as a function so intimately related to the public interest as to require performance by government employees, while **expressly excluding advisory, informational, and recommendatory services from that definition**. See Pub. L. No. 105-270, § 5(2)(A)-(C), 112 Stat. 2382 (1998) (emphasis added). The absence of a comparable definition in this bill creates uncertainty as to the scope of the restriction and could lead to inconsistent application across agencies.

To address these concerns, the Department respectfully recommends the following amendments: (1) delete proposed subsection (a)(2) of the new section of chapter 103D, which requires prior legislative approval for consulting contracts; (2) amend subsection (c) at page 4, lines 8-13, to add an exclusion for the appointment of special deputy attorneys general pursuant to section 28-8(b), HRS, and for the retention of expert witnesses or consultants utilized for litigation or legal services; and (3) delete section 3 of the bill, which adds the undefined "**inherent government functions**" duty to section 103D-205(a), or alternatively, adopt a definition of the term.

Thank you for the opportunity to provide comments.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/05/2026
Time: 10:15 AM
Location: CR 211 & Videoconference
Committee: WAM

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB2662, SD1, RELATING TO GOVERNMENT ACCOUNTABILITY.

Purpose of Bill: Requires each purchasing agency to provide justification for hiring external consultants. Requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount. Requires annual reports to the Legislature. Requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance. Establishes exceptions. Requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor. Effective 1/1/2525.
(SD1)

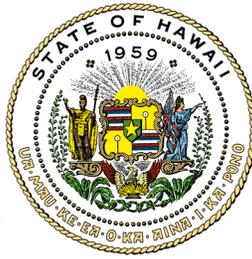
Department's Position:

The Hawaii State Department of Education (Department) appreciates the opportunity to offer testimony on SB 2662 SD 1.

The Department procures external consultants to provide services the Department's internal staff are unable to provide due to limited staffing, volume and complexity of projects the Department is tasked with completing, and the need for highly specialized technical skills, experience and knowledge that are not readily available internally.

The procurement of consulting services provides the Department with the ability to access these critical resources in a timely manner. New requirements such as justification reports, legislative approval, public disclosure and annual reports and the time and effort to meet all of these requirements do not appear immaterial and warrant further consideration.

Thank you for the opportunity to provide comments on this measure.



SENATE COMMITTEE ON WAYS AND MEANS
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair

S.B. NO. 2662, S.D. 1, RELATING TO GOVERNMENT ACCOUNTABILITY

Hearing: Thursday, March 5, 2026, 10:15 a.m.

The Office of the Auditor offers comments on S.B. No. 2662, S.D. 1, which is intended to reduce the use of external consultants for work that can be performed by qualified state employees. The bill requires, among other things, the Office of the Auditor “to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance.”

We have reservations about the audits of purchasing agencies’ external consultant contracts the bill would require us to conduct. We do not have sufficient knowledge and understanding of agency operations or the experience of agency staff to be able to assess whether staff have sufficient expertise to perform the work contracted to external consultants; we similarly lack the ability to determine the cost to hire or train state employees to perform the contracted work. It also is unclear the criteria that the bill intends us to use to assess the cost-effectiveness of external consultant contracts.

We also are concerned about our capacity to conduct the audits. We consider performance audits, which assess an agency’s performance of certain activities key to achieving its statutory mission, to be our primary type of work and the work that provides the most value to the Legislature, the agency, and the public. Those audits are performed under Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. Our staff is very familiar with the standards which require them to complete 80 hours of continuing professional education every 2 years. The Legislature has tasked us with performing other work outside of performance audits,¹ including assessing income tax and general excise tax credits, exclusions, and exemptions; department’s special, revolving, and trust funds and trust accounts; proposals to enact new special and revolving funds; proposals to regulate professions; proposals to mandate health insurance coverage; among other things. The work assigned to us under this bill dilutes our capacity to conduct performance audits. We caution against adding non-performance audit work, especially assessments that re-occur annually.

While we note the Committee on Government Operations’ request for additional staffing and fiscal resources for our office, the addition of such resources does not change our position on this measure. We would like to clarify that we are unable to determine the cost-effectiveness of an

¹ We conduct financial and single audits of 25 state programs, including the State of Hawai’i’s Annual Comprehensive Financial Report and the State of Hawai’i’s Single Audit, through contracts with independent CPA firms.

Senate Committee on Ways and Means

S.B. No. 2662, S.D. 1

Page 2

agency's external consultant contracts because we do not have the expertise to determine if an agency has the ability to perform the work in-house without retaining an outside consultant.

JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ADMINISTRATOR

DAYNA OMIYA
ASSISTANT ADMINISTRATOR

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
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email: state_procurement_office@hawaii.gov
<http://spo.hawaii.gov>

TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
WAYS AND MEANS
MARCH 5, 2026, 10:15 AM

SENATE BILL 2662, SD1
RELATING TO GOVERNMENT ACCOUNTABILITY

Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2662, SD1. The State Procurement Office (SPO) appreciates the removal of the required spending caps and disclosure; however, respectfully provides the following comments.

Comments

The SPO appreciates the intent to reduce reliance on external consultants for work that qualified government employees can perform, while promoting transparency, efficiency, and cost-effectiveness, and prioritizing in-house expertise to ensure the long-term sustainability and independence of state operations. While the requirements of Senate Bill 2662, SD1, for justification, audits, and annual reporting ensure consultant engagements remain cost-effective, it does impose an additional administrative burden on agencies resulting in project delays. Additionally, the requirement for legislative approval of contracts exceeding a certain dollar amount will have unintended delays in project implementation. This bill also does not address the details of publishing justification reports except through the annual report.

Section 2, page 4, lines 4-7, requires the compliance audit unit to conduct regular audits of each purchasing agency's external consultant contracts. However, the bill does not specify how often "regular" audits should take place. It should also be clear that the compliance audit unit is from the Office of the Auditor, pursuant to HRS Section 103D-107, which states "There is established a compliance audit unit within the office of the auditor."

Testimony of the State Procurement Office
SENATE BILL 2662, SD1
Senate Committee on Ways and Means
March 5, 2026
Page 2

Therefore the SPO recommends the following revised language:

"(b) The compliance audit unit, **from the office of the auditor,** shall conduct regular audits of each purchasing agency's external consultant contracts to assess the cost-effectiveness of the contracts and compliance with this section."

The SPO provided guidance through Procurement Circular 2014-14 - Personal Services and Inherently Governmental Functions (attached), which states that "it is important to recognize that the government/state/city organization has fundamental inherent functions that cannot be delegated to a contractor. If these inherent functions are delegated, it implies the contractor is now acting as an employee of the government (a personal service)."

Furthermore, the SPO's guidance aligns with the Federal Acquisition Regulation Subpart 7.5 – Inherently Governmental Functions.

Conclusion

The SPO shares the Legislature's commitment to reducing reliance on consultants by prioritizing the use of in-house expertise. Limited, well-controlled consultant engagements – focused on urgent needs and knowledge transfer – are necessary to sustain operations while Hawai'i builds a viable, modern workforce. However, the bill places an administrative burden on agencies and could lead to delays as they work to comply with new statutory requirements. Such delays may ultimately increase overall costs or compromise certain projects.

Thank you for the opportunity to submit testimony on this measure.

Attachment: [Procurement Circular 2014-14](#) - Personal Services and Inherently Governmental Functions

NEIL ABERCROMBIE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Telephone: (808) 587-4700
e-mail: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>

September 12, 2014

PROCUREMENT CIRCULAR NO. 2014-14

TO: Office of the Governor, Chief of Staff
Office of the Lieutenant Governor, Chief of Staff
Executive Department Heads
Hawaii State Public Library System, State Librarian

Chief Procurement Officers (CPOs):

Department of Education, Superintendent
University of Hawaii, President
Office of Hawaiian Affairs, Chairperson of the Board
Hawaii Health Systems Corporation, President and Chief Executive Officer
Judiciary, Administrative Director of the Courts
Senate, President
House of Representatives, Speaker

Counties of Hawaii, Kauai, Maui, and City & County of Honolulu

Executive Branch, Finance Director
Legislative Branch, Chairperson of the County Council
Board/Departments of Water Supply, Manager/Chief Engineer
Honolulu Authority for Rapid Transportation, Executive Director

FROM: Sarah Allen, Administrator 

SUBJECT: Personal Services and Inherently Governmental Functions

There are many times where a public organization finds itself with the responsibility of managing a complex multi-million dollar program without adequate resources. An answer to inadequate resources is outsourcing, i.e., bringing on a contractor with the subject matter expertise to assist in managing the program for success. There are obvious benefits and challenges to this practice; the benefits being additional expertise where there is none; the challenge is that you now have one contractor managing another.

What does the public organization have to recognize as vital here?

PROCUREMENT CIRCULAR NO. 2014-14

September 11, 2014

Page 2

It is important to recognize that the government/state/city organization has fundamental inherent government functions that cannot be delegated to a contractor. If these inherent functions are delegated, it implies the contractor is now acting as an employee of the government (a personal service).

When it relates to procurement, the only people who should be making final decisions on how to spend taxpayer's money are those authorized, delegated public procurement officials.

Federal Procurement Law defines inherent functions and personal services to be performed only by government employees. The SPO recommends this guidance as a good procurement policy and a preventative measure for procurement violations.

The SPO considers the following responsibilities inherently governmental:

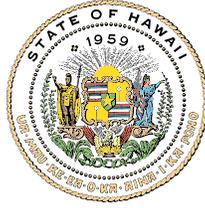
- (i) Determining what supplies or services are to be acquired by the Government;
- (ii) Approving any solicitation documents, to include documents defining requirements, specifications, incentives, and evaluation criteria;
- (iii) Negotiating cost and pricing;
- (iv) Awarding contracts;
- (v) Approving post-award contract changes to include, but not limited to, ordering changes in contract scope, schedule, budget, taking action based on evaluations of contractor performance, and accepting or rejecting contractor products or services; and
- (vi) Terminating contracts.

Ultimately, it is the government's responsibility to manage the contracts it procures, to make all final decisions on what they want and how much they will pay for it, with the ever-present goal in mind of achieving a successful outcome whilst safeguarding taxpayer's money.

Your staff may call Donn Tsuruda-Kashiwabara at 586-0565 or email donna.tsuruda-kashiwabara@hawaii.gov if they have any questions to the above.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



KALBERT K. YOUNG
EXECUTIVE DIRECTOR

GAIL STROHL
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM**

TESTIMONY BY KALBERT YOUNG
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2662 SD1

March 5, 2026

10:15 AM

Conference Room 211 and VIA Videoconference

RELATING TO GOVERNMENT ACCOUNTABILITY.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

While the Board of Trustees (BOT) has not had a chance to review the bill, and while the Employees' Retirement System (ERS) appreciates the intent of SB 2662 SD1, there are concerns similar to SB 1543 from the 2025 session for which we respectfully oppose this measure.

SB 2662 SD1 proposes to enact additional conditions and restrictions when hiring an external consultant. While the ERS supports the bill's intent to increase government accountability while developing our own workforce capacity and capabilities, we are concerned that the reporting and approvals required in the bill could compromise the nimbleness necessary to execute external contracts vital to operate the ERS. Effective management of the investments and services within the ERS requires an extensive number of external partners to supplement the on-staff administration. The bill would add significant administrative and logistical challenges that would affect government operations.



Employees' Retirement System
of the State of Hawaii

The responsibility to administer proper operation of the system is vested in the BOT by section 88-23 Hawaii Revised Statute (HRS). Being a public board subject to Sunshine Laws and Uniform Information Practices Act (UIPA) rules, all BOT processes, determinations and documents are already made public except for those exempted for purposes of confidentiality by said rules.

The BOT oversees requests for procurements along with their justification and budgetary considerations. The majority of external consultants approved and used by the BOT and the ERS are providing highly technical and specialized niche skills and experience not possessed by existing staff, nor most times in the State.

The requirement for prior legislative approval of contracts above the currently undefined threshold would likely constrain the Boards ability to fulfill its fiduciary obligation to provide expert and necessary consultative resources to responsibly administer the system. The additional analysis, justification, reporting, and Legislative approval requirements would add to what is already a lengthy, complex, and public procurement process, potentially delaying access to needed services and expertise provided by external consultants to administer the system in compliance with best practices and State and Federal requirements.

As with many other government agencies, the ERS is also dealing with staffing issues resulting from local demographic changes and market dynamics. We currently have a vacancy rate of nearly 25% of total staff positions, most of which are in technically specialized and prominent roles within the organization. The justification and reporting requirements would add to the already stressed in-house capacity that management and the Board of Trustees seek to relieve with external consultants.

Further concerns would be that, when it would be potentially feasible to use or create existing positions in place of external consultants, the creation and recruitment of such positions would be subject to a lengthy and indeterminate hiring and recruiting process. Recruitment efforts often encounter multiple challenges in today's competitive job markets such as a lack of applicants due to qualification or compensation, applicants deferring positions for other (oftentimes inter-government) positions, and applicants transferring or leaving shortly after beginning employment for other opportunities, affecting both the continuity of training and projects assigned to them.

Thank you for the opportunity to provide testimony detailing our concerns in opposition of SB 2662 SD1.

DEPARTMENT OF PARKS AND RECREATION
KA 'OIHANA MĀLAMA PĀKA A ME NĀ HANA HO'ONANEA
CITY AND COUNTY OF HONOLULU

1000 ULU'ŌHI'A STREET, SUITE 309 • KAPOLEI, HAWAII 96707
PHONE: (808) 768-3003 • FAX: (808) 768-3053 • WEBSITE: honolulu.gov/parks

RICK BLANGIARDI
MAYOR
MEIA



LAURA H. THIELEN
DIRECTOR
PO'O

KĒHAULANI R. PU'U
DEPUTY DIRECTOR
HOPE PO'O

March 3, 2026

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
and Members of the Senate Committee on Ways and Means

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Subject: SB 2662, SD1 – Relating to Government Accountability

The Department of Parks and Recreation (DPR) of the City and County of Honolulu (City) respectfully **opposes** Senate Bill (SB) 2662, SD1 Relating to Government. DPR does not support a measure which requires each purchasing agency to provide justification for hiring external consultants; caps the amount each agency can spend on external consultants; seek legislative approval for certain consulting contracts; disclose new contracts with external consultants; and requires the submission of annual reports.

While DPR and the City understand the desire to reduce consultant work that City employees, hypothetically, could perform, SB 2662, SD1 fails to recognize the many reasons that drive City reliance on consultants. DPR manages, maintains, and operates parks and recreational facilities under City jurisdiction; develops and implements programs for cultural, recreational and other leisure-time activities; beautifies City streets, parks and recreational facilities, including planting, pruning, and maintenance of shade trees, maintains and operates the City's botanical and community gardens; and supports private tree planting through the community forestry program.

SB 2662, SD1 would make it very difficult, if not impossible, to keep parks and city streets in operating and safe conditions without the use of external consultants. DPR's Division of Urban Forestry (DUF) maintains approximately 100,000 street and park trees and palms, including pruning/removing in undeveloped areas of parks, when necessary. These trees and palms are maintained mostly by private contractors with contract specifications that includes inspection of every tree on the contract list and reporting back to DUF if there are any concerns.

000025

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
and Members of the Senate Committee on Ways and Means
March 3, 2026
Page 2

The pruning/removing tree contracts cover the entire island in 22 regions and specialty areas. Highly urbanized areas are pruned approximately once per year, and other trees are pruned approximately once every two years. Coconut and royal palms are trimmed every four to five months.

DUF crews are primarily used to perform emergency response, specialty pruning, root pruning, stumping and other duties. DUF continues to face recruitment and hiring challenges for specialized positions such as tree trimmers. Limiting the number of external consultants, the department could procure would result in DPR having to increase staffing levels for in-house tree pruning/removal crews and professionally trained staff to maintain all city trees by 200%, including increasing the number of arborists on staff. The creation of additional positions, budgeting for those positions, followed by recruitment and hiring, when the DPR is already challenged to fill vacant positions, makes this goal unrealistic and unachievable. In addition, the department would be required to incur additional equipment costs to obtain, maintain, and replace large vehicles such as aerial lifts, dump trucks, equipment such as chippers, chainsaws, blowers, etc., and additional base yards to house all the personnel and vehicles/equipment.

The complexity of the DPR's projects and the need for specialized skills require the department to procure professional services to provide DPR highly technical and specialized skills not possessed by existing staff. For example, external contractors are used for the grant-funded projects including: Urban Tree Canopy Assessment; Tree Inventory Ground Truth; Exceptional Tree Improvements; Community Canopy Program and Community Tree Plan Engagement.

The DPR Maintenance Support Services Division (MSS) is responsible for improving park facilities by renovating, restoring, repairing, and improving park facilities. MSS trades include plumbers, carpenters, masons, welders, painters and small engine repairers. The trades program is the mainstay in maintaining and repairing an inventory of aging facilities. MSS also provides heavy construction equipment support, utility crew support and a chemical unit that provides fertilizing, herbicide, and vector control to all parks. The work program, which contracts out work projects, is an integral part of the maintenance program. MSS responds to emergency repair calls on park properties and assists the City and County of Honolulu where needed.

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
and Members of the Senate Committee on Ways and Means
March 3, 2026
Page 3

MSS Work Program has procured external consultants to assist with the following: roofing inspections and repairs for park facilities, repair and repaving park facility parking lots, repair and maintenance of gym bleachers, and reseal and replace gym floors fencing. External consultants provide an efficient and more cost-effective way to repair and maintain the City's aging park facilities.

It is neither fiscally sustainable nor operationally realistic for DPR to permanently staff every specialized discipline needed on a project-by-project basis. External consultant services are strategically utilized to address discrete project demands, supplement limited internal capacity, and ensure compliance with complex regulatory and funding requirements.

DPR further notes that external consultant contracts are already subject to multiple layers of fiscal and performance oversight. Assigning additional audit authority risks duplicative review processes that would divert limited administrative staff from essential operational functions, including maintenance, programming, and public service delivery.

Thank you for the opportunity to provide testimony in **opposition** to SB 2662, SD1.

Sincerely,



Laura H. Thielen
Director

**OFFICE OF THE MAYOR
KE KE'ENA O KA MEIA
CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • WEBSITE: honolulu.gov

RICK BLANGIARDI
MAYOR
MEIA



MICHAEL D. FORMBY
MANAGING DIRECTOR
PO'O HO'OKELE

KRISHNA F. JAYARAM
DEPUTY MANAGING DIRECTOR
HOPE PO'O HO'OKELE

March 04, 2026

The Honorable Donavan Dela Cruz, Chair
The Honorable Sharon Moriwaki, Vice-Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
415 S. Beretania St., Room 211
Honolulu, Hawaii 96813

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

Upon consultation with Mayor Blangiardi and Managing Director Mike Formby, the administration of the City and County of Honolulu (City) **supports the intent of SB2662** to reduce the unnecessary reliance on external consultants when in-house expertise exists, or could exist, in the provision of core services, **but has concerns about the bill as currently written.**

Currently, City departments rely upon consultants with technical and specialized expertise that is either 1) not available in the department, or 2) not available at the time the expertise is critically needed. In other words, City departments may have some in-house experts but, depending upon the flow of project contracts with technical demands, not at the capacity necessary to service the project workload on a day-to-day, month-to-month, year-to-year basis. In essence, the inability to call upon technical and specialized expertise when needed would severely jeopardize the workload pipeline of City departments.

Seeing as the City agrees and supports the intent of the proposed legislation, the City respectfully requests the legislature define the nature of the problem, if any, first, through Section 2 (b) and conduct an audit that describes and verifies the nature of the problem before the State and City seek to solve the problem. The City would gladly participate in an audit of consultant use, confident our current system does not excessively misuse consultants at government employee expense, but open to learning more and correcting deficiencies.

The Honorable Donavan Dela Cruz, Chair
The Honorable Sharon Moriwaki, Vice-Chair
and Members of the Committee on Ways and Means
March 04, 2026
Page 2

Thank you for the opportunity to provide testimony, and should there be any questions, please contact me at 808-768-6608 or via email at anthony.miranda@honolulu.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Miranda". The signature is fluid and cursive, with the first name "Anthony" written in a larger, more prominent script than the last name "Miranda".

Anthony Miranda
Legislative Liaison, Office of the Mayor



Lori M.K. Kahikina, P.E.
Executive Director and CEO |
Poʻo Hoʻokō a Kahu Luna Nui Hoʻokō

Mike O’Keefe
Deputy Executive Director and COO |
Hope Poʻo Hoʻokō a Kahu Luna Hoʻoponopono

BOARD OF DIRECTORS | KA PAPA ALAKA’I

Kika G. Bukoski
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John H. Katahira
Jared N. Kawashima
Nelson Lee
J. Roger Morton

Joseph V. O’Donnell
Kaulana Park
Edwin H. Sniffen
Kathy Sokugawa

March 4, 2026

The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Sharon Y. Moriwaki, Vice Chair
and Members of the Committee on Ways and Means
415 South Beretania Street, Room 211
Honolulu, Hawaii 96813

Dear Senators Dela Cruz, Moriwaki, and Members of the Committee on Ways and Means:

Subject: SB 2662, Relating to Government Accountability

Established under Article XVII of the Revised Charter of the City and County of Honolulu (“City”), HART is the City’s semi-autonomous public transit authority that is responsible for the planning and construction of its rail transit system. The rail transit system, known as Skyline, is the first fully automated, driverless light rail system in the United States, and is the largest public infrastructure project in Hawaii’s history.

HART consistently prioritizes hiring internal, government employees over relying on consultants because we recognize that building in-house expertise is not only more cost effective, but also more sustainable in the long term. While we understand and appreciate the intent of SB 2662 – to reduce taxpayer costs and promote government accountability by decreasing reliance on consultants for work that can be performed by government employees – the requirements contained in SB 2662 would impose significant administrative burdens on HART and its purchasing department. Complying with these requirements would require critical staff to shift some focus away from the challenging and time-sensitive work at hand to additional administrative tasks. Such extensive requirements could also jeopardize the timely procurement of essential technical and specialized services that, despite ongoing efforts to expand our internal workforce, we have been unable to self-perform. Therefore, I respectfully request that this Committee defer SB 2662, or, at minimum, consider amending it to exclude HART.

Thank you for this opportunity to submit testimony. Please feel free to contact me at lkahikina@honolulu.gov or (808) 768-6159 with any questions.

Very truly yours,

Lori M.K. Kahikina, P.E.
Executive Director and CEO

**BOARD OF WATER SUPPLY
KA 'OIHANA WAI
CITY AND COUNTY OF HONOLULU**

630 SOUTH BERETANIA STREET • HONOLULU, HAWAII 96843
Phone: (808) 748-5000 • boardofwatersupply.com

RICK BLANGIARDI
MAYOR
MEIA

ERNEST Y. W. LAU, P.E.
MANAGER AND CHIEF ENGINEER
MANAKIA A ME KAHU WILIKI

ERWIN KAWATA
DEPUTY MANAGER
HOPE MANAKIA



NĀ'ĀLEHU ANTHONY, Chair
JONATHAN KANESHIRO, Vice Chair
LANCE WILHELM
JEFFREY LAUPOLA
EDWIN H. SNIFFEN, Ex-Officio
GENE C. ALBANO, P.E., Ex-Officio

March 5, 2026

The Honorable Donovan M. Dela Cruz, Chair
and Members
Senate Committee on Ways and Means
Hawaii State Capitol, Room 211
Honolulu, Hawaii 96813

Dear Chair Dela Cruz and Members:

Subject: Senate Bill 2662, SD1: Relating to Government Accountability

The Honolulu Board of Water Supply (BWS) strongly opposes Senate Bill (SB) 2662, Senate Draft (SD) 1, relating to government accountability, which imposes upon each government purchasing agency to provide justification for hiring external consultants, seek approval from the Legislature for consulting contracts exceeding a certain dollar amount, submit annual reports to the Legislature, have an auditor conduct regular audits of the BWS consultant contracts, and require the BWS procurement officer to ensure inherent government functions are not delegated to a contractor.

BWS does contract with external consultants for professional services in planning and engineering. For certain specialized and complex projects that BWS does not have staff with the expertise or specific technical knowledge we rely on outside consultants to augment our staffing.

The requirements in SB 2662, SD1, would impose restrictions and administrative burdens on the timeline of project completion dates. BWS has built, operated, and maintained a complex infrastructure to provide safe, dependable, and affordable service to our customers. BWS already has in place key action plans to assess and address water system risks and vulnerabilities to ensure water system adequacy, dependable serves, and operational efficiency.

BWS has strict procurement procedures in place that serve to ensure transparency, competitiveness and compliance with the State Hawaii Public Procurement Code pursuant to Hawaii Revised Statutes chapter 103D.

The Honorable Donovan M. Dela Cruz, Chair
and Members
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BWS believes the requirements in SB2662, SD1, would disrupt our planned project timelines, actually increase construction costs and is impracticable to stay on course to meet our mission, operation, and management functions.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Ernest Y. W. Lau', with a stylized flourish extending to the left.

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

DEPARTMENT OF TRANSPORTATION SERVICES
KA 'OIHANA LAWELAWE 'ŌHUA
CITY AND COUNTY OF HONOLULU

711 KAPI'OLANI BOULEVARD, SUITE 1600 • HONOLULU, HAWAII 96813
Phone: (808) 768-8305 • Fax: (808) 768-4730 • Website: honolulu.gov/transportation

RICK BLANGIARDI
MAYOR
MEIA



J. ROGER MORTON
DIRECTOR
PO'O
HONGLONG LI, Ph.D., P.E.
DEPUTY DIRECTOR
HOPE PO'O

TESTIMONY OF J. ROGER MORTON
DIRECTOR OF TRANSPORTATION SERVICES

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
Thursday, March 5, 2026, 10:15 AM
Conference RM 211 and Via Videoconference

TO: Sen. Donovan M. Dela Cruz, Chair, Sen. Sharon Y. Moriwaki, Vice Chair, and Members of the Committee on Ways and Means

RE: STRONG OPPOSITION TO SENATE BILL 2662, S.D. 1, RELATING TO GOVERNMENT ACCOUNTABILITY

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee on Ways and Means. My name is J. Roger Morton, and I serve as the Director of the Department of Transportation Services (DTS) for the City and County of Honolulu. DTS strongly opposes SB 2662, SD1.

At the outset, we recognize and share the Legislature's commitment to accountability, transparency, and fiscal stewardship. DTS manages critical public infrastructure and transit services — including Skyline rail, TheBus, Handi-Van, and the HOLO smart fare system — and we understand the importance of prudent use of public funds. However, this bill would impose sweeping procedural requirements that would significantly impair the ability of government agencies — including county agencies — to function effectively and efficiently.

Legislative Approval of Contracts Undermines Efficient Administration

The requirement that agencies seek legislative approval for consulting contracts exceeding a specified dollar threshold is particularly problematic.

Transportation projects frequently involve:

- Federally funded capital projects with strict obligation deadlines
- Complex environmental, engineering, and safety compliance requirements
- Rapid response to emergencies, disasters, or urgent infrastructure failures

Introducing a new legislative approval layer into procurement decisions would create unavoidable delays. These delays could:

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- Jeopardize federal funding deadlines
- Increase construction and consulting costs due to inflation or remobilization
- Disrupt project schedules
- Expose the State or counties to claims and contractual penalties

Procurement authority has historically been delegated to executive agencies for precisely this reason: operational decisions must be made promptly and professionally within established statutory frameworks.

One-Size-Fits-All Spending Caps Are Impractical

The proposed spending caps and uniform reporting structure fail to recognize that infrastructure agencies experience:

- Cyclical capital peaks
- Large federally funded construction programs
- Specialized technical demands beyond in-house capacity

DTS, like many transportation agencies nationwide, relies on consultants for:

- Specialized engineering
- Federal compliance and environmental documentation
- Rail systems integration
- Safety certification
- Major capital program management

These are not core “outsourced government functions,” but rather highly specialized services that fluctuate with project phases. Artificial caps do not reflect operational reality.

Redundant Oversight Already Exists

Public procurement in Hawai‘i is already governed by:

- Chapter 103D, HRS
- Chief Procurement Officer oversight
- State Procurement Office rules
- Federal procurement requirements (for federally funded projects)
- Annual audits
- Public transparency laws

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The addition of mandatory legislative approvals and routine Compliance Audit Unit audits of consultant contracts risks creating redundancy without commensurate benefit.

Home Rule Concerns

Most importantly, as drafted, this measure raises significant home rule concerns.

The Hawai'i Constitution grants counties authority over local affairs and administration. By requiring legislative approval of routine procurement decisions and imposing additional state-level management controls over purchasing agencies, the Legislature risks encroaching upon executive and county administrative authority. Moreover, it would be impracticable to require State and county agencies to obtain the approval of the Legislature for non-legislative contracts, which by constitutional mandate, convenes for only sixty session days.

Procurement decisions — including whether to hire consultants — are operational management functions traditionally vested in executive leadership. Requiring the Legislature to approve individual contracts crosses from policy-setting into day-to-day administration.

Such a shift could:

- Blur separation of powers principles
- Undermine executive accountability
- Weaken county autonomy over local operations

Public accountability is best achieved through policy direction, appropriations authority, and oversight hearings — not through routine legislative approval of executive management decisions.

Risk to Infrastructure Delivery and Public Safety

Transportation agencies must respond quickly to:

- Federal grant opportunities
- Climate resilience initiatives
- Emergency infrastructure repairs
- Safety system upgrades
- Time-sensitive procurement for rail and bus operations

Additional procedural hurdles could slow urgently needed projects that directly affect public safety, congestion relief, and economic activity.

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Conclusion

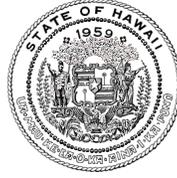
While we appreciate the Legislature's focus on strengthening accountability and building internal government capacity, SB 2662, SD1, would:

- Impede efficient project delivery
- Risk loss of federal funds
- Create redundant oversight mechanisms
- Impose impractical one-size-fits-all spending controls
- Raise serious home rule and separation-of-powers concerns

For these reasons, the Department of Transportation Services respectfully urges the Committee to defer or reject this measure.

Thank you for the opportunity to testify in strong opposition. I am available to answer any questions.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'AINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON WAYS AND MEANS

MARCH 5, 2026, 10:15 A.M.
CONFERENCE ROOM 211 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 2662, S.D. 1

RELATING TO GOVERNMENT ACCOUNTABILITY

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee, thank you for the opportunity to submit testimony on S.B. 2662, S.D. 1.

The Department of Accounting and General Services (DAGS) **opposes** this bill which requires agencies to justify the use of external consultants, obtain legislative approval for contracts above a set threshold, submit annual reports, and undergo regular audits by the Compliance Audit Unit to ensure cost effectiveness and compliance. Chief procurement officers must also ensure that inherently governmental functions are not delegated to contractors, with certain exceptions allowed. DAGS, like many other departments, makes use of external consultants to provide services the department's internal staff are unable to provide due to limited

staffing, the volume and complexity of projects the department is tasked with completing, and the need for highly specialized skills that are not readily available internally.

While the department has great confidence in the capabilities, skills, and professionalism demonstrated on a daily basis by its internal staff, the ability to utilize consultant services, managed and overseen by state personnel, is a critically important and necessary tool to address the volume, type, and timeliness of work undertaken by departments. Imposing spending limits that trigger approval requirements can have far-reaching unintended consequences for government operations, particularly given the measure's lack of specificity as to the criteria that would need to be satisfied to gain such approval. In the absence of the specialized skills needed for some projects, qualified consultants play a critical role in our ability to timely deliver projects and services.

We also note that the measure seeks to amend Section 103D-205, Hawaii revised Statutes, to add language to “[ensure that inherent government functions are not delegated to a contractor]” but does not delineate those inherent government functions. By contrast, in September 2014, the State Procurement Office issued Procurement Circular 2014-14 which has provided strict and effective relevant guidance, stating “the only people who should be making final decisions on how to spend taxpayer’s money are those authorized, delegated public procurement officials” not contractors; and sets forth six inherent government functions. The department believes the guidance and specificity provided by Procurement Circular 2014-14 has been and can continue to be effective, and introduction of the amended language for HRS 103D-205 might serve to

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confuse or weaken application of that guidance.

Thank you for the opportunity to provide testimony on this measure.



**VI. Executive Director's
Report**



**a. Hawai'i State Ethics
Commission**

Agenda Item V. Executive Director Report

From: [Hawaii State Ethics Commission](#)
To:
Subject: [EXTERNAL] 2026 Annual Financial Disclosure DUE June 1, 2026
Date: Friday, February 20, 2026 6:02:33 PM

Aloha,

As a courtesy reminder to all current state employee and state board filers, please file your annual financial disclosure with the Hawai'i State Ethics Commission by June 1, 2026.

Filing Tips

HOW TO LOGIN? Go to

[https://urldefense.com/v3/_https://hawaiiethics.my.site.com/disclosures/_:!!LYSdFfckKA!0b7K1aRGtNQARLoBmaxVVZZSXODuLuAuiUwU55Fb8MLT-fyiXX2EBc1e7dfjgf1JqNzXRBVad24pMs4eoj8qaV_1U-182qAZHiiYUOnTnzg\\$](https://urldefense.com/v3/_https://hawaiiethics.my.site.com/disclosures/_:!!LYSdFfckKA!0b7K1aRGtNQARLoBmaxVVZZSXODuLuAuiUwU55Fb8MLT-fyiXX2EBc1e7dfjgf1JqNzXRBVad24pMs4eoj8qaV_1U-182qAZHiiYUOnTnzg$) and login to your e-filing account. Enter the same email address that is linked to your current e-filing account. Do not create another account. If you changed your email address, please contact our office to update your account.

WHAT TO REPORT? Income for your state employment, outside employment, and other business income; business ownership; stocks, bonds, and mutual funds (excluding retirement-based funds); officer/director/fiduciary positions; real property (including your personal residence); loans; and clients assisted or represented before state agencies. Include financial interests held by a spouse or dependent child.

HOW TO FILE? To file your form, click FILE DISCLOSURE, type your electronic signature, and click SAVE to file your form. You should receive an email confirmation (check your junk mail folder and adjust your spam filters if necessary). Please refer to the Filing Tips or the Financial Disclosures E-Filing Guide on the Commission's website for more instructions and filing tips.

If you have left state employment, transferred to a new state position, or left your state board, please email us your exit date and we will update your record. (If you have already filed, please disregard this email and thank you for filing.)

Mandatory Ethics Training

Need to take initial ethics training or a refresher? All state legislators, state employees and members of state boards and commissions are required to take ethics training and take a refresher every four years.

Live Training: Elected state officials, department heads, members of certain major state boards, and other high-ranking state officials who are required to file a public financial disclosure must take a LIVE ethics training course.

Self-Directed (Online) Training: All other employees and board members may take the self-directed, online training module. For Executive Branch, Judiciary, UH, and HHSC employees who are not subject to the live training requirement, please complete the online training module via your agency's learning management portal.

For more information, go to: <https://ethics.hawaii.gov/training/>.

Mahalo!

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