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A BILL FOR AN ACT

RELATING TO VETERANS' SERVICES.

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

1           SECTION 1. Section 363-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3           "(b) The head of the office shall be known as the director  
4 of the office of veterans' services. The director shall be  
5 nominated and appointed by the governor without regard to  
6 chapters 76 and 89. Effective July 1, [~~2005~~] 2006, the  
7 director shall be paid a salary set by the appointing authority  
8 that shall not exceed [~~sixty-nine~~] seventy-four per cent of the  
9 salary of the director of human resources development. The  
10 director shall be included in any benefit program generally  
11 applicable to the officers and employees of the State."

12           SECTION 2. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$5,949, or so much  
14 thereof as may be necessary, for fiscal year 2006-2007 for the  
15 purpose of funding the salary increase established by this Act.  
16 The sum appropriated shall be expended by the department of  
17 defense for the purpose of this Act.

18           SECTION 3. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

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1 SECTION 4. This Act shall take effect on July 1, 2006.

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INTRODUCED BY: Calvin K. H. King

BY REQUEST

JAN 23 2006

# H. B. NO. 2340

## JUSTIFICATION SHEET

DEPARTMENT: Defense

TITLE: A BILL FOR AN ACT RELATING TO VETERANS' SERVICES.

PURPOSE: To authorize the Governor, as the appointing authority, to set salary of the Director of the Office of Veterans' Services at an amount not exceeding seventy-four percent of the salary of the Director of Human Resources Development.

MEANS: Amend section 363-2(b), Hawaii Revised Statutes (HRS).

JUSTIFICATION: Act 226, Session Laws of Hawaii 2005, section 363-2(b) that specified salary of the director be set by the appointing authority and shall not exceed sixty-nine percent of the salary of the Director of Human Resources Development. Until Act 226 became effective on July 1, 2005, the director's salary had not been adjusted for the last 15 years. However, the members of his staff have received annual collective bargaining pay increases, which have resulted in a pay imbalance. The salary specified section 363-2(b) is lower than a subordinate's salary. The Governor should be allowed to set the salary not to exceed seventy-four percent of the salary of the Director of Human Resources Development.

The general fund recommendation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including Executive Supplemental Budget for fiscal year 2006-2007, the Executive appropriation ceiling for fiscal year 2006-2007 has already exceeded by \$103.6 million or 2.1 percent. Funding requested in this measure for the director of veterans' services salary increase will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2006-2007 by \$5,949,

or 0.00000123 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2006-2007 in this measure only, and does not include other general fund appropriations for fiscal year 2006-2007 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2006.

Impact on the public: If section 363-2(b) is not amended, the State may have difficulty recruiting and retaining a qualified director of veterans' services. This would negatively impact the veterans' community, which has a population of over 114,000 within the State.

Impact on the department and other agencies:  
None.

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|------------------------------|---------------|
| GENERAL FUND:                | \$5,949       |
| OTHER FUNDS:                 | None.         |
| PPBS PROGRAM<br>DESIGNATION: | DEF 112.      |
| OTHER AFFECTED<br>AGENCIES:  | None.         |
| EFFECTIVE DATE:              | July 1, 2006. |