

Honolulu, Hawaii

APR 24 2006

RE: H.C.R. No. 62

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor, to which was referred H.C.R. No. 62
entitled:

"HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES OFFICE
OF PERSONNEL MANAGEMENT TO TREAT HAWAII FEDERAL EMPLOYEES
WITH REGARD TO PAY AND RETIREMENT BENEFITS THE SAME AS
FEDERAL EMPLOYEES WHO RESIDE IN THE FORTY-EIGHT CONTIGUOUS
UNITED STATES,"

begs leave to report as follows:

The purpose of this measure is to express support for
congressional efforts to ensure that federal employees in Hawaii
are afforded the same or equitable pay and retirement benefits as
federal employees residing in the forty-eight contiguous United
States.

Testimony in support of this measure was submitted by the
Federal Law Enforcement Officers Association - Hawaii Chapter #54,
the International Federation of Professional and Technical
Engineers, COLA Defense Committee of Oahu, Inc. and eight
individuals.

Your Committee finds that federal employees in Hawaii, as
well as Alaska, are treated differently than their counterparts
who reside in the contiguous United States. Federal employees in
Hawaii and Alaska benefit from cost of living adjustments with
respect to their pay; however, they are not similarly afforded
non-foreign area cost of living adjustments to their basic pay for
purposes of retirement. Additionally, Hawaii and Alaska federal
employees do not receive locality pay in addition to their

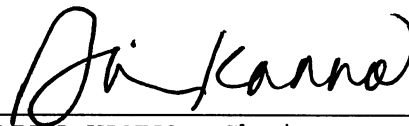


salaries, whereas federal employees of the forty-eight contiguous United States receive anywhere from twelve to twenty-eight percent locality pay adjustments. Your Committee further finds that locality pay is factored into a federal employee's "basic pay" for purposes of calculating retirement benefits, thereby placing Hawaii and Alaska federal employees at a further monetary disadvantage in retirement.

Your Committee supports the merit principle, the principle of equal pay for equal work, and believes that the current treatment of federal employees in Hawaii is unjustly discriminatory and unwarranted. Your Committee believes that the disparity in the treatment of Hawaii and Alaska federal employees and federal employees within the forty-eight contiguous United States is solely attributable to the former states' locations. Understanding that the cost of living in Hawaii exceeds that of most other states, your Committee believes it is necessary to equitably compensate federal employees in Hawaii. This measure will demonstrate the Legislature's support of the fair and equitable treatment of federal employees in Hawaii with regard to pay and retirement benefits.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62, and recommends its adoption.

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

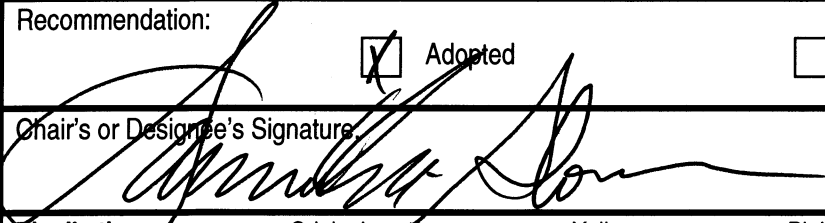


BRIAN KANNO, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Labor
(Bills and Resolutions)

Measure:*	Committee Referral:	Date:
HCR 62	LBR	4/21/06
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is to:		
<input checked="" type="checkbox"/> Pass, unamended (2312) <input type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)		
Members	Ayes	Ayes(WR)
Nays	Excused	
KANNO, Brian (C)	X	
IHARA, Jr., Les (VC)	X	
TANIGUCHI, Brian T.		X
SLOM, Sam	X	
TOTAL	3	0
0	0	1
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	Clerk's Office	Drafting Agency
		Goldenrod
		Committee File Copy

*Do not list more than one measure per Record of Votes.