

JAN 22 2007

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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~~] 2007, 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. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act shall take effect on July 1, 2007.

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INTRODUCED BY: \_\_\_\_\_

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BY REQUEST

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 the 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 per cent of the salary of the Director of Human Resources Development.

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.

GENERAL FUND: None. Additional compensation to be accommodated within existing budget requests.

OTHER FUNDS: None.

SB 1428

PPBS PROGRAM  
DESIGNATION: DEF 112.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: July 1, 2007.