

LINDA LINGLE
GOVERNOR OF HAWAII



MARIE C. LADERTA
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

February 11, 2008

TESTIMONY TO THE
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

For Hearing on Tuesday, February 12, 2008
8:50 A.M., Conference Room 309

BY

MARIE C. LADERTA, DIRECTOR

House Bill No. 3142
Relating to Salaries

TO CHAIRPERSON ALEX M. SONSON AND MEMBERS OF THE COMMITTEE:

H.B. No. 3142 amends §109-2, §128-3, §201H-2, and §269-2, Hawaii Revised Statutes, to change statutory linkages regarding the salaries of the Stadium Manager, the Vice-Director of Civil Defense, the Executive Director of the Hawaii Housing Finance and Development Corporation, and the Chairperson for the Public Utilities Commission from the Director of Human Resources Development to the salary of the Director of Health and to increase the percentage to ninety-two percent. The change will also affect the salaries of other positions that are linked to three of the four affected positions.

The Department of Human Resources Development (DHRD) **strongly supports** this administration-sponsored bill because the current compensation of the affected positions is too low in light of the scope of their duties and responsibilities.

The salary of the Stadium Manager is currently limited to eighty-seven percent of the salary of the Director of Human Resources Development, which is allocated to the lowest of the four compensation tiers for department heads. Managing the Aloha Stadium is extremely complex, particularly in view of the numerous and varied types of events that are held there. In order to provide appropriate compensation for the stadium manager, the salary should be linked to that of the Director of Health, which is in the second highest compensation tier for department heads, and the percentage should be increased to ninety-two percent. The salary of the Deputy Stadium Manager is limited to eighty-five percent of the salary of the Stadium Manager.

The salary of the Vice-Director of Civil Defense is currently limited to eighty-seven percent of the salary of the Director of Human Resources Development. Managing the State Civil Defense program is extremely complex, involving preparation for various types of disasters. In order to provide appropriate compensation for the Vice-Director, the salary should be linked to the salary of the Director of Health, and the percentage increased to ninety-two percent.

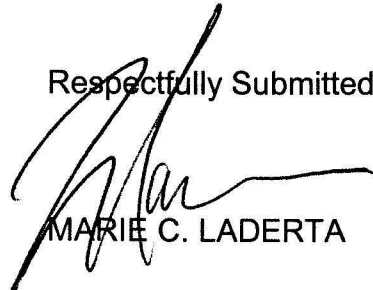
The salary of the Executive Director of the Hawaii Housing Finance and Development Corporation is currently limited to eighty-five percent of the salary of the Director of Human Resources Development. It is difficult to find and retain an individual with an appropriate background to run the operations of the corporation at the current salary level as individuals with such backgrounds can earn much more in the private sector. In order to provide appropriate compensation for the Executive Director, the salary should be linked to the salary of the Director of Health, and the percentage should be increased to ninety-two percent. The salary of the Hawaii Housing Finance and Development Corporation Executive Assistant is limited to ninety percent of the Executive Director's salary.

The salary of the Chairperson of the Public Utilities Commission is currently set at eighty-seven percent of the salary of the Director of Human Resources Development and the salaries of the other Commissioners is set at ninety-five percent of the salary of the Chairperson. The public utilities commission is responsible for the supervision of public utilities in the State involving the transportation of passengers or freight, the conveyance or transmission of telecommunications messages, and the furnishing of light, heat, cold, water, gas, or oil. In order to provide appropriate compensation for the chairperson, the salary should be linked to that of the Director of Health and the percentage should be increased to ninety-two percent.

No additional funding is being sought for the pay increases of the affected positions or the positions whose salaries are linked to those positions. The fourth salary tier for department heads will be eliminated on July 1, 2008 and the third tier will be eliminated on July 1, 2009. The net result will be that department heads currently allocated to the third and fourth tiers will all be allocated to the second tier on July 1, 2009. Therefore, the change in linkage for the affected positions will only result in that aspect of the pay increase occurring one year earlier.

Thank you for the opportunity to testify on this important measure. We respectfully request your expeditious and favorable consideration of this proposal.

Respectfully Submitted,



MARIE C. LADERTA

LINDA LINGLE
GOVERNOR



RUSS K. SAITO
Comptroller

BARBARA A. ANNIS
Deputy Comptroller

**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
LABOR & PUBLIC EMPLOYMENT
ON
February 12, 2008

H.B. 3142

RELATING TO SALARIES

Chair Sonson and members of the Committee, thank you for the opportunity to testify on H.B. 3142. The Department of Accounting and General Services (DAGS) fully supports this bill's proposal to pay the Aloha Stadium manager a salary that is commensurate with the position's responsibilities.

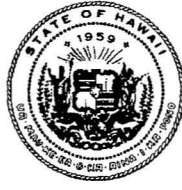
The Stadium Manager is responsible for operations of the State's largest venue for sports and special events. For Hawaii citizens, the Stadium is the premier venue for sports and special events. For people who watch events at the Stadium through broadcast television it is the window into Hawaii that promotes the State as a place to visit. Creating the enjoyable experience that people expect from the Stadium requires effective management of over 40 full-time staff, over 600 part-time workers, vendors, and contract service providers. This challenge is amplified by the continual need to better market the Stadium to increase revenues and cover the cost to operate and maintain the Stadium to make it the safe and enjoyable venue that fans, visitors and tenants deserve.

The responsibilities of the Stadium Manager, who administratively reports to the Comptroller, justify a salary for the manager in a range equivalent to 92% of the Director of Health's salary.

DAGS recommends that this bill be passed.

Thank you for the opportunity to testify on this matter.

Linda Lingle
GOVERNOR



ORLANDO "DAN" DAVIDSON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO

Statement of
Charles King, Chair
Board of Directors of the
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

February 12, 2008, 8:50 a.m.
Room 309, State Capitol

In consideration of
H.B. 3142
RELATING TO SALARIES

The HHFDC Board of Directors strongly supports section 4 of H.B. 3142, which sets the salary of the HHFDC executive director at not to exceed 92 percent of the salary of the Director of Health.

The HHFDC is a comprehensive housing finance and development agency with 81 authorized positions and approximately \$720 million in assets. The HHFDC's programs include the Low-Income Housing Tax Credit, Rental Housing Trust Fund, and Hula Mae Single and Multi-Family Revenue Bond programs. Under the Executive Director's leadership, the HHFDC was able to deliver 414 affordable rental units in its first year of operation, with an additional 7,300 units in the development pipeline.

The HHFDC Board of Directors conducts an annual performance review of the Executive Director prior to making a determination of whether to set the salary up to the statutory maximum. Passage of this bill would allow the HHFDC Board of Directors to set an appropriate compensation level for the incumbent.

Thank you for the opportunity to testify.

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 3142
A BILL FOR AN ACT RELATING TO SALARIES

PRESENTATION TO THE
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

BY

MAJOR GENERAL ROBERT G. F. LEE
ADJUTANT GENERAL
February 12, 2008

Chair Sonson, Vice Chair Nakasone, and Committee Members:

I am Major General Robert G. F. Lee, State Adjutant General. I am testifying on House Bill 3142. This bill provides a salary increase to the Stadium Manager, the Public Utilities Commissioners, Executive Director of Hawaii Housing Finance and Development Corporation and the Vice-Director of State Civil Defense.

We strongly support House Bill 3142.

We appreciate the passage of Act 226, Session Laws of Hawaii 2005, which provided salary increases to those positions that were not considered by the Salary Commission. However, we concur that providing an increase for the Vice-Director based on a percentage of the salary of the Director of Human Resources Development is not commensurate with the duties and responsibilities that are associated with this position. Since the attack on September 11, 2001, State Civil Defense was given added responsibilities in homeland security and defense. This agency has the direct responsibility to coordinate with a multitude of federal, military, state, county, and civilian organizations to spearhead the development and updates of contingency plans for force protection of critical infrastructures and disaster response.

Additionally, State Civil Defense is the sole agent for the State to receive, manage, coordinate, disburse, and expend Homeland Security grants totaling over \$80 million in federal funds.

State Civil Defense operates 24/7 and continues to aggressively mitigate damages caused by wind, rain, floods, fires, earthquakes and hurricanes. Salary increases as defined by this measure would be the minimum required to fairly compensate the Vice Director of State Civil Defense for his duties, responsibilities, and the complex programs that he manages. The department humbly requests the passage of House Bill 3142.

Chair Sonson, this concludes my testimony. Are there any questions?

TESTIMONY OF
KEVIN H. M. CHONG KEE, STADIUM AUTHORITY CHAIRMAN
TO THE
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
FEBRUARY 12, 2007

H.B. No. 3142

The Honorable Chairman's Sonson, Nakasone and members of the Committee of Labor and Public Employment, thank you for this opportunity to testify to you on House Bill No. 3142.

Aloha Stadium is where families can gather to share their cultural diversity with pride and a feeling of Aloha. In past years, this venue has provided a home for the Pro Bowl, the University of Hawaii Warriors football team, the Aloha Stadium Swap Meet, Pop Warner and High School football games, the U-2 Concert and many other events.

As the Chairman of the Stadium Authority, my main concern is to ensure that the stadium's health and safety issues are addressed, that revenues are generated to maintain this facility and that the stadium manager and his staff continue to operate and manage the stadium.

The Stadium Authority Board has realized that in order to serve the families of this State now and in the future, the stadium manager's salary should commensurate with their duties and responsibilities and the importance and complexity of the facility that they head.

Our search for a stadium manager in 2006 had been fruitless due to the fact of the current salary structure of this position. The stadium manager's position had remained at \$77,966.00 from 1990 until 2005, which increased to \$81,466.00 in July of 2006. Currently, Aloha Stadium Manager Scott Chan is paid \$85,534.00. We must remain competitive with the pay scale of comparable facilities of this size in order to retain a manager who will take us to the next level of excellence.

That is why I support House Bill No. 3142 to pay the stadium manager a salary that is set at or limited to ninety-two percent of the salary of the Director of Health. Once again, thank for this opportunity to testify to you and your committee.

A handwritten signature in black ink, reading "Kevin Chong Kee". The signature is written in a cursive, flowing style with a long horizontal flourish extending to the right.

Kevin H.M. Chong Kee
Stadium Authority Chairman