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February 1, 2008

**TESTIMONY TO THE
SENATE COMMITTEE ON TOURISM AND GOVERNMENT OPERATIONS**

For Hearing on Tuesday, February 5, 2008
1:15 P.M., Conference Room 229

BY

MARIE C. LADERTA, DIRECTOR

**Senate Bill No. 3064
Relating to Salaries**

TO CHAIRPERSON AND MEMBERS OF THE COMMITTEE:

S. B. No. 3064 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.

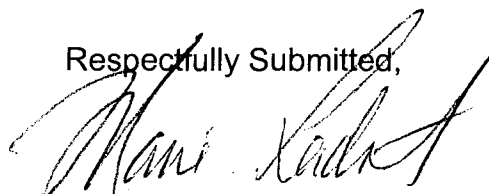
The salary of the Executive Director of the Hawaii Housing Finance and Development Corporation is currently limited to eighty-five percent of the salary of the Director of Human Resources Development. It is difficult to find and retain an individual with an appropriate background to run the operations 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.

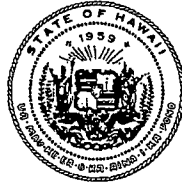
Thank you for the opportunity to testify on this important measure. We respectfully request your expeditious and favorable consideration of this proposal.

Respectfully Submitted,



MARIE C. LADERTA

Linda Lingle
GOVERNOR



ORLANDO "DAN" DAVIDSON
EXECUTIVE DIRECTOR

STATE OF HAWAII

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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

SENATE COMMITTEE ON TOURISM AND GOVERNMENT OPERATIONS

February 5, 2008, 1:15 p.m.
Room 229, State Capitol

In consideration of
S.B. 3064
RELATING TO SALARIES

The HHFDC Board of Directors strongly supports section 4 of S.B. 3064, 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 approximately \$1.6 billion 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. Passage of this bill would provide an appropriate compensation for the incumbent.

Thank you for the opportunity to testify.

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON SENATE BILL 3064
A BILL FOR AN ACT RELATING TO CIVIL DEFENSE AGENCY

PRESENTATION TO THE
SENATE COMMITTEE ON TOURISM AND GOVERNMENT OPERATIONS

BY

MAJOR GENERAL ROBERT G. F. LEE
ADJUTANT GENERAL
February 5, 2008

Chair Nishihara, Vice Chair Kim, and Committee Members:

I am Major General Robert G. F. Lee, State Adjutant General. I am testifying on Senate Bill 3064. 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 Senate Bill 3064.

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 SB 3064.

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