

Honolulu, Hawaii

May 1, 2009

RE: H.B. No. 1536
H.D. 2
S.D. 1
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1536, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SALARIES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to alleviate some of the effects of the current fiscal crisis the State is facing by:

- (1) Implementing a salary reduction of five per cent of what public executives and legislators were being paid on June 30, 2009, for a two-year period beginning July 1, 2009; and
- (2) Tying vacation and sick leave to that of collective bargaining unit (13) for a two-year period beginning July 1, 2009.



Along with the rest of the nation, Hawaii, is facing difficult economic times that, according to some, have not been seen since the 1980s or even the Great Depression. Hawaii is grappling with an enormous budget deficit that may increase in the near future. Although salary increases were approved by the Commission on Salaries for members of the executive, legislative, and judicial branches, these increases were approved at a time when Hawaii's economic future looked bright. Your Committee on Conference finds that the current economic downturn and the resulting decline in general fund revenues necessitate that the heads of all branches of state government share in the sacrifice of salary adjustments. While the reduction of these salaries only amounts to a small savings in relation to the entire deficit, your Committee on Conference finds that in recognition of Hawaii's current fiscal situation, this is a prudent step.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1536, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1536, H.D. 2, S.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

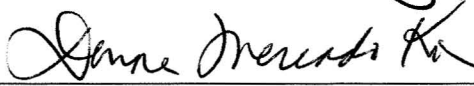
ON THE PART OF THE HOUSE



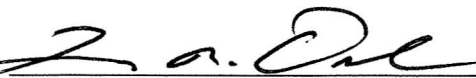
BRIAN T. TANIGUCHI, Chair



KARL RHOADS, Co-Chair



DONNA MERCADO KIM, Co-Chair



MARCUS R. OSHIRO, Co-Chair



