

STAND. COM. REP. NO. 364

Honolulu, Hawaii

FEB 18, 2009

RE: H.B. No. 1536  
H.D. 1

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

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1536 entitled:

"A BILL FOR AN ACT RELATING TO SALARIES,"

begs leave to report as follows:

The purpose of this bill is to alleviate some of the effects of the current fiscal crisis the State is facing by establishing a salary freeze for certain members of the executive, legislative, and judicial branches of government.

The Governor, Department of Human Resources Development, and several concerned individuals testified in support of this bill. Two concerned individuals testified in opposition to this measure.

Hawaii, as well as the rest of the country, is facing difficult economic times that, according to some, have not been faced since the 1980s or even the Great Depression. Hawaii alone is facing an estimated budget deficit of \$1.2 billion, a number that may increase when the next projections from the Council on Revenues are released in March. Although salary increases were approved by the salary commission for members of the executive, legislative, and judicial branches, these increases were approved at a time when Hawaii's economic future looked bright. While the freezing of these salary increases only amount to a small savings in relation to the entire deficit, your Committee finds that in recognition of Hawaii's current fiscal situation, this would be the most prudent thing to do.

HB1536 HD1 HSCR LAB HMS 2009-2213



However, your Committee finds that as currently written, this measure does not make clear what action is to be taken once the salary freeze is lifted. Accordingly, your Committee has amended this bill by stipulating that on January 1, 2012, salary increases approved prior to the enactment of this Act shall be implemented.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1536, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



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KARL RHOADS, Chair



