

STAND. COM. REP. NO.

1221

Honolulu, Hawaii

APR 09 2009

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

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

Madam:

Your Committees on Judiciary and Government Operations and Ways and Means, to which was referred H.B. No. 1536, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SALARIES,"

beg leave to report as follows:

The purpose of this measure is to freeze the annual salaries of the Governor, the Lieutenant Governor, the justices and judges of all state courts, the administrative director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads or executive officers of the executive departments.

Your Committees received testimony in support of this measure from the Governor, one executive department, state house minority members, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the current economic downturn and the resultant decline in general fund revenue necessitate that the heads of all branches of state government share in the sacrifice of salary adjustments.

The affected executive departments are the Department of Accounting and General Services; Agriculture; Budget and Finance; Business, Economic Development, and Tourism; Commerce and Consumer Affairs; Defense; Hawaiian Home Lands; Health; Human Resources Development; Human Services; Labor and Industrial Relations; Land

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and Natural Resources; Public Safety; Taxation; Transportation; and the Attorney General. The salaries would be frozen beginning January 1, 2009 until June 30, 2011. On July 1, 2011, the salaries for the positions would be increased to the level they would have been on July 1, 2009, under the recommendations of the Commission on Salaries and in the absence of further salary freezes under this measure. The recommendations of the Commission on Salaries for salary increases for these positions effective on July 1, 2012, shall become effective on that date.

For the Legislature, until December 31, 2011, the annual salaries of members of the Legislature would remain the same as they were on January 1, 2009. On January 1, 2012, the salaries of the members of the Legislature would be increased to the level they would have been on January 1, 2012, under the recommendations of the Commission on Salaries and in the absence of the salary freeze under this Act. The recommendations of the Commission on Salaries for salary increases for the members of the Legislature effective January 1, 2013, and January 1, 2014, will become effective on those dates.

Your Committees have amended this measure by:

- (1) Changing a salary freeze to a salary reduction of five per cent off of what public executives and legislators were being paid on June 30, 2009, for a two-year period beginning July 1, 2009;
- (2) Tying vacation and sick leave to that which is negotiated and executed by the executive representative for collective bargaining unit (13) for that unit for a two-year period beginning July 1, 2009; and
- (3) Changing the effective date to June 30, 2050 to continue the discussions.

It is not the intent of your Committees that the amended measure affect the retirement benefits of those persons covered by this measure. Accrued retirement benefits should proceed without regard to the temporary salary adjustment under this measure.

As affirmed by the records of votes of the members of your Committees on Judiciary and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1536, H.D. 2, as amended herein, and recommend that it pass Second Reading in the



form attached hereto as H.B. No. 1536, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committees on Judiciary and Government Operations and Ways and Means,



DONNA MERCADO KIM, Chair



BRIAN T. TANIGUCHI, Chair





