

HB 1536, HD 2



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

Testimony of
Linda L. Smith
Senior Policy Advisor to the Governor

Before the
**SENATE COMMITTEES ON JUDICIARY AND GOVERNMENT OPERATIONS AND
WAYS AND MEANS**

Friday, April 3, 2009, 9:15 a.m.
Room 211, State Capitol

HB 1536 HD2 RELATING TO SALARIES

Chair Taniguchi, Chair Mercado Kim and Members of the Committee:

The Administration supports with amendments HB 1536 HD2, a bill similar to the Administration's HB 1109, which defers salary increases for state leaders for two years. We appreciate the House Committee on Finance's HD2 amendments, which bars retroactive payment of salaries and ensures salary deferrals are effective according to the respective salary schedule of each branch.

In addition to salary deferrals, we respectfully request that this measure be amended so that any salary rollbacks or furloughs taken by government employees as a result of collective bargaining discussions also apply to those covered by this bill; namely the Governor, Lt. Governor, legislators, judges, department directors, department deputy directors, etc. This measure is necessary to ensure responsible management of the state budget, as well as assure taxpayers and government workers that state leaders are leading by example and making shared sacrifices.

As a result of the economic crisis taking place throughout the country and the world, Hawaii residents are experiencing layoffs, furloughs, and other cutbacks. Currently, salary increases for certain members of the executive, legislative, and judicial branches are scheduled to occur, as required by law, despite budget shortfalls confronting the State and economic hardships facing residents and taxpayers.

In November 2006, a constitutional amendment approved by the voters of Hawaii established the Commission on Salaries, which is tasked to provide salary recommendations for executives in all three branches of government on a six-year basis. The first recommendations for the period between 2007 and 2013 were

submitted by the Commission in March 2007 and automatically took effect when they were not disapproved by the Legislature. Attached are the recommended salary increases for executive positions across all three branches of government for the six year period between 2007 and 2013.

Compared to current salary levels, the upcoming recommended salary increases, which are scheduled to take effect July 1, 2009 and July 1, 2010 for the executive and judicial branches and January 1, 2010 and January 1, 2011 for the legislative branch, are estimated to cost the State \$1.6 million and \$2.5 million for fiscal years 2010 and 2011, respectively. At a time when residents are experiencing financial hardships, we must consider the fairness of salary increases for government leaders. As such, the Administration supports the deferral of pay increases until the State is on better financial footing.

In addition to ensuring that salary increases do not occur in the next two years, the Administration also believes it is necessary for state leaders to take part in any salary reductions that may occur as a result of collective bargaining. As a part of the Administration's plan to close the budget shortfall, we proposed labor savings that include wage reductions for all government employees. Because it is important for reductions to be applied fairly to all state employees, any reductions negotiated through collective bargaining should also apply to appointed and elected officials serving in the State's highest posts. For the same reasons, we also request that language be inserted into the bill to ensure that any furloughs instituted for state workers are taken by state leaders as well.

Finally, in order to avoid substantial pay increases in fiscal year 2012, which would negatively impact the budget, we respectfully request that pay increases recommended to occur in fiscal year 2010 occur in fiscal year 2012 instead. And pay increases recommended by the Commission for each fiscal year thereafter should also follow the same pattern.

The Administration understands that salary reductions and furloughs are not popular decisions. However, because labor costs must be addressed as a result of the dramatic budget shortfall, it is important for appointed and elected government officials to take the lead, and make this commitment to Hawaii's residents and state employees.

For the above reasons, the recommended amendments are attached.

RECOMMENDED AMENDMENTS

SECTION 1. The downturn in the United States and global economy caused by the credit crisis, volatility in the mortgage and financial-securities markets, fluctuations in oil prices, and the resulting uncertainty has affected Hawaii and its people. Unemployment has risen, and additional declines in tourism and retail sales are anticipated.

The State is facing a projected [~~\$1,100,000,000~~] \$2,000,000,000 budget shortfall for the balance of fiscal year 2009 and the upcoming fiscal year 2010 and 2011 biennium.

The purpose of this Act is to freeze the salaries of certain members of the executive, legislative, and judicial branches of the State in recognition of the current fiscal situation and to lead by example in demonstrating to the people of Hawaii that public officials are doing their share to conserve scarce public resources. This Act also reduces such salaries by the same amounts, if any, that bargaining unit employees' salaries are reduced through the collective bargaining process; and implements furloughs, if any, that are placed upon bargaining unit employees.

SECTION 2. (a) Notwithstanding any law to the contrary, [~~until~~] effective July 1, 2009 to June 30, 2011, the annual salaries for 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 departments of:

- (1) Accounting and general services;
- (2) Agriculture;
- (3) The attorney general;
- (4) Budget and finance;
- (5) Business, economic development, and tourism;
- (6) Commerce and consumer affairs;
- (7) Defense;
- (8) Hawaiian home lands;
- (9) Health;
- (10) Human resources development;
- (11) Human services;
- (12) Labor and industrial relations;
- (13) Land and natural resources;
- (14) Public safety;
- (15) Taxation; and
- (16) Transportation,

shall remain the same as they were on [January 1, 2009; provided that on July 1, 2011, the salaries of these positions shall be

~~increased to the level they would have been on July 1, 2011, under the recommendations of the commission on salaries and in the absence of the salary freeze under this Act; provided further that the recommendations of the commission on salaries for salary increases for these positions effective July 1, 2012, shall become effective on that date.] July 1, 2008; and shall be further reduced by the reduction in salaries, if any, negotiated for the period July 1, 2009 through June 30, 2011 for employees of comparable salary levels covered by collective bargaining agreements, averaged across all bargaining units. Salary recommendations for these positions, made by the commission on salaries, that were to be effective on July 1, 2009, shall become effective on July 1, 2011. Salary recommendations that were to be effective on July 1, 2010, shall become effective on July 1, 2012.~~

(b) Notwithstanding any law to the contrary, ~~[until]~~ effective January 1, 2010 to December 31, 2011, the annual salaries of members of the legislature shall remain the same as they were on January 1, 2009; ~~[provided that on January 1, 2012, the salaries of the members of the legislature shall 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; provided further that the recommendations of the commission on salaries for salary increases for the members of the legislature effective January 1, 2013, and January 1, 2014, shall become effective on those dates.]~~ and shall be further reduced by the reduction in salaries, if any, negotiated for the period July 1, 2009 through June 30, 2011 for employees of comparable salary levels covered by collective bargaining agreements, averaged across all bargaining units. Salary recommendations for these positions, made by the commission on salaries, that were to be effective on January 1, 2010, shall become effective January 1, 2012. Salary recommendations that were to be effective on January 1, 2011, shall become effective on January 1, 2013. Salary recommendations that were to be effective on January 1, 2012, shall become effective on January 1, 2014.

(c) This section shall not be construed to impart any right to additional compensation previously authorized through the adoption of the commission on salaries' recommendations for:

- (1) The period from ~~[January]~~ July 1, 2009, through ~~[July 1]~~ June 30, 2011, for positions covered under subsection (a); and
- (2) The period from January 1, ~~[2009]~~ 2010, through December 31, 2011, for positions covered under subsection (b).

(d) This section shall not be enforced to the extent that it is preempted by federal law.

SECTION 3. Notwithstanding any law to the contrary, effective July 1, 2009 to June 30, 2011, if any furloughs are placed upon employees covered by collective bargaining agreements during the same period:

- (1) The governor shall direct furlough for the members of the state executive branch identified in section 2(a) to the same extent as directed for employees covered by collective bargaining;
- (2) The chief justice shall direct furlough for the members of the state judiciary identified in section 2(a) to the same extent as directed for employees covered by collective bargaining;
- (3) The senate president shall direct furlough for members of the state senate identified in section 2(b) to the same extent as directed for employees covered by collective bargaining; and
- (4) The house speaker shall direct furlough for members of the state house of representatives identified in section 2(b) to the same extent as directed for employees covered by collective bargaining.

SECTION 4. This Act shall take effect on June 30, 2009.

Table 2 - Judicial Salaries and Costs

Position		No. of Empl.	7/1/2006		7/1/2007		7/1/2008		7/1/2009		7/1/2010		7/1/2011		7/1/2012		Total Salaries 7/1/2007 to 6/30/2013
			Current		10.0%		3.5%		10.0%		3.5%		10.0%		3.5%		
			Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	
Chief Justice, Supreme	Current	1	144,900	144,900	149,972	149,972	155,221	155,221	160,654	160,654	166,277	166,277	172,097	172,097	172,097	172,097	976,318
	Recommend	1	144,900	144,900	159,396	159,396	164,976	164,976	181,476	181,476	187,824	187,824	206,604	206,604	213,840	213,840	1,114,116
Associate Justice, Supreme	Current	4	139,725	558,900	144,615	578,460	149,677	598,708	154,916	619,664	160,338	641,352	165,950	663,800	165,950	663,800	3,765,784
	Recommend	4	139,725	558,900	153,696	614,784	159,072	636,288	174,984	699,936	181,104	724,416	199,212	796,848	206,184	824,736	4,297,008
Chief Judge, Intermediate	Current	1	134,550	134,550	139,259	139,259	144,133	144,133	149,178	149,178	154,399	154,399	159,803	159,803	159,803	159,803	906,575
	Recommend	1	134,550	134,550	148,008	148,008	153,192	153,192	168,516	168,516	174,420	174,420	191,868	191,868	198,588	198,588	1,034,592
Associate Judge, Intermediate	Current	5	129,375	646,875	133,903	669,515	138,590	692,950	143,441	717,205	148,461	742,305	153,657	768,285	153,657	768,285	4,358,545
	Recommend	5	129,375	646,875	142,308	711,540	147,288	736,440	162,012	810,060	167,688	838,440	184,452	922,260	190,908	954,540	4,973,280
Circuit Court Judge	Current	33	125,856	4,153,248	130,261	4,298,613	134,820	4,449,060	139,539	4,604,787	144,423	4,765,959	149,478	4,932,774	149,478	4,932,774	27,983,967
	Recommend	33	125,856	4,153,248	138,444	4,568,652	143,292	4,728,636	157,620	5,201,460	163,140	5,383,620	179,460	5,922,180	185,736	6,129,288	31,933,836
District/Family/Per Diem Court Judge	Current	46	118,611	5,456,106	122,762	5,647,052	127,059	5,844,714	131,506	6,049,276	136,109	6,261,014	140,873	6,480,158	140,873	6,480,158	36,762,372
	Recommend	46	118,611	5,456,106	130,476	6,001,896	135,048	6,212,208	148,548	6,833,208	153,744	7,072,224	169,116	7,779,336	175,032	8,051,472	41,950,344
Total Current Salaries		90		11,094,579		11,482,871		11,884,786		12,300,764		12,731,306		13,176,917		13,176,917	74,753,561
Total Recommended Salaries		90		11,094,579		12,204,276		12,631,740		13,894,656		14,380,944		15,819,096		16,372,464	85,303,176
Difference between Recommended Salaries and Current Approved Salaries						721,405		746,954		1,593,892		1,649,638		2,642,179		3,195,547	10,549,615
Percent Increase						6.3%		6.3%		13.0%		13.0%		20.1%		24.3%	14.1%
Year-to-year increase in Recommended Salaries						1,109,697		427,464		1,262,916		486,288		1,438,152		553,368	
Percent Increase						10.0%		3.5%		10.0%		3.5%		10.0%		3.5%	

Effective 7/1/2012

Current salaries approved to 6/30/2012. 7/1/2012 current costs computed at 7/1/2011 rates.

Table 1 - Executive Salaries and Costs

Position		No. of Empl.	7/1/2006		7/1/2007		7/1/2008		7/1/2009		7/1/2010		7/1/2011		7/1/2012		Total Salaries 7/1/2007 to 6/30/2013
			Current		5.0%		5.0%		5.0%		3.5%		3.5%		3.5%		
			Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	
Governor ¹	Current	1	112,000	104,825	114,240	114,240	116,525	116,525	118,855	118,855	121,232	121,232	123,657	123,657	126,130	126,130	720,640
	Recommend	1	112,000	104,825	117,600	117,600	123,480	123,480	129,660	129,660	134,196	134,196	138,888	138,888	143,748	143,748	787,572
Lieutenant Governor ^{2,3}	Current	1	100,000	95,850	102,000	102,000	104,040	104,040	106,121	106,121	108,243	108,243	110,408	110,408	112,616	112,616	643,428
	Recommend	1	100,000	95,850	105,000	105,000	120,444	120,444	126,468	126,468	130,896	130,896	135,480	135,480	140,220	140,220	758,508
Tier 1	Current	1	100,000	95,850	102,000	102,000	104,040	104,040	106,121	106,121	108,243	108,243	110,408	110,408	112,616	112,616	643,428
Admin. Dir. of the State ^{2,3}	Recommend	1	100,000	95,850	105,000	105,000	120,444	120,444	126,468	126,468	130,896	130,896	135,480	135,480	140,220	140,220	758,508
Tier 1 Dept. Head	Current	1	109,242	109,242	111,427	111,427	113,655	113,655	115,928	115,928	118,247	118,247	120,612	120,612	120,612	120,612	700,482
Attorney General	Recommend	1	109,242	109,242	114,708	114,708	120,444	120,444	126,468	126,468	130,896	130,896	135,480	135,480	140,220	140,220	768,216
Tier 2 Dept. Heads	Current	6	104,040	624,240	106,121	636,725	108,243	649,459	110,408	662,448	112,616	675,697	114,869	689,211	114,869	689,211	4,002,753
DOH, DOT, DAGS, DCCA, TAX, B&F	Recommend	6	104,040	624,240	109,248	655,488	114,708	688,248	120,444	722,664	124,656	747,936	129,024	774,144	133,536	801,216	4,389,696
Tier 3 Dept. Heads ⁴	Current	4	98,838	395,352	100,815	403,259	102,831	411,324	104,888	419,551	106,985	427,942	109,125	436,501	109,125	436,501	2,535,077
DHS, DLIR, DLNR, DBEDT	Recommend	4	98,838	395,352	103,776	415,104	108,960	435,840	120,444	481,776	124,656	498,624	129,024	516,096	133,536	534,144	2,881,584
Tier 4 Dept. Heads ^{3,4}	Current	4	93,636	374,544	95,509	382,035	97,419	389,676	99,367	397,469	101,355	405,418	103,382	413,527	103,382	413,527	2,401,652
DOA, DHHL, PSD, DHRD	Recommend	4	93,636	374,544	98,316	393,264	108,960	435,840	120,444	481,776	124,656	498,624	129,024	516,096	133,536	534,144	2,859,744
Tier 1 Deputy Dept. Head	Current	1	100,503	100,503	102,513	102,513	104,563	104,563	106,654	106,654	108,787	108,787	110,963	110,963	110,963	110,963	644,443
Attorney General	Recommend	1	95,041	95,041	99,792	99,792	104,784	104,784	110,028	110,028	113,880	113,880	117,864	117,864	121,992	121,992	706,740
Tier 2 Deputy Dept. Heads	Current	12	95,717	1,148,602	97,631	1,171,574	99,584	1,195,005	101,575	1,218,905	103,607	1,243,283	105,679	1,268,149	105,679	1,268,149	7,365,065
DOH, DOT, DAGS, DCCA, TAX, B&F	Recommend	12	90,515	90,515	95,040	95,040	99,792	99,792	104,784	104,784	108,456	108,456	112,248	112,248	116,172	116,172	8,076,672
Tier 3 Deputy Dept. Heads ⁴	Current	5	90,931	454,655	92,750	463,748	94,605	473,023	96,497	482,483	98,427	492,133	100,395	501,976	100,395	501,976	2,915,338
DHS, DLIR, DLNR, DBEDT	Recommend	5	85,989	85,989	90,288	90,288	94,800	94,800	104,784	104,784	108,456	108,456	112,248	112,248	116,172	116,172	3,313,740
Tier 4 Deputy Dept. Heads ^{3,4}	Current	6	86,145	516,871	87,868	527,208	89,625	537,752	91,418	548,507	93,246	559,478	95,111	570,667	95,111	570,667	3,314,279
DOA, DHHL, PSD, DHRD	Recommend	6	81,463	81,463	85,536	85,536	94,800	94,800	104,784	104,784	108,456	108,456	112,248	112,248	116,172	116,172	3,946,392
Total Current Salaries		42		4,020,534		4,116,728		4,199,063		4,283,044		4,368,705		4,456,079		4,462,968	25,886,586
Total Recommended Salaries		42		4,020,534		4,237,788		4,524,612		4,860,216		5,030,220		5,206,212		5,388,324	29,247,372
Difference between Recommended Salaries and Current Approved Salaries						121,060		325,550		577,172		661,515		750,133		925,356	3,360,786
Percent Increase						2.9%		7.8%		13.5%		15.1%		16.8%		20.7%	13.0%
Year-to-year increase in Recommended Salaries						217,254		286,824		335,604		170,004		175,992		182,112	
Percent Increase						5.4%		6.8%		7.4%		3.5%		3.5%		3.5%	

Deputy Department Head salaries costed at recommended range maximum.

¹Governor: Current annual salary of \$112,000 effective 12/4/2006.
7/1/2006 total salaries = \$94,780/annum @ 5 mos + \$112,000/annum @ 7 mos = \$104,825.00
²Lt. Governor, Admin. Director of the State: Current annual salary of \$100,000 effective 12/4/2006.
7/1/2006 total salaries = \$90,041/annum @ 5 mos + \$100,000/annum @ 7 mos = \$95,850.42

³Effective 7/1/2008
Lt. Governor, Admin. Director of the State: 14.7% increase
Tier 4 Dept. Heads, Tier 4 Deputy Dept. Heads: 10.8% increase

⁴Effective 7/1/2009
Tier 3 and 4 Dept. Heads, Tier 3 and 4 Deputy Dept. Heads: 10.5% increase

Effective 7/1/2012
Current salaries for Dept. Heads and Deputy Dept. Heads approved to 6/30/2012. 7/1/2012 current costs for these positions computed at 7/1/2011 rates.

Table 3 - Legislative Salaries and Costs

Position		No. of Empl.	Current 1/1/2007		1/1/2009		1/1/2010		1/1/2011		1/1/2012		1/1/2013		1/1/2014		Total Salaries 1/1/2009 to 12/31/2014
			Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	
House Speaker/Senate President	Current	2	43,400	86,800	45,000	90,000	45,000	90,000	46,700	93,400	46,700	93,400	46,700	93,400	46,700	93,400	553,600
	Recommend	2	43,400	86,800	56,208	112,416	57,912	115,824	59,676	119,352	61,500	123,000	63,396	126,792	65,352	130,704	728,088
Representative/Senator	Current	74	35,900	2,656,600	37,500	2,775,000	37,500	2,775,000	39,200	2,900,800	39,200	2,900,800	39,200	2,900,800	39,200	2,900,800	17,153,200
	Recommend	74	35,900	2,656,600	48,708	3,604,392	50,412	3,730,488	52,176	3,861,024	54,000	3,996,000	55,896	4,136,304	57,852	4,281,048	23,609,256
Total Current Salaries		76		2,743,400		2,865,000		2,865,000		2,994,200		2,994,200		2,994,200		2,994,200	17,706,800
Total Recommended Salaries		76		2,743,400		3,716,808		3,846,312		3,980,376		4,119,000		4,263,096		4,411,752	24,337,344
Difference between Recommended Salaries and Current Approved Salaries						851,808		981,312		986,176		1,124,800		1,268,896		1,417,552	6,630,544
Percent Increase						29.7%		34.3%		32.9%		37.6%		42.4%		47.3%	37.4%
Year-to-year increase in Recommended Salaries						973,408		129,504		134,064		138,624		144,096		148,656	
Percent Increase						35.5%		3.5%		3.5%		3.5%		3.5%		3.5%	

Note: Legislative Salaries costed by calendar year due to the increases becoming effective January 1 of each year beginning in 2009.

Effective 7/1/2012

Current salaries approved to 12/31/2012. 1/1/2013 and 1/1/2014 current costs computed at 12/31/2012 rates.

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

April 2, 2009

TESTIMONY TO THE
SENATE COMMITTEES ON JUDICIARY AND GOVERNMENT OPERATIONS and
WAYS AND MEANS
For Hearing on Friday, April 3, 2009
9:15 a.m., Conference Room 211

BY

MARIE C. LADERTA, DIRECTOR

**House Bill No. 1536, H.D. 2
Relating to Salaries**

TO CHAIRPERSONS BRIAN TANIGUCHI, DONNA MERCADO KIM AND MEMBERS OF
THE COMMITTEES:

The purpose of House Bill No. 1536, H.D. 2 is to freeze the salaries of certain members of the executive, legislative and judicial branches of state government to help address the current fiscal situation.

The Department of Human Resources Development strongly urges the passage of this bill and **strongly supports** the recommended amendments which were submitted by the administration.

Currently, salary increases for certain members of the executive, legislative and judicial branches are scheduled to occur, as required by the Commission on Salaries, despite budget shortfalls confronting the State and economic hardships facing residents and taxpayers. These salary increases for the fiscal biennium 2009-2011 are estimated to cost over \$4,000,000.

In light of the latest \$2,000,000,000 budget shortfall for the remainder of the current fiscal year 2009, and the upcoming fiscal biennium 2010-2011, the Governor will be

seeking savings in labor costs that will be negotiated in the collective bargaining process.

We respectfully request that:

1. Pay increases be deferred as follows:
 - a) Salary increases which were to be effective on July 1, 2009 for the executive and judicial officials be deferred until July 1, 2011;
 - b) Salary increases for the legislature which were to be effective on January 1, 2010 be deferred until January 1, 2012; and
 - c) Subsequent annual increases thereafter follow the same pattern.
2. The salaries of executive, judicial and legislative members be reduced by the average percentage decrease negotiated by collective bargaining for state employees.
3. Any furloughs which are applicable to state employees for this period also be applicable to these state leaders as well.

The foregoing is imperative to meet the budget shortfall and will allow the members of the executive, legislative and judicial branches of the state government to lead by example in doing their part.

Thank you for the opportunity to provide testimony on House Bill 1536, HD 2.

**Testimony of
House Minority Caucus
Before the
SENATE COMMITTEES ON JUDICIARY AND GOVERNMENT OPERATIONS AND
WAYS AND MEANS**

Friday, April 3, 2009, 9:15 a.m.
Room 211, State Capitol

HB 1536 HD2 RELATING TO SALARIES

Chair Taniguchi, Chair Mercado Kim and Members of the Committee:

The House Minority Caucus supports with the proposed Executive Chambers amendments, HB 1536HD2, a bill similar to the House Minority Caucus' HB 817, which defers salary increases for state leaders for two years.

State leaders must lead by example in this time of economic crisis by accepting the proposed salary deferrals in this measure, but we must also take on any salary rollbacks or furloughs taken by government employees as a result of collective bargaining discussions.

In addition to salary deferrals, we respectfully request that this measure be amended so that any salary rollbacks or furloughs taken by government employees as a result of collective bargaining discussions also apply to those covered by this bill; namely the Governor, Lt. Governor, legislators, judges, department directors, department deputy directors, etc.

The downturn in the United States and global economy caused by the credit crisis, mortgage and financial securities market volatility, oil price fluctuations, and resulting uncertainty has impacted Hawaii and its residents. Unemployment has risen in the State and additional declines in tourism and retail sales are anticipated. This measure is necessary to help narrow the massive shortfall in the state budget. But even more importantly, we as leaders need to send the

message to the citizens of Hawaii that we are in this together, and that we are doing everything we can to battle the economic hardships facing the State and taxpayers.

In addition to ensuring that salary increases do not occur in the next two years, the House Minority Caucus believes it is necessary for state leaders to take part in any salary reductions that may occur as a result of collective bargaining. As a part of the Administration's plan to close the budget shortfall, they are proposing labor savings that include wage reductions for all government employees. With some of the departments being hit especially hard by the previously proposed versions of the biennium budget, we as leaders cannot and should not be immune to the potential wage cuts facing other state employees.

We as leaders must show recognition of the current fiscal situation and we should lead-by-example in showing the people of Hawaii that public officials are doing their share to conserve public resources.

For the above reasons, the House Minority Caucus supports HB1536 HD2 and the proposed Administration amendments.

THE SENATE
25th LEGISLATURE
REGULAR SESSION of 2009

COMMITTEE ON JUDICIARY & OVERNMENT AFFAIRS
Senator Brian Taniguchi, Chair

COMMITTEE ON WAYS AND MEANS
Senator Donna M Kim, Chair

4/3/09

HB 1536, HD2
Relating to Salaries

Chair Taniguchi, Chair Kim and Members of both Committees, my name is Max Sword, here as a private citizen, to offer my comments on this bill.

I would like to just comment on the fact that this bill seems to be an unfair freeze of salaries on the members of the Legislature, compared to the other branches of government.

As a former member of the old Judicial and Legislative Salary Commissions, I have always supported fair pay for fair work, as well as even application of the raises.

Though the public believes that the Legislators work only 60 days out of the year, there is not one legislator who goes home after the 60 days in session and not receive a phone call during the other 300+ days of the year from the public.

Because the Legislators have received pay raises based on a calendar year, I believe that it has put them one pay raise behind the other branches of government, since those pay raises are based on a fiscal year.

There is no fairness or even application of the raises when this freeze goes into affect.

Mahalo for considering my comments!