
A BILL FOR AN ACT

RELATING TO SALARIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Pursuant to Article XVI, section 3.5, of the
2 Hawaii Constitution, salaries for certain members of the
3 judicial, executive, and legislative branches "established
4 pursuant to this section shall not be decreased during a term of
5 office, unless by general law applying to all salaried officers
6 of the State."

7 SECTION 2. Section 26-51, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§26-51 Governor; lieutenant governor.** Effective at noon
10 on December 4, 2006, the salaries of the governor and the
11 lieutenant governor shall be as last recommended by the
12 executive salary commission. Effective July 1, 2007, and every
13 six years thereafter, the salaries of the governor and
14 lieutenant governor shall be as last recommended by the
15 commission on salaries pursuant to section 26-56, unless
16 rejected by the legislature. Notwithstanding the foregoing, the
17 current salaries of the governor and the lieutenant governor, as
18 of January 2, 2009, shall be reduced by five per cent, effective



1 on _____ , and their salaries shall be set at this level
2 through June 30, 2011."

3 SECTION 3. Section 26-52, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§26-52 Department heads and executive officers.** The
6 salaries of the following state officers shall be as follows:

7 (1) The salary of the superintendent of education shall be
8 set by the board of education at a rate no greater
9 than \$150,000 a year;

10 (2) The salary of the president of the University of
11 Hawaii shall be set by the board of regents;

12 (3) Effective July 1, 2004, the salaries of all department
13 heads or executive officers of the departments of
14 accounting and general services, agriculture, attorney
15 general, budget and finance, business, economic
16 development, and tourism, commerce and consumer
17 affairs, Hawaiian home lands, health, human resources
18 development, human services, labor and industrial
19 relations, land and natural resources, public safety,
20 taxation, and transportation shall be as last
21 recommended by the executive salary commission.

22 Notwithstanding the foregoing, the current salaries,



1 as of January 2, 2009, of all employees subject to
2 this paragraph shall be reduced by five per cent,
3 effective on _____, and their salaries shall be
4 set at this level through June 30, 2011. Effective
5 July 1, 2007, and every six years thereafter, the
6 salaries shall be as last recommended by the
7 commission on salaries pursuant to section 26-56,
8 unless rejected by the legislature; and

9 (4) The salary of the adjutant general shall be \$85,302 a
10 year. Effective July 1, 2007, and every six years
11 thereafter, the salary of the adjutant general shall
12 be as last recommended by the commission on salaries
13 pursuant to section 26-56, unless rejected by the
14 legislature, except that if the state salary is in
15 conflict with the pay and allowance fixed by the
16 tables of the regular army or air force of the United
17 States, the latter shall prevail. Notwithstanding the
18 foregoing, the current salary of the adjutant general,
19 as of January 2, 2009, shall be reduced by five per
20 cent, effective on _____, and the adjutant
21 general's salary shall be set at this level through
22 June 30, 2011."



1 SECTION 4. Section 26-53, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§26-53 Deputies or assistants to department heads.**

4 Effective July 1, 2004, the salaries of deputies or assistants
5 to the head of any department of the State, other than the
6 department of education, shall be within the range or ranges for
7 the specific positions as last recommended by the executive
8 salary commission. Effective July 1, 2007, and every six years
9 thereafter, the salaries shall be as last recommended by the
10 commission on salaries and specified by the appointing official,
11 if appropriate, pursuant to section 26-56, unless rejected by
12 the legislature. Notwithstanding the foregoing, the current
13 salaries of deputies or assistants to the head of any department
14 of the State, other than the department of education, as of
15 January 2, 2009, shall be reduced by five per cent, effective
16 on _____, and their salaries shall be set at this level
17 through June 30, 2011."

18 SECTION 5. Section 26-54, Hawaii Revised Statutes, is
19 amended to read as follows:

20 **"§26-54 Administrative director of the State.** Effective
21 July 1, 2004, the salary of the administrative director of the
22 State shall be as last recommended by the executive salary



1 commission. Effective July 1, 2007, and every six years
 2 thereafter, the salary of the administrative director of the
 3 State shall be as last recommended by the commission on salaries
 4 pursuant to section 26-56, unless rejected by the legislature.
 5 Notwithstanding the foregoing, the current salary of the
 6 administrative director of the State, as of January 2, 2009,
 7 shall be reduced by five per cent, effective on _____, and
 8 the administrative director's salary shall be set at this level
 9 through June 30, 2011."

10 SECTION 6. Section 26-56, Hawaii Revised Statutes, is
 11 amended to read as follows:

12 "[~~f~~]**§26-56**[~~l~~] **Commission on salaries.** (a) Pursuant to
 13 article XVI, section 3.5, of the Constitution of the State of
 14 Hawaii, there is established a commission on salaries within the
 15 department of human resources development, for administrative
 16 purposes only.

17 The commission shall consist of seven members of whom:

- 18 (1) Two members shall be appointed by the governor;
- 19 (2) Two members shall be appointed by the president of the
 20 senate;
- 21 (3) Two members shall be appointed by the speaker of the
 22 house of representatives; and

1 (4) One member shall be appointed by the chief justice of
2 the supreme court.

3 Vacancies in these positions shall be filled in the same
4 manner. The members of the commission shall serve without
5 compensation but shall be reimbursed for expenses, including
6 travel expenses, necessary for the performance of their duties.

7 (b) The commission shall review and recommend an
8 appropriate salary for the governor, lieutenant governor,
9 members of the legislature, justices and judges of all state
10 courts, administrative director of the State or an equivalent
11 position, and department heads or executive officers and the
12 deputies or assistants to the department heads of the
13 departments of:

- 14 (1) Accounting and general services;
- 15 (2) Agriculture;
- 16 (3) The attorney general;
- 17 (4) Budget and finance;
- 18 (5) Business, economic development, and tourism;
- 19 (6) Commerce and consumer affairs;
- 20 (7) Defense;
- 21 (8) Hawaiian home lands;
- 22 (9) Health;



- 1 (10) Human resources development;
- 2 (11) Human services;
- 3 (12) Labor and industrial relations;
- 4 (13) Land and natural resources;
- 5 (14) Public safety;
- 6 (15) Taxation; and
- 7 (16) Transportation.

8 The commission shall not review the salary of any position
9 in the department of education or the University of Hawaii.

10 The commission may recommend different salaries for
11 department heads and executive officers and different salary
12 ranges for deputies or assistants to department heads; provided
13 that the commission shall recommend the same salary range for
14 deputies or assistants to department heads within the same
15 department; provided further that the appointing official shall
16 specify the salary for a particular position within the
17 applicable range.

18 The commission shall not recommend salaries lower than
19 salary amounts recommended by prior commissions replaced by this
20 section.

21 (c) The commission may seek assistance from the department
22 of human resources development and any other agency in



1 conducting its review, and all agencies shall fully cooperate
2 with the commission and provide any necessary information to the
3 commission upon request.

4 (d) The commission shall convene in the month of November
5 2006, and every six years thereafter. Not later than the
6 fortieth legislative day of the regular session of 2007, and
7 every six years thereafter, the commission shall submit a report
8 of its findings and its salary recommendations to the
9 legislature, through the governor. The commission may include
10 incremental increases that take effect prior to the convening of
11 the next salary commission.

12 The recommended salaries submitted by the commission shall
13 become effective on July 1 of the next fiscal year unless the
14 legislature disapproves the recommended salaries submitted by
15 the commission through the adoption of a concurrent resolution,
16 which shall be approved by a simple majority of each house of
17 the legislature, prior to adjournment sine die of the
18 legislative session in which the recommended salaries are
19 submitted; provided that any change in salary which becomes
20 effective shall not apply to the legislature to which the
21 recommendation for the change in salary was submitted.



1 The governor shall include the salary amounts recommended
2 by the commission and approved by the legislature for employees
3 of the executive branch in the executive budget. If the salary
4 amounts recommended by the commission are disapproved by the
5 legislature, the commission shall reconvene in the November next
6 following the legislative disapproval to review the
7 legislature's reasons for disapproving its salary
8 recommendation. The commission may submit a report of its
9 findings and submit a new salary recommendation to the
10 legislature at the next regular session. The commission's
11 reconvening following a legislative disapproval shall not toll
12 the six-year cycle.

13 (e) Notwithstanding the foregoing provisions, the current
14 salaries, as of January 2, 2009, of all employees subject to
15 this section shall be reduced by five per cent, effective
16 on _____, and their salaries shall be set at this level
17 through June 30, 2011."

18 SECTION 7. Section 88-81, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**§88-81 Average final compensation.** (a) Average final
21 compensation is the average annual compensation pay or salary



1 upon which a member has made contributions as required by parts
2 II, VII, and VIII of this chapter.

3 (b) The average final compensation of members shall be
4 calculated as follows:

5 (1) For employees who become members prior to January 1,
6 1971:

7 (A) During the member's five [~~highest-paid~~] highest-
8 paid years of credited service, including
9 vacation pay, or the three [~~highest-paid~~]
10 highest-paid years of credited service, excluding
11 vacation pay, whichever is greater; or

12 (B) If the member has less than three years of
13 credited service, during the member's actual
14 years of credited service.

15 (2) For employees who become members on or after January
16 1, 1971:

17 (A) During the member's three [~~highest-paid~~] highest-
18 paid years of credited service, excluding
19 vacation pay; or

20 (B) If the member has less than three years of
21 credited service, during the member's actual
22 years of credited service.



1 (c) In computing the compensation of a judge, the
2 compensation paid to the judge by the United States as well as
3 by the Territory shall be included.

4 (d) For service rendered as a member of the legislature
5 from and after November 5, 1968, the actual annual salary of a
6 member shall be the only amount used for determining the
7 member's average final compensation. For service rendered as a
8 member of the legislature prior to November 5, 1968, and after
9 admission of this State into the Union, the annual compensation
10 of a member shall be computed, for the purpose of determining
11 the member's average final compensation, as follows: during a
12 year in which a general session was held, it shall be deemed to
13 have been an amount equal to four times the salary of a member
14 of the legislature for a general session; and during a year in
15 which a budget session was held, it shall be deemed to have been
16 an amount equal to six times the salary of a member of the
17 legislature for a budget session. For service rendered as a
18 member of the legislature prior to the admission of this State
19 into the Union, the annual compensation of a member shall be
20 deemed to have been four times the salary of a member of the
21 legislature for a regular session for each year during the
22 member's term of office.



1 (e) If a member has credited service rendered as an
2 elective officer or as a legislative officer, the member's
3 average final compensation shall be computed separately for each
4 category of service as follows:

5 (1) For the three [~~highest-paid~~] highest-paid years of
6 credited service as an elective officer, or if the
7 member has less than three years of credited service
8 in that capacity, then the member's actual years of
9 credited service;

10 (2) For the three [~~highest-paid~~] highest-paid years of
11 credited service as a legislative officer, or if the
12 member has less than three years of credited service
13 in that capacity, then the member's actual years of
14 credited service;

15 (3) For the three [~~highest-paid~~] highest-paid years of
16 credited service as a judge, or if the member has less
17 than three years of credited service in that capacity,
18 then the member's actual years of credited service;
19 and

20 (4) For the three [~~highest-paid~~] highest-paid years of
21 credited service not included in paragraph (1), (2),
22 or (3), or if the member has less than three years of



1 credited service in that capacity, then the member's
2 actual years of credited service.

3 (f) Notwithstanding the foregoing provisions, the average
4 final compensation for employees whose salaries were established
5 pursuant to 26-56(d), 26-51, 26-52(3), 26-53, 26-54, 602-2, 602-
6 52, 603-5, and 604-2.5, shall be calculated based on the salary
7 schedules for July 1, 2007, through June 30, 2013, in effect on
8 January 2, 2009, regardless of actual salaries paid to such
9 employees during this period; provided that the application of
10 this section does not reduce the calculation of their average
11 final compensation.

12 SECTION 8. Section 602-2, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§602-2 Salary, supreme court justices.** Effective July 1,
15 2004, the salary of the chief justice of the supreme court and
16 the salary of each associate justice of the supreme court shall
17 be as last recommended by the judicial salary commission.
18 Effective July 1, 2007, and every six years thereafter, the
19 salary of the chief justice of the supreme court and the salary
20 of each associate justice of the supreme court shall be as last
21 recommended by the commission on salaries pursuant to section
22 26-56, unless disapproved by the legislature. Notwithstanding



1 the foregoing, the current salary of the chief justice of the
2 supreme court, and the salaries of each associate justice of the
3 supreme court, as of January 2, 2009, shall be reduced by five
4 per cent, effective on _____, and their salaries shall be
5 set at this level through June 30, 2011."

6 SECTION 9. Section 602-52, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"§602-52 Salary.** Effective July 1, 2004, the salary of
9 the chief judge of the intermediate appellate court and the
10 salary of each associate judge shall be as last recommended by
11 the judicial salary commission. Effective July 1, 2007, and
12 every six years thereafter, the salary of the chief judge of the
13 intermediate appellate court and the salary of each associate
14 judge shall be as last recommended by the commission on salaries
15 pursuant to section 26-56, unless disapproved by the
16 legislature. Notwithstanding the foregoing, the current salary
17 of the chief judge of the intermediate appellate court and the
18 salaries of each associate judge, as of January 2, 2009, shall
19 be reduced by five per cent, effective on _____, and their
20 salaries shall be set at this level through June 30, 2011."

21 SECTION 10. Section 603-5, Hawaii Revised Statutes, is
22 amended to read as follows:



1 **"§603-5 Salary of circuit court judges.** Effective July 1,
2 2004, the salary of a circuit court judge shall be as last
3 recommended by the judicial salary commission. Effective July
4 1, 2007, and every six years thereafter, the salary of each
5 circuit court judge of the various circuit courts of the State
6 shall be as last recommended by the commission on salaries
7 pursuant to section 26-56, unless disapproved by the
8 legislature. Notwithstanding the foregoing, the current
9 salaries of the circuit court judges, as of January 2, 2009,
10 shall be reduced by five per cent, effective on _____, and
11 their salaries shall be set at this level through June 30,
12 2011."

13 SECTION 11. Section 604-2.5, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"§604-2.5 Salary of district judges.** Effective July 1,
16 2004, the salary of a district court judge shall be as last
17 recommended by the judicial salary commission. Effective July
18 1, 2007, and every six years thereafter, the salary of each
19 district court judge of the various district courts of the State
20 shall be as last recommended by the commission on salaries
21 pursuant to section 26-56, unless disapproved by the
22 legislature. Notwithstanding the foregoing, the current



1 salaries of the district court judges, as of January 2, 2009,
 2 shall be reduced by five per cent, effective on , and
 3 their salaries shall be set at this level through June 30, 2011.

4 Whenever the chief justice appoints a district court judge
 5 of any of the various district courts of the State to serve
 6 temporarily as a circuit court judge of any of the various
 7 circuit courts of the State, the judge shall receive per diem
 8 compensation for the days on which actual service is rendered
 9 based on the monthly rate of compensation paid to a circuit
 10 court judge. For the purpose of determining per diem
 11 compensation in this section, a month shall be deemed to consist
 12 of twenty-one days."

13 SECTION 12. In sections 2, 3, 4, 5, 6, 8, 9, 10, and 11 of
 14 this Act, the revisor of statutes shall insert the date on which
 15 this Act takes effect.

16 SECTION 13. Statutory material to be repealed is bracketed
 17 and stricken. New statutory material is underscored.

18 SECTION 14. This Act shall take effect upon its approval.

19

INTRODUCED BY: *Della A Belatti*

JAN 28 2009



Report Title:

Salaries

Description:

Reduces by 5 percent the current salaries of certain employees of the executive, legislative, and judicial branches. Freezes salaries of such employees for fiscal years 2009 and 2010.

