

JAN 23 2009

A BILL FOR AN ACT

RELATING TO SALARY COMMISSION RECOMMENDATIONS.

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

1 SECTION 1. The legislature finds that the State's economic
2 outlook has deteriorated since October, 2008. On January 9,
3 2009, the council on revenues found that for fiscal year 2009,
4 there will be a three per cent reduction in general fund
5 revenues and for fiscal year 2010, general fund revenue growth
6 will be one per cent.

7 The legislature further finds that increases in
8 compensation, as recommended by the commission on salaries in
9 its 2007 report, is financially unsustainable in these tough
10 economic times. The salaries of all persons, included in the
11 report of the commission on salaries must be decreased from the
12 amounts recommended by the report.

13 Article XVI, section 3.5, of the Hawaii state constitution
14 is silent on any legislative action to impose a moratorium on
15 the implementation of salary recommendations. Rather, it
16 provides the procedure for legislative disapproval of the entire
17 recommendation as a whole and for decreasing salaries by general



1 law for all salaried officers of the State. The legislature
2 further finds that imposing a decrease of the salary amounts
3 recommended by the commission on salaries for all persons
4 included in the commission's report constitutes a vesting of the
5 legislative power of the State in the legislature, as provided
6 in article III, section 1, of the Hawaii state constitution.

7 The legislature also finds that not implementing the salary
8 increase recommendations of the commission on salaries that were
9 approved in accordance with article XVI, section 3.5 of the
10 state constitution constitutes a real and tangible decrease in
11 compensation to affected public officials in that the scheduled
12 salary increases are binding obligations of the State.

13 Furthermore, imposing a decrease on the recommended salary
14 increases is consistent with article VII, section 5, of the
15 Hawaii state constitution, relating to expenditure controls,
16 which states: "Provision for the control of the rate of
17 expenditures of appropriated state moneys, and for the reduction
18 of such expenditures under prescribed conditions, shall be made
19 by law."

20 The legislature further finds that this Act is consistent
21 with the commission on salaries' intent, as expressed in
22 *Commission on Salaries Report and Recommendations to the 2007*



1 *Legislature, March 14, 2007, to recommend salaries that are*
2 *fair, and take into account among other things, "[t]he economic*
3 *condition of the State and the fiscal impact of the increases."*

4 The purpose of this Act is to impose, by general law, a
5 decrease of the salary increases recommended by the commission
6 on salaries.

7 SECTION 2. Effective January 1, 2010, there shall be
8 imposed a decrease of every salary increase recommendation, as
9 contained in the March 14, 2007 report of the commission on
10 salaries, created pursuant to article XVI, section 3.5 of the
11 Hawaii state constitution. The amount of the decrease in
12 salaries shall be equal to the amount of the scheduled increase
13 for each salary in calendar year 2010 recommended by the
14 commission on salaries, as expressed in *Commission on Salaries*
15 *Report and Recommendations to the 2007 Legislature, March 14,*
16 *2007.*

17 The decrease in salaries shall be in effect for two years
18 from the effective date of this Act.

19 This section applies to the governor and lieutenant
20 governor, administrative director of the State or equivalent
21 position, justices and judges of all state courts, members of
22 the legislature, department heads and executive officers of the

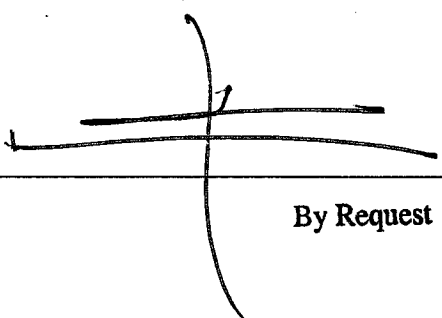


1 executive departments, and the deputies or assistants to
2 department heads of the executive departments, excluding the
3 University of Hawaii system and the department of education.

4 SECTION 3. This Act shall take effect on December 31,
5 2009.

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INTRODUCED BY:



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By Request



Report Title:

Salaries; Commission on Salaries

Description:

Requires an across-the-board decrease of the salaries recommended by the commission on salaries for executive branch heads and their deputies, judges and justices, and legislators.

