

Honolulu, Hawaii

Feb 8, 2010

RE: H.B. No. 2964
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2964 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 increasing the amount of the salary reductions for members of the Legislature for the second half of the 2009-2010 fiscal biennium.

No testimony was received on this bill.

Your Committee finds that the United States is facing some of the most difficult economic times in recent memory, a period of time that has sometimes been dubbed "The Great Recession." Hawaii is not immune to these dire economic conditions with the State currently facing an estimated budget deficit of \$1.2 billion. 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.

Recognizing the situation, the Legislature enacted Act 85, Session Laws of Hawaii 2009, which implemented a salary reduction of five percent for public executives, judges, and legislators for a two-year period. However, although economic conditions have shown signs of improvement, the State continues to face a large



fiscal deficit. In recognition of Hawaii's current fiscal situation, your Committee finds that further reducing the salaries of public executives, judges, and legislators for the second half of the 2009-2010 fiscal biennium would be the most prudent thing to do at this time.

Accordingly, your Committee has amended this bill by:

- (1) Including salary reductions of 8.07 percent for the governor, the lieutenant governor, the justices and judges of all state courts, the administrative director of the State or an equivalent position, the department heads or executive officers and the deputies or assistants of various state departments; and
- (2) Making technical, nonsubstantive amendments 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. 2964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2964, 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,



KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 177-10

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 2964	Committee Referral: LAB, FIN	Date: 2-2-2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	✓			
2. YAMASHITA, Kyle T. (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. AWANA, Karen Leinani	✓			
5. HANOHANO, Faye P.	HAG		✓	
6. KEITH-AGARAN, Gilbert S.C.	-			
7. LEE, Marilyn B.	✓			
8. NAKASHIMA, Mark M.	✓			
9. SAIKI, Scott K.	✓			
10. SOUKI, Joseph M.			✓	
11. TAKUMI, Roy M.	-			
12. PINE, Kymberly Marcos				✓ HAG
TOTAL (12)	9	-	2	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____ 				
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