

H.B. NO. 2544

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A BILL FOR AN ACT

RELATING TO PUBLIC HOUSING.

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

1           SECTION 1. Section 356D-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3           "(b) The authority shall employ, exempt from chapter 76  
4 and section 26-35(a)(4), an executive director and an executive  
5 assistant. The executive director shall be paid a salary [~~not~~  
6 ~~to exceed eighty five per cent of the salary of the director of~~  
7 ~~human resources development.~~] that is determined by the board of  
8 directors, considering, among other factors, compensation  
9 provided to public housing authority executive directors with  
10 comparable duties and responsibilities, to comparable state and  
11 local officials, and to comparable private sector executives.

12 The executive assistant shall be paid a salary not to exceed  
13 ninety per cent of the executive director's salary. The  
14 authority may employ, subject to chapter 76, technical experts  
15 and officers, agents, and employees, permanent or temporary, as  
16 required. The authority may also employ officers, agents, and  
17 employees; prescribe their duties and qualifications; and fix  
18 their salaries, not subject to chapter 76, when in the

1 determination of the authority, the services to be performed are  
2 unique and essential to the execution of the functions of the  
3 authority; provided that if the authority hires an officer,  
4 agent, or employee in a capacity not subject to chapter 76, the  
5 authority shall include in an annual report to the legislature,  
6 to be submitted not later than twenty days prior to the  
7 convening of each regular session, the position descriptions and  
8 reasons for hiring the personnel in a civil service exempt  
9 capacity. The authority may call upon the attorney general for  
10 legal services as it may require. The authority may delegate to  
11 one or more of its agents or employees the powers and duties it  
12 deems proper."

13 SECTION 2. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 3. This Act shall take effect upon its approval.

16  
17 INTRODUCED BY: Calvin K. Boy

18 BY REQUEST  
19 JAN 23 2012

H.B. NO. 2544

**Report Title:**

Public Housing; Hawaii Public Housing Authority; Executive Director Compensation

**Description:**

Authorizes the Board of Directors of the Hawaii Public Housing Authority to set the executive director's compensation based on a comparability analysis, and other factors.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Human Services

TITLE: A BILL FOR AN ACT RELATING TO PUBLIC HOUSING.

PURPOSE: To allow the Board of Directors of the Hawaii Public Housing Authority (HPHA) to set the salary of the Executive Director on the basis of several factors, including a comparability analysis considering the compensation provided to comparable Public Housing Agency (PHA) executive directors, to comparable state and local public officials, and to comparable private sector executives.

MEANS: Amend section 356D-2(b), Hawaii Revised Statutes (HRS).

JUSTIFICATION: Section 356D-2, Hawaii Revised Statutes, establishes the HPHA and provides for the HPHA to employ an executive director. Under the current statute, the salary of the executive director is determined by the Board of Directors "not to exceed eighty-five per cent of the salary of the director of human resources development." The U.S. Department of Housing and Urban Development Office of Public and Indian Housing (HUD) issued Notice PIH-2011-48 (HA) on August 26, 2011, to provide guidance to PHAs on reporting executive compensation information and conducting comparability analyses when determining executive director compensation levels (HUD Notice). This HUD Notice directed a new requirement for PHA Boards of Directors to follow when determining executive director compensation. The HUD Notice requires PHA Boards of Directors to conduct a comparability analysis when determining executive director compensation levels, and to certify that such an analysis has been performed. The comparability analysis may include analyzing the compensation provided to comparable PHA

executive directors, to comparable state and local public officials, and to comparable private sector executives. The HUD Notice further requires the Board of Directors to retain comparability information and provide it to HUD if requested, and to certify annually that the executive director's compensation has been determined by a process that includes a comparability analysis. With the current language of section 356D-2, the HPHA Board of Directors does not have the authority to set the executive director's compensation based on a comparability analysis if the analysis indicates that compensation should be more than eighty-five percent of the salary paid to the Director of Human Resources Development. HUD may impose severe monetary penalties for PHA non-compliance with the HUD Notice.

Impact on the public: There should be a positive impact on the public as the Board of Directors of the HPHA will be provided more flexibility in the expenditure of federal funds for the recruitment and retention of the most highly qualified executive directors.

Impact on the department and other agencies: The cost of obtaining comparability analyses will be minimal and paid for with federal funds. Any increase in compensation would be funded by federal funds. There should be a positive impact on the department and other agencies because it will enable the Board of Directors to recruit and retain the most highly qualified executive director.

GENERAL FUNDS: None.

OTHER FUNDS: Revolving funds.

PPBS PROGRAM DESIGNATION: HMS 229.

OTHER AFFECTED

HB 2544

AGENCIES: None.

EFFECTIVE DATE: Upon approval.