

Honolulu, Hawaii
March 2, 2012

RE: H.B. No. 1744
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1744 entitled:

"A BILL FOR AN ACT RELATING TO COMPENSATION,"

begs leave to report as follows:

The purpose of this measure is to clarify the time periods of the salary increase moratorium and other cuts for legislators, justices, judges, and certain Executive Branch positions that were established by Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011. Among other things, this measure:

- (1) Specifies that the five percent salary reduction for legislators, justices, judges, and certain Executive Branch positions will terminate on June 30, 2013;
- (2) Repeals language providing for the automatic restoration of salaries for justices, judges, and certain Executive Branch positions on January 1, 2014;
- (3) Repeals language specifying that additional salary recommendations, if any, made by the Commission on Salaries for justices, judges, and certain Executive Branch positions will take effect on or after January 1, 2014, if not disapproved by the Legislature;



- (4) Repeals language providing for the automatic restoration of legislative salaries scheduled to take effect on January 1, 2014; and
- (5) Repeals language restoring the levels of vacation and sick leave for these positions.

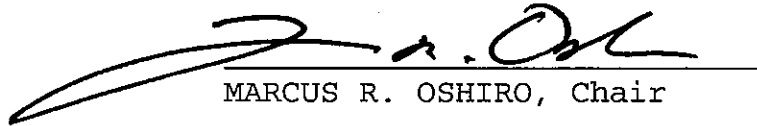
The Judiciary and Department of Human Resources Development supported this measure.

Your Committee has amended this measure by:

- (1) Specifying that all salaries on July 1, 2013, and thereafter, reduced by Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011, as amended by this measure, will revert to the rates recommended by the Commission on Salaries in the recommendation dated March 14, 2007, unless modified by the adoption of recommendations from the 2012 convening of the Commission on Salaries; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1744, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1744, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



