



*The Judiciary, State of Hawaii*

**Testimony to the House Committee on Finance**

Representative Marcus R. Oshiro, Chair  
Representative Marilyn B. Lee, Vice Chair

Tuesday, February 28, 2012, 4:00 p.m.  
State Capitol, Conference Room 308

by  
Rodney A. Maile  
Administrative Director of the Courts

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**Bill No. and Title:** House Bill No. 1744, Relating to Compensation.

**Purpose:** To resolve ambiguities and address other concerns raised by provisions in Act 57, SLH 2011 (Act 57), relating to compensation for executive, judicial, and legislative officials.

**Judiciary's Position:**

The Judiciary supports this measure.

Act 57's salary reductions for executive and judicial officials, which extend through December 31, 2013, may conflict with future salary recommendations. The Commission on Salaries will convene in 2012 and develop salary recommendations for consideration by the 2013 Legislature as mandated by Article XVI, section 3.5 of the Hawai'i Constitution (Article XVI). Based on past practice, these recommendations will presumably include salary rates for executive and judicial officials for the salary year July 1, 2013 through June 30, 2014, as well as for all legislative, executive, and judicial officials for the five fiscal years following Fiscal Year 2014.

In addition, while Article XVI requires any salary decrease to apply to all salaried officers, Act 57 provides that effective January 1, 2014, executive and judicial officials will be paid at the rate effective July 1, 2009, while legislators are compensated at the January 1, 2014 rate.

HB 1744 avoids the possibility of conflicting salary mandates and inequitable salary decreases by providing that salary reductions for all officials terminate on June 30, 2013. By making no provision for salaries beyond that date, the measure implicitly defers to the authority



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of the 2006 Commission on Salaries and the 2012 Commission on Salaries regarding the appropriate salaries for legislators, and executive and judicial officials, respectively, effective July 1, 2013.

Thank you for the opportunity to testify on HB 1744.

NEIL ABERCROMBIE  
GOVERNOR



BARBARA A. KRIEG  
INTERIM DIRECTOR

DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

February 26, 2012

TESTIMONY TO THE  
HOUSE COMMITTEE ON FINANCE

For Hearing on Tuesday, February 28, 2012  
4:00 p.m., Conference Room 308

BY

BARBARA A. KRIEG  
INTERIM DIRECTOR

**House Bill No. 1744**  
**Relating to Compensation**

TO CHAIRPERSON OSHIRO AND MEMBERS OF THE COMMITTEE:

H. B. No. 1744 amends Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011, by changing the end date for the 5% reduction in salaries for certain members of the executive, legislative, and judicial branches from December 31, 2013 to June 30, 2013, and deletes provisions relating to the restoration of salaries effective January 1, 2014.

The Department of Human Resources Development **supports** this measure.

Article XVI, section 3.5 of the Constitution of the State of Hawaii authorizes the Commission on Salaries to submit salary recommendations for the governor, lieutenant governor, department heads and deputies, administrative director of the State, members of the legislature, and justices and judges of state courts every six years starting from the Regular Session of 2007. Their next recommendation will be in the Regular Session of 2013. The salaries for this recommendation will be effective July 1, 2013, for the executive and judicial branches, and January 1, 2015, for the legislative branch.

Amending the end date to June 30, 2013, eliminates the possible conflict between the end date of Act 57, Session Laws of Hawaii 2011, and the next Commission on Salaries' recommendation.

Accordingly, we respectfully request passage of this measure. Thank you for the opportunity to provide testimony on this measure.



Testimony of the  
HAWAII STATE BAR ASSOCIATION

TO: Representative Marcus Oshiro and  
Members of the House Committee on Finance

FROM: Carol K. Muranaka *ckm*  
President, Hawaii State Bar Association

RE: House Bill No. 1744 Relating to Compensation

Hearing: Tuesday, February 28, 2012, 4:00 p.m.  
Conference Room 308  
State Capitol

Mr. Chair and Members of the House Committee on Finance, I have been authorized by the Board of the Hawaii State Bar Association to offer these comments IN SUPPORT of House Bill No. 1744.

Our SUPPORT is limited to provisions relating to ambiguities with regard to judicial salary levels.

Act 57, SLH 2011 established a reduction in judicial salaries from July 1, 2009 through December 31, 2013. As mandated by the Hawaii State Constitution (as amended in 2006), a Salary Commission will convene in 2012 and will submit its findings and recommendations to the 2013 Legislature for consideration. Such recommendations take effect, if not disapproved during the 2013 Legislature.

A potential conflict may occur for judicial salary levels if the 2012 Salary Commission recommendations take effect on July 1, 2013, the year following its establishment, consistent with the prior Salary Commission recommendations. There is a potential for two salary levels to exist from July 1, 2013 through December 31, 2013.

It is imperative that this potential conflict be eliminated to provide certainty and fairness to all individuals willing to serve as judges and justices in Hawaii's Judiciary.

Your favorable and expeditious consideration of House Bill No. 1744 is urged.

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