

NEIL ABERCROMBIE
GOVERNOR



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STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
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January 23, 2012

TESTIMONY TO THE
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

For Hearing on Tuesday, January 24, 2012
9:00 a.m., Conference Room 309

BY

BARBARA A. KRIEG
INTERIM DIRECTOR

House Bill No. 1744
Relating to Compensation

TO CHAIRPERSON RHOADS AND MEMBERS OF THE COMMITTEE:

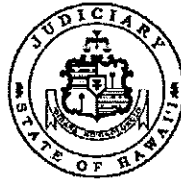
H. B. No. 1744 amends Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011, by changing the end date for the 5% reduction in salaries for certain members of the executive, legislative, and judicial branches from December 31, 2013 to June 30, 2013, and deletes provisions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



The Judiciary, State of Hawaii

Testimony to the House Committee on Labor and Public Employment

Representative Karl Rhoads, Chair
Representative Kyle T. Yamashita, Vice Chair

Tuesday, January 24, 2012, 9:30 a.m.
State Capitol, Conference Room 309

by
Rodney A. Maile
Administrative Director of the Courts

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.