

SB 2806

Measure Title: RELATING TO PUBLIC HOUSING.

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.

Companion: HB2544

Package: Gov

Current Referral: HMS, WAM

Introducer(s): TSUTSUI (BR)

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February 9, 2012

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2806 – RELATING TO PUBLIC HOUSING**

Hearing: Thursday, February 9, 2012; 1:30 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of S.B. 2806 is to allow the Board of Directors of the Hawaii Public Housing Authority (HPHA) to set the salary of the Executive Director (ED) 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.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports S.B. 2805. This measure will ensure that the HPHA is in conformance with HUD's Notice on August 26, 2011 (HUD Notice) to DHS. The HUD Notice requires all PHAs to report executive compensation information and conduct comparability analyses when determining ED compensation levels. The HUD Notice further requires the HPHA Board to retain comparability information and provide it to HUD if requested, and to certify annually that the ED's compensation has been determined by a process that includes a comparability analysis. The current language of section

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356D-2, Hawaii Revised Statutes (HRS), does not authorize the HPHA to set the ED's compensation based on a comparability analysis if the analysis. Rather, 356D-2, HRS, provides that the ED's compensation should be no more than eighty-five percent of the salary paid to the Director of Human Resources Development. HUD may impose severe monetary penalties for non-compliance with the HUD Notice.

By amending section 356D-2, HRS, the HPHA can do a comparability analysis and be in conformance with HUD regulations. The cost of obtaining comparability analyses will be minimal and paid for with federal funds. Any increase in ED compensation would be funded by federal funds.

Thank you for the opportunity to provide testimony on this bill.