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A BILL FOR AN ACT

RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY.

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  
5 executive assistant ~~[- The executive director shall be paid a~~  
6 ~~salary not to exceed eighty five per cent of the salary of the~~  
7 ~~director of human resources development. The executive~~  
8 ~~assistant shall be paid a salary not to exceed ninety per cent~~  
9 ~~of the executive director's salary.]~~, and other key executive  
10 management personnel whose qualifications require public housing  
11 or affordable housing experience, who shall be paid salaries not  
12 to exceed compensation limitations imposed by the United States  
13 Department of Housing and Urban Development. The authority may  
14 employ, subject to chapter 76, technical experts and officers,  
15 agents, and employees, permanent or temporary, as required. The  
16 authority may also employ officers, agents, and employees;  
17 prescribe their duties and qualifications; and fix their  
18 salaries, not subject to chapter 76, when in the determination

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

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 Statutory material to be repealed is bracketed  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

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

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INTRODUCED BY:   
 BY REQUEST

JAN 22 2013

H.B. NO. 887

**Report Title:**

Hawaii Public Housing Authority; Personnel

**Description:**

Authorizes the Hawaii Public Housing Authority Board of Directors to set the salaries of the executive director, the executive assistant, and other key management personnel subject to federal limitations.

*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: Hawaii Public Housing Authority (Human Services)

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

PURPOSE: To enable the Hawaii Public Housing Authority (HPHA) Board of Directors to determine the compensation of certain key personnel.

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

JUSTIFICATION: Section 356D-2(b), HRS, provides for the HPHA to employ personnel, including an executive director and an executive assistant, but controls the amount of compensation provided thereto. This provision needs to be amended to provide the HPHA Board of Directors with the autonomy necessary to manage its affairs more expeditiously and efficiently, consistent with United States Department of Housing and Urban Development (HUD) funding and guidelines.

This proposal would modify the compensation arrangement for HPHA personnel, particularly key staff members in the Office of the Executive Director, who must possess the requisite skills, knowledge, and experience of federal public housing management. Mainland counterparts of PHAs of the HPHA's size and capacity are not limited in the way that the HPHA is. In fact, according to recent HUD estimates, the typical PHA nationwide with more than 2,500 housing units pays a median yearly salary of approximately \$155,000 for an Executive Director.

HPHA has nearly three times as many units and is located in a more expensive market of

the country. Having the Executive Office salary limited to eighty-five percent of that of the Director of Human Resources Development severely inhibits the ability of the HPHA Board to recruit and retain qualified personnel with the necessary skills and experience to run a PHA of this size. This in turn impacts the ratings received by the agency in financial and management audits, as well as other HUD scores, such as REAC and PHAS, which rates the HPHA currently as "Substandard Management".

Impact on the public: There should be a positive impact on the public as the HPHA will be able to recruit and retain the most talented management personnel while improving federal scores.

Impact on the department and other agencies: Other agency salaries will not be affected by the amendment as these positions are federally funded or funded through rental receipts.

- GENERAL FUNDS: None.
- OTHER FUNDS: None.
- PPBS PROGRAM DESIGNATION: HMS 229.
- OTHER AFFECTED AGENCIES: Department of Human Services.
- EFFECTIVE DATE: Upon approval.