

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2799
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2799, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to attract and retain highly qualified individuals to serve as the Executive Director of the Hawaii Housing Finance and Development Corporation by authorizing its Board of Directors (Board) to set the salary of the Executive Director, not to exceed a certain amount.

The Department of Business, Economic Development, and Tourism and Hawaii Housing Finance and Development Corporation provided testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Deleting the salary cap;
- (2) Requiring the Board to consider the option to withhold or alter the benefits package of the Executive Director in exchange for a salary that exceeds the salary level of civil service employees who are entitled to receive benefits under Chapter 76, Hawaii Revised Statutes;



- (3) Following each adjustment to the Executive Director's salary, requiring the Board to submit a report to the Legislature that includes whether the Board exercised its option to withhold or alter the benefits package of the Executive Director and its rationale for its decision;
- (4) Changing its effective date to July 1, 2114, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that it has inserted language into this measure that authorizes the Board of Directors of the Hawaii Housing Finance and Development Corporation to set the salary of its Executive Director. In providing the Board with this additional flexibility, your Committee hopes to encourage the Board to recognize that the trade-off in choosing a position in the public sector, rather than in the private sector, often involves accepting a lower salary for a richer benefits package. Therefore, as the Board sets out to build a compensation and benefits package for its Executive Director, it must balance an increased salary with a fair level of benefits as compared to civil service employees of the public sector who do not have the benefit of earning a higher salary.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2799, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2799, S.D. 2, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 1186-14

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 2799, SD2	Committee Referral: HSG, LAB, FIN	Date: 3-18-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. ICHIYAMA, Linda	/			
5. TAKAYAMA, Gregg	/			
6. ING, Kaniela				/
7. TAKUMI, Roy M.	/			
8. YAMANE, Ryan I.	/			
9. JOHANSON, Aaron Ling	/			
TOTAL (9)	8	-	-	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				