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# A BILL FOR AN ACT

RELATING TO STATE FUNDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the global  
2 respiratory disease pandemic named "coronavirus disease 2019",  
3 or COVID-19, has deeply impacted Hawaii's health and economy.  
4 The COVID-19 pandemic has resulted in a statewide stay-at-home  
5 order, a mandatory fourteen-day quarantine for travelers, and  
6 the closing of all nonessential businesses. In April 2020,  
7 Hawaii's unemployment rate increased to an unprecedented  
8 thirty-five per cent with businesses reportedly reducing their  
9 workforces by about two hundred twenty thousand workers during  
10 the COVID-19 economic shutdown. Nearly a third of these  
11 businesses also reported that their revenue has been reduced to  
12 essentially zero during the shutdown.

13           In expectation of an economic downturn, the State Council  
14 on Revenues lowered its fiscal year 2021 forecast from four per  
15 cent to zero per cent, meaning that the State will have about  
16 \$225,000,000 less in revenues than expected.



1 As constitutionally required, the state commission on  
2 salaries convened and reported to the legislature in 2019 the  
3 recommended increased salary adjustments for officers of the  
4 executive and judicial branches of state government for the  
5 following six years and members of the legislature for four  
6 years. The legislature did not disapprove the commission's  
7 recommendation by adoption of a concurrent resolution in 2019.

8 Implementation of the commission's salary recommendations  
9 began for the executive and judicial branches on July 1, 2019,  
10 with the second of six planned raises for the executive and  
11 judicial branches scheduled for July 1, 2020. The first  
12 recommended raise for members of the legislature is scheduled  
13 for January 1, 2021.

14 Due to the unprecedented economic downturn resulting from  
15 the COVID-19 pandemic, the legislature believes that continued  
16 implementation of the commission's recommendations for the  
17 executive and judicial branches, and planned adjustments for the  
18 legislature, is irresponsible at this time and should be  
19 deferred.

20 The purpose of this Act is to defer the implementation of  
21 the commission on salaries recommendations until July 1, 2021.



1 SECTION 2. (a) Notwithstanding any law to the contrary  
2 and notwithstanding the legislature not disapproving the  
3 commission on salaries' recommendation for salary increases by  
4 adoption of a concurrent resolution in 2019, beginning on  
5 July 1, 2020, and continuing through June 30, 2021, the annual  
6 salaries of the governor, lieutenant governor, justices and  
7 judges of all state courts, administrative director of the State  
8 or an equivalent position, and department heads or executive  
9 officers and the deputies or assistants to the department heads  
10 or executive officers of the departments of:

- 11 (1) Accounting and general services;
- 12 (2) Agriculture;
- 13 (3) The attorney general;
- 14 (4) Budget and finance;
- 15 (5) Business, economic development, and tourism;
- 16 (6) Commerce and consumer affairs;
- 17 (7) Defense;
- 18 (8) Hawaiian home lands;
- 19 (9) Health;
- 20 (10) Human resources development;
- 21 (11) Human services;



1 (12) Labor and industrial relations;

2 (13) Land and natural resources;

3 (14) Public safety;

4 (15) Taxation; and

5 (16) Transportation,

6 shall remain at the salary rate as of June 30, 2020; provided  
7 that on July 1, 2021, the salaries of these positions shall be  
8 adjusted pursuant to the salary recommendations of the  
9 commission on salaries to the level they would have been on  
10 July 1, 2021, without the delay under this Act; provided further  
11 that the salary recommendations of the commission on salaries  
12 for these positions effective July 1, 2022, and each year  
13 thereafter through July 1, 2024, shall become effective on that  
14 date in accordance with the recommendations.

15 (b) Notwithstanding any law to the contrary and  
16 notwithstanding the legislature not disapproving the commission  
17 on salaries' recommendation for salary increases by adoption of  
18 a concurrent resolution in 2019, beginning on January 1, 2021,  
19 and continuing through June 30, 2021, the annual salaries of  
20 members of the legislature shall remain at the salary rate as of  
21 June 30, 2020; provided that on July 1, 2021, the salaries of



1 the legislators shall be adjusted pursuant to the salary  
2 recommendations of the commission on salaries to the level they  
3 would have been on January 1, 2022, without the delay under this  
4 Act; provided further that the salary recommendations of the  
5 commission on salaries for legislators effective January 1,  
6 2022, and each year thereafter through January 1, 2024, shall  
7 become effective on that date in accordance with the  
8 recommendations.

9 (c) This section shall not be enforced to the extent that  
10 it is preempted by federal law.

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



**Report Title:**

State Funds; Deferred Salary Adjustments

**Description:**

Defers further implementation of the executive and judicial branch salary increases that are scheduled for July 1, 2020, as well as planned raises for members of the legislature on January 1, 2021. (Proposed SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

