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Statement of
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Before the
SENATE COMMITTEE ON WAYS AND MEANS
Wednesday, February 28, 2024
10:01 AM
State Capitol, Conference Room 211 and Videoconference

In consideration of
SB 2599, SD1 RELATING TO PUBLIC EMPLOYEE COMPENSATION

The Department of Human Resources Development (DHRD) offers comments on SB 2599, SD1.

The bill amends Chapter 78, Hawaii Revised Statutes, by adding a new section to limit the salaries of employees in the executive branch of the State by prohibiting a board or commission from authorizing a base salary for a position and prohibiting an employee from receiving a base salary, in excess of the amount designated in the budget enacted by the Legislature or other legislative enactment, unless approved by the Legislature.

DHRD offers the following comments:

1. Departments and agencies need flexibility to manage their overall budget for all positions rather than be limited to a position-by-position budget. Without this flexibility, it will be difficult to fill vacancies and attract and retain top talent.
2. Collective bargaining agreements and executive orders contain provisions related to compensation adjustments and pay to which departments and agencies must adhere; therefore, restricting base salary to budgeted amounts or requiring Legislative approval will unreasonably delay or prevent certain personnel actions, such as hiring, promotions, and reallocations.

Thank you for the opportunity to provide testimony and comments on this measure.