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**Senate Committee on Labor and Technology
Friday, February 9, 2024 3:15 P.M.**

Testimony by:

Yvonne Lau, Executive Administrator and Secretary of the Board of Regents

S.B. No. 2599 – RELATING TO PUBLIC EMPLOYEE COMPENSATION.

Chair Aquino, Vice Chair Moriwaki, and members of the Committee:

These comments on S.B. No. 2599 are offered in my capacity as the Executive Administrator and Secretary of the Board of Regents.

The Board of Regents of the University of Hawai'i (Board) has not yet had the opportunity to discuss this measure. Discussion is expected to occur at the Board's next meeting on February 16, 2024.

Thank you for the opportunity to offer comments on S.B. No. 2599.

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Statement of
BRENNA H. HASHIMOTO
Director, Department of Human Resources Development

Before the
SENATE COMMITTEE ON LABOR AND TECHNOLOGY
Friday, February 9, 2024
3:15PM
State Capitol, Conference Room 224

In consideration of
SB 2599, RELATING TO PUBLIC EMPLOYEE COMPENSATION

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

The bill amends Chapter 78, Hawai'i 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 to 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.