



GOV. MSG. NO. 758

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

April 16, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith HB1672, without my approval, and with the statement of objections relating to the measure.

HB1672

A BILL FOR AN ACT RELATING TO LEGISLATIVE
SERVICE AGENCIES.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

EXECUTIVE CHAMBERS

HONOLULU

April 16, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1672

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1672, entitled "A Bill for an Act Relating to Legislative Service Agencies."

This bill increases the maximum salary of the Deputy Auditor, the First Assistant to the Ombudsman, and the First Assistant to the Director of the Legislative Reference Bureau (LRB) from 87% to 92% of the pay of the Directors of these three organizations.

This will raise the maximum salary of the Deputy Auditor, the First Assistant to the Ombudsman, and the First Assistant to the Director of the Legislative Reference Bureau from \$90,514 to \$97,631 on July 1, 2007. This is the second significant pay increase for legislative attached agency personnel in two years.

This bill is objectionable because it increases the inequity in compensation levels for these three legislative agencies as compared to other positions in State government.

Under this bill, the Legislative Branch second-in-command positions will be allowed to earn more than the Directors of the Department of Hawaiian Home Lands (DHHL), the Department of Public Safety (PSD), the Department of Human Resources Development (DHRD), and the Chairperson of the Department of Agriculture (DOA). These Directors are responsible for millions of dollars of public funds; hundreds and, in some cases,

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thousands of employees spread across the State; the stewardship for hundreds of thousands of acres of land held in trust for the native Hawaiian people; the survival of our agricultural sector; and the management of our prison system, which includes multiple facilities on four islands. Yet they are compensated less than a First Assistant in the Ombudsman's Office that supervises eight investigators, a First Assistant in the Legislative Reference Bureau that supervises nine individuals, and the Deputy Auditor responsible for fifteen personnel.

If the 2007 recommendations of the Commission on Salaries are adopted, this bill will raise the maximum salary of the Deputy Auditor, the First Assistant to the Ombudsman, and the First Assistant to the Director of the Legislative Reference Bureau (LRB) from \$90,514 to \$100,508 on July 1, 2007. The four Directors listed above would earn several thousand dollars less.

It should also be pointed out that a number of key positions in the Executive Branch with significant managerial and public policy responsibilities have not had compensation adjustments that allow the Administration to attract and retain personnel. These include, but are not limited to, the Public Utilities Commissioners (\$77,390), Executive Director of the Hawaii Public Housing Authority (\$79,590), Executive Director of the Hawaii Housing Finance and Development Corporation (\$79,590), and the Vice Director of Civil Defense (\$81,463). A full list of these positions is attached to this Statement of Objections.

These positions have significant responsibilities, such as managing almost 6,000 public housing units, coordinating statewide responses to natural disasters, and setting tariffs and rates in complex utility cases.

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This Administration introduced bills this year, House Bill No. 1367 and Senate Bill No. 1453, to de-link the salary levels for Executive Branch senior staff members who were adversely affected by Act 226 SLH 2005. Despite the inequity that existed prior to this legislative session due to Acts 226 and Acts 225 of 2005, the Legislature failed to pass the Administration's proposal that would have brought parity in pay for Executive Branch employees and recognized the importance of treating all State employees fairly and equitably.

For the foregoing reasons, I am returning House Bill No. 1672 without my approval.

Respectfully,



LINDA LINGLE
Governor of Hawaii

VETO

HOUSE OF REPRESENTATIVES
TWENTY-FOURTH LEGISLATURE, 2007
STATE OF HAWAII

H.B. NO. 1672

A BILL FOR AN ACT

RELATING TO LEGISLATIVE SERVICE AGENCIES.

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

1 SECTION 1. Section 23-8, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§23-8 Assistance and staff.** (a) In the performance of
4 the auditor's duties, the auditor may employ the services of one
5 or more certified public accountants or accounting firms, and
6 other assistants and clerical workers as may be necessary;
7 provided the cost thereof shall not exceed the sums as may be
8 available out of the appropriation provided by law for the
9 conduct of the auditor's office; provided further that the
10 accountants, firms, and assistants are entirely independent of
11 the departments, offices, and agencies of the State and its
12 political subdivisions whose affairs are subject to audit by the
13 auditor.

14 (b) All employees shall be hired by the auditor subject to
15 the approval of the president of the senate and the speaker of
16 the house of representatives and shall serve at the auditor's
17 pleasure; provided that in the establishment of the salary of
18 each employee, the auditor shall consult with the department of



1 human resources development and shall follow as closely as
2 possible the recommendations of the department; provided further
3 that effective July 1, [~~2005,~~] 2007, the salary of the first
4 assistant or first deputy shall be not more than [~~eighty-seven~~]
5 ninety-two per cent of the salary of the auditor.

6 (c) The auditor and the auditor's full-time staff shall be
7 entitled to participate in any employee benefit program
8 privileges."

9 SECTION 2. Section 23G-2, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "§23G-2 Assistant; staff. (a) The director shall appoint
12 a first assistant and other officers and employees as may be
13 necessary to carry out the functions of the bureau. All
14 employees, including the first assistant, shall be hired by the
15 director and shall serve at the director's pleasure.

16 (b) In determining the salary of the employees of the
17 bureau, the director shall consult with the department of human
18 resources development; provided that, effective July 1, [~~2005,~~]
19 2007, the salary of the first assistant shall be not more than
20 [~~eighty-seven~~] ninety-two per cent of the salary of the
21 director.



1 (c) The director and the director's full-time staff shall
2 be entitled to participate in any employee benefit program plan
3 or privilege."

4 SECTION 3. Section 96-3, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§96-3 Assistance, staff, delegation, funding.** (a) The
7 ombudsman shall appoint a first assistant and other officers and
8 employees as may be necessary to carry out this chapter. All
9 employees, including the first assistant, shall be hired by the
10 ombudsman and shall serve at the ombudsman's pleasure.

11 .b) In determining the salary of each employee, the
12 ombudsman shall consult with the department of human resources
13 development and shall follow as closely as possible the
14 recommendations of the department. Effective July 1, [~~2005~~]
15 2007, the first assistant's salary shall be not more than
16 [~~eighty-seven~~] ninety-two per cent of the salary of the
17 ombudsman.

18 (c) The ombudsman and the ombudsman's full-time staff
19 shall be entitled to participate in any employee benefit plan.

20 (d) The ombudsman may delegate to the ombudsman's
21 appointees any of the ombudsman's duties except those specified
22 in sections 96-12 and 96-13; provided that during the absence of



1 the ombudsman from the island of Oahu, or the ombudsman's
2 temporary inability to exercise and discharge the powers and
3 duties of the ombudsman's office, the powers and duties as
4 contained in sections 96-12 and 96-13 shall devolve upon the
5 first assistant during the ombudsman's absence or inability.

6 (e) The funds for the support of the office of the
7 ombudsman shall be provided for in the act providing for the
8 expenses of the legislature."

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2007.

12

INTRODUCED BY:

Calvin K. King

BY REQUEST

JAN 23 2007



EXECUTIVE BRANCH POSITIONS THAT ARE "LINKED" TO THE PAY OF EXECUTIVE DEPARTMENT HEADS, BUT THAT THE LEGISLATURE REFUSED TO DE-LINK SO THAT THESE POSITIONS MAY BE COMPENSATED MORE FAIRLY.

(2007 Legislature's Rejection of Administration-sponsored proposals,
H.B. No. 1367/S.B. No. 1453 to increase Salaries of Key Executive Branch Positions)

HRS	Dept	Title	Current Salary (2006)	Act 226 2005	Maximum Salary
§109-2	AGS	Stadium Manager	\$81,463.32	X	Not to Exceed 87% DHRD Director's Salary
§109-2	AGS	Deputy Stadium Manager	\$69,243.82	X	Not to Exceed 85% Stadium Manager's Salary
§128-3	DEF	Vice-Director of Civil Defense	\$81,463.32	X	Not to Exceed 87% DHRD Director's Salary
§269-2(b)	BUF	PUC Commission Chair	\$81,463.32	X	Not to Exceed 87% DHRD Director's Salary
§269-2(b)	BUF	Commissioner, PUC	\$77,390.15	X	Not to Exceed 95% of PUC Chair's Salary
§269-2(b)	BUF	Commissioner, PUC	\$77,390.15	X	Not to Exceed 95% of PUC Chair's Salary
§349-2(b)	HTH	Director (EOA)	\$64,608.84	X	Not to Exceed 69% DHRD Director's Salary
§363-2(b)	DEF	Director, Office Of Veteran's Svcs.	\$64,608.84	X	Not to Exceed 69% DHRD Director's Salary
§353-63	PSD	Chairman, HPA	\$81,463.32	X	Not to Exceed 87% PSD Director's Salary
§371-4(a)	LBR	Chairperson, LIRAB	\$85,989.06	X	Not to Exceed 87% of DLIR's Director's Salary
§371-4(a)	LBR	Member Appeals Board, LIRAB	\$81,689.61	X	Not to Exceed 95% of LIRAB's Salary
§371-4(a)	LBR	Member Appeals Board, LIRAB	\$81,689.61	X	Not to Exceed 95% of LIRAB's Salary
§412:2-100(b)	CCA	Commissioner Fin Institutions	\$95,716.80	X	Not to Exceed 100% of the DCCA's Deputy Director's salary
§89-5(d)	LBR	Chairman/member (HLRB)	\$85,989.06	X	Not to Exceed 87% of the DLIR Director's Salary
§89-5(d)	LBR	Member (HLRB)	\$81,689.61	X	Not to Exceed 95% of the HLRB Chair's Salary
§89-5(d)	LBR	Member (HLRB)	\$81,689.61	X	Not to Exceed 95% of the HLRB Chair's Salary
§431:2-103	CCA	Insurance Commissioner	\$90,931.00		Not to Exceed the salary of the DCCA 1 st Deputy Director

EXECUTIVE BRANCH POSITIONS THAT ARE "LINKED" TO THE PAY OF EXECUTIVE DEPARTMENT HEADS, BUT THAT THE LEGISLATURE REFUSED TO DE-LINK SO THAT THESE POSITIONS MAY BE COMPENSATED MORE FAIRLY.

(2007 Legislature's Rejection of Administration-sponsored proposals,
H.B. No. 1367/S.B. No. 1453 to increase Salaries of Key Executive Branch Positions)

§431:19-101.6	CCA	Captive Insurance Admr	\$79,776.00		Not to exceed 95% of the Insurance Commissioner's salary
§371K-2(b)	LBR	Exec. Director, Office-Community Services	\$85,989.06		Not to exceed level of 2 nd Deputy Director level
§201H-2(b)	BED	HHFDC Executive Director	\$79,590.00		Not to Exceed 85% of DHRD Director's salary
§201H-2(b)	BED	HHFDC Executive Assistant	\$71,631.60		Not to Exceed 90% of HHFDC Executive Director Salary
§356D-2(b)	HMS	Executive Director, HPHA	\$79,590.00		Not to Exceed 85% of DHRD Director's salary
§356D-2(b)	HMS	Executive Assistant, HPHA	\$71,631.60		Not to Exceed 90% of HPHA Executive Director's Salary