
A BILL FOR AN ACT

RELATING TO SALARIES.

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

1 SECTION 1. This Act addresses positions whose salaries are
2 statutorily linked to the salaries of department heads or deputy
3 department heads. Act 226, Session Laws of Hawaii 2005, linked
4 the salaries and the pay increases of the following positions to
5 the salary of the director of the department of human resources
6 development: stadium manager and deputy manager, vice director
7 of civil defense, public utilities commissioners, director of
8 the executive office of aging, and the director of the office of
9 veterans services. Act 226 also linked the salaries of the
10 following positions to the salaries of certain other department
11 heads: members of the paroling authority (director of public
12 safety), members of the labor and industrial relations appeals
13 board and of the Hawaii labor relations board (director of labor
14 and industrial relations) and commissioner of financial
15 institutions (director of commerce and consumer affairs).

16 Although not covered by Act 226, Session Laws of Hawaii
17 2005, the salaries of the following positions are directly or
18 indirectly statutorily linked to the salaries of deputy



1 department heads: insurance commissioner, captive insurance
2 administrator, and the executive director of the office of
3 community services.

4 In some cases, the salary resulting from the statutory
5 linkage has made it difficult to attract or retain highly
6 qualified individuals. This Act amends the statutes to "de-
7 link" the salaries of those positions and give authority to
8 appropriate individuals, boards, or commissions to determine the
9 salaries.

10 SECTION 2. Section 89-5, Hawaii Revised Statutes, is
11 amended by amending subsection (d) to read as follows:

12 "(d) The members shall devote full time to their duties as
13 members of the board. Effective July 1, ~~[2005,]~~ 2007, the
14 chairperson of the board shall be paid a salary set ~~[at eighty-~~
15 ~~seven per cent of the salary of the director of labor and~~
16 ~~industrial relations,]~~ by the governor, and the salary of each
17 of the other members shall be ninety-five per cent of the
18 chairperson's salary. No member shall hold any other public
19 office or be in the employment of the State or a county, or any
20 department or agency thereof, or any employee organization
21 during the member's term."



1 SECTION 3. Section 109-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§109-2 Stadium authority; powers and duties.** The powers
4 and duties of the stadium authority shall be as follows:

- 5 (1) To maintain, operate, and manage the stadium and
6 related facilities, and to provide for the
7 maintenance, operation, management, and promotion of
8 the Kapolei recreational sports complex;
- 9 (2) To prescribe and collect rents, fees, and charges for
10 the use or enjoyment of the stadium or any of its
11 facilities;
- 12 (3) To make and execute contracts and other instruments
13 necessary or convenient to exercise its powers under
14 this chapter and subject to any limitations in this
15 chapter, to exercise all powers necessary, incidental,
16 or convenient to carry out and effectuate the purposes
17 and provisions of this chapter, including entering
18 into contracts under chapter 102 or 103D for the
19 management of the Kapolei recreational sports complex,
20 to include but not be limited to the operation,
21 maintenance, and promotion of the complex in a manner
22 that is beneficial to both the State and the



1 contractor. These contracts may contain revenue
2 sharing incentives based on increased usage of the
3 complex;

4 (4) To adopt, amend, and repeal in accordance with chapter
5 91 rules it may deem necessary to effectuate this
6 chapter and in connection with its projects,
7 operations, and facilities;

8 (5) To appoint a manager and a deputy manager who shall
9 have such qualifications as the authority deems
10 necessary and who shall hold their respective offices
11 at the pleasure of the authority. The manager and
12 deputy manager shall be exempt from the requirements
13 of chapters 76 and 89. Effective July 1, [2005,]
14 2007, the manager shall be paid a salary [~~not to~~
15 ~~exceed eighty-seven per cent of the salary of the~~
16 ~~director of human resources development.~~] in a range
17 equivalent to the deputy comptroller's range.
18 Effective July 1, [2005,] 2007, the deputy manager
19 shall be paid a salary not to exceed eighty-five per
20 cent of the manager's salary. The manager shall have
21 full power to administer the affairs of the stadium
22 and related facilities, and to provide for a



1 management contract for the Kapolei recreational
 2 sports complex, subject to the direction and approval
 3 of the authority. The manager shall, subject to the
 4 approval of the authority, have power to appoint,
 5 suspend, and discharge a secretary who shall be exempt
 6 from the requirements of chapters 76 and 89, and such
 7 other employees, subordinates, and assistants as may
 8 be necessary for the proper conduct of the business of
 9 the authority. Except for persons hired on contract
 10 or otherwise as provided in section 109-3 and except
 11 for the manager, deputy manager, and secretary, all
 12 appointments, suspensions, or discharges shall be made
 13 in conformity with the applicable provisions of
 14 chapter 76; and

15 (6) To plan, promote, and market the stadium, its related
 16 facilities, and the Kapolei recreational sports
 17 complex."

18 SECTION 4. Section 128-3, Hawaii Revised Statutes, is
 19 amended by amending subsection (c) to read as follows:

20 "(c) There shall be a vice-director of civil defense who
 21 shall be appointed and may be removed by the director. The
 22 vice-director shall be the first assistant to the director and



1 shall, in the absence of the director, have all the duties and
 2 responsibilities of the director. The vice-director shall be
 3 paid a salary [~~not to exceed eighty seven per cent of the salary~~
 4 ~~of the director of human resources development.~~] set by the
 5 director. Chapter 76 shall not apply to the vice-director."

6 SECTION 5. Section 201H-2, Hawaii Revised Statutes, is
 7 amended by amending subsection (b) to read as follows:

8 "(b) The corporation shall employ, exempt from chapter 76
 9 and section 26-35(a)(4), an executive director and an executive
 10 assistant. The executive director shall be paid a salary [~~not~~
 11 ~~to exceed eighty five per cent of the salary of the director of~~
 12 ~~human resources development.~~] set by the board of directors.

13 The executive assistant shall be paid a salary not to exceed
 14 ninety per cent of the executive director's salary. The
 15 corporation may employ, subject to chapter 76, technical experts
 16 and officers, agents, and employees, permanent and temporary, as
 17 required. The corporation may also employ officers, agents, and
 18 employees, prescribe their duties and qualifications, and fix
 19 their salaries, not subject to chapter 76, when in the
 20 determination of the corporation, the services to be performed
 21 are unique and essential to the execution of the functions of
 22 the corporation. The corporation may call upon the attorney



1 general for legal services as it may require. The corporation
2 may delegate to one or more of its agents or employees its
3 powers and duties as it deems proper."

4 SECTION 6. Section 269-2, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) Effective July 1, [~~2005~~] 2007, the chairperson of
7 the commission shall be paid a salary set [~~at eighty-seven per~~
8 ~~cent of the salary of the director of human resources~~
9 ~~development,~~] by the governor and each of the other
10 commissioners shall be paid a salary equal to ninety-five per
11 cent of the chairperson's salary. The commissioners shall be
12 exempt from chapters 76 and 89 but shall be members of the state
13 [~~employees~~] employees' retirement system and shall be eligible
14 to receive the benefits of any state or federal employee benefit
15 program generally applicable to officers and employees of the
16 State, including those under chapter 87A.

17 The commission is placed within the department of budget
18 and finance for administrative purposes."

19 SECTION 7. Section 349-2, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:

21 "(b) The head of this office shall be known as the
22 director of the executive office on aging, hereinafter referred



1 to as director. The director shall have professional training
2 in the field of social work, education, public health, and other
3 related fields; extensive direct experience in programs or
4 services related to elders; and recent experience in a
5 supervisory, consultative, or administrative position. The
6 director shall be nominated and appointed by the governor
7 without regard to chapters 76 and 89. Effective July 1, [2005,]
8 2007, the director shall be paid a salary set by the appointing
9 authority [~~that shall not exceed sixty nine per cent of the~~
10 ~~salary of the director of human resources development~~]. The
11 director shall be included in any benefit program generally
12 applicable to the officers and employees of the State."

13 SECTION 8. Section 353-63, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§353-63 Service of Hawaii paroling authority members;**
16 **compensation; expenses.** The chairperson and the two members of
17 the Hawaii paroling authority shall serve on a full-time basis.
18 [~~The other two members shall serve on a part time basis.~~]
19 Effective July 1, [2005,] 2007, the chairperson of the Hawaii
20 paroling authority shall be paid a salary set [~~at eighty seven~~
21 ~~per cent of the salary of the director of public safety.~~] by the
22 governor. The compensation of each of the [~~part-time~~] two



1 additional members shall be eighty per cent of the [~~hourly wage~~]
2 salary paid the chairperson. [~~For each hour engaged in the~~
3 ~~official duties of the authority, each part-time member of the~~
4 ~~authority shall be paid an hourly wage at the percentage rate~~
5 ~~specified in this section based on the hourly wage paid the~~
6 ~~chairperson; provided that compensation shall not exceed eighty~~
7 ~~per cent of the total regular working hours in a month; provided~~
8 ~~further that part-time members shall not be entitled to any~~
9 ~~vacation, sick leave, or other benefits except as provided in~~
10 ~~this section.] All paroling authority members shall receive
11 their necessary expenses for travel and incidentals which shall
12 be paid from appropriations provided the authority for such
13 purposes, on vouchers approved by the director of public
14 safety."~~

15 SECTION 9. Section 356D-2, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) The authority shall employ, exempt from chapter 76
18 and section 26-35(a)(4), an executive director and an executive
19 assistant. The executive director shall be paid a salary [~~not~~
20 ~~to exceed eighty five per cent of the salary of the director of~~
21 ~~human resources development.] set by the authority. The
22 executive assistant shall be paid a salary not to exceed ninety~~



1 per cent of the executive director's salary. The authority may
2 employ, subject to chapter 76, technical experts and officers,
3 agents, and employees, permanent or temporary, as required. The
4 authority may also employ officers, agents, and employees;
5 prescribe their duties and qualifications; and fix their
6 salaries, not subject to chapter 76, when in the determination
7 of the authority, the services to be performed are unique and
8 essential to the execution of the functions of the authority;
9 provided that if the authority hires an officer, agent, or
10 employee in a capacity not subject to chapter 76, the authority
11 shall include in an annual report to the legislature, to be
12 submitted not later than twenty days prior to the convening of
13 each regular session, the position descriptions and reasons for
14 hiring the personnel in a civil service exempt capacity. The
15 authority may call upon the attorney general for legal services
16 as it may require. The authority may delegate to one or more of
17 its agents or employees the powers and duties it deems proper."

18 SECTION 10. Section 363-2, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

20 "(b) The head of the office shall be known as the director
21 of the office of veterans' services. The director shall be
22 nominated and appointed by the governor without regard to



1 chapters 76 and 89. Effective July 1, [~~2005,~~] 2007, the
 2 director shall be paid a salary set by the appointing authority
 3 [~~that shall not exceed sixty nine per cent of the salary of the~~
 4 ~~director of human resources development~~]. The director shall be
 5 included in any benefit program generally applicable to the
 6 officers and employees of the State."

7 SECTION 11. Section 371-4, Hawaii Revised Statutes, is
 8 amended by amending subsection (a) to read as follows:

9 "(a) There is created a labor and industrial relations
 10 appeals board composed of three members nominated and, by and
 11 with the advice and consent of the senate, appointed by the
 12 governor for terms of ten years each, except that the terms of
 13 members first appointed shall be for six, eight, and ten years
 14 respectively as designated by the governor at the time of
 15 appointments. The governor shall designate the chairperson of
 16 the board, who shall be an attorney at law licensed to practice
 17 in all of the courts of this State. Each member shall hold
 18 office until the member's successor is appointed and qualified.
 19 Because cumulative experience and continuity in office are
 20 essential to the proper handling of appeals under workers'
 21 compensation law and other labor laws, it is hereby declared to
 22 be in the public interest to continue board members in office as



1 long as efficiency is demonstrated. The members shall devote
 2 full time to their duties as members of the board. Effective
 3 July 1, [~~2005,~~] 2007, the chairperson of the board shall be paid
 4 a salary set [~~at eighty seven per cent of the salary of the~~
 5 ~~director of labor and industrial relations,~~] by the governor,
 6 and the salary of each of the other members shall be ninety-five
 7 per cent of the chairperson's salary."

8 SECTION 12. Section 371K-2, Hawaii Revised Statutes, is
 9 amended by amending subsection (b) to read as follows:

10 "(b) The head of the office shall be known as the
 11 executive director of the office of community services,
 12 hereinafter referred to as executive director. The executive
 13 director shall have: training and experience in the field of
 14 social work, education, public health, or related fields; direct
 15 experience in programs and services related to disadvantaged
 16 persons, refugees, or immigrants; and experience in a
 17 supervisory, consultative, or administrative capacity. The
 18 executive director shall be appointed by the governor without
 19 regard to chapter 76, and shall be compensated at a salary level
 20 [~~no less than that of a second deputy.~~] set by the governor.
 21 The executive director shall be included in any benefit program

1 generally applicable to the officers and employees of the
2 State."

3 SECTION 13. Section 412:2-100, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) The salary of the commissioner shall be set by the
6 director of commerce and consumer affairs [~~but shall not be more~~
7 ~~than the maximum salary of first deputy to the director of~~
8 ~~commerce and consumer affairs]."~~

9 SECTION 14. Section 431:2-103, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "~~§431:2-103~~ **Salary.** The salary of the commissioner shall
12 be set by the director of commerce and consumer affairs [~~but~~
13 ~~shall not be more than the maximum salary of first deputies to~~
14 ~~department heads]."~~

15 SECTION 15. Section 431:19-101.6, Hawaii Revised Statutes,
16 is amended to read as follows:

17 "~~[§431:19-101.6]~~ **Salary.** The salary of the
18 administrator shall be set by the director of commerce and
19 consumer affairs[, ~~but shall not be more than ninety five per~~
20 ~~cent of the maximum salary of the commissioner]."~~

21 SECTION 16. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



1 SECTION 17. This Act shall take effect on July 1, 2020.



Report Title:

Relating to salaries.

Description:

Eliminates statutory relationships between the salaries of specific department heads and deputy department heads and certain civil service positions. Effective July 1, 2020.
(HB1367 HD1)

