

**COMMISSION ON SALARIES**  
**REPORT AND RECOMMENDATIONS**  
**TO THE 2013 LEGISLATURE**

**March 18, 2013**

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## Executive Summary

The Commission on Salaries (Commission) was established as a result of a constitutional amendment of Article XVI of the Constitution of the State of Hawai'i (Constitution) which was approved in November 2006. The Commission, which is appointed every six years, is charged with reviewing and making recommendations for the salaries of justices and judges of all State courts, members of the Legislature, the Governor and Lieutenant Governor, and specified appointed officials within the State Executive branch (collectively, "Officials"). Section 26-56, **Commission on salaries**, Hawai'i Revised Statutes (HRS), provides supplemental information and guidance relating to the Commission.

Pursuant to Article XVI of the Constitution, the recommendations of the Commission shall become effective unless the Legislature disapproves the entire recommendation by adoption of a concurrent resolution prior to the adjournment of the legislative session.

The Commission which was formed in 2006 (the "2007 Commission") submitted recommendations in March of 2007 for staggered annual salary increases for the Officials from 2007 until 2013 for the Executive and Judicial branches and from 2009 to 2014 for the Legislative branch. These recommendations were forwarded by the Governor to the Legislature and were not disapproved by the Legislature and were implemented.

In 2009, due to the downturn in the economy, the Legislature passed Act 85 which changed the salaries recommended by the 2007 Commission by reducing the June 30, 2009 salaries by 5% effective July 1, 2009 and freezing said salaries until June 30, 2011.

In 2011, Act 57 extended the 5% reduction and froze the reduced salaries through December 31, 2013.

In 2012, Act 48 repealed Act 85, Session Laws of Hawai'i (SLH) 2009, which changed the end date of the 5% reduction and salary freeze from December 31, 2013 to June 30, 2013. This avoids the conflict in dates between the start of the 2013 Commission<sup>1</sup> recommendations effective July 1, 2013 for the Executive and Judicial branches and the 5% reduction and salary freeze that would continue to December 31, 2013 under Act 57, SLH 2011. In addition, Act 48 provided that the salaries recommended by the 2007 Commission be effective July 1, 2013, if the recommendations of the 2013 Commission are disapproved during the 2013 legislative session by the adoption of a concurrent resolution.

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<sup>1</sup> The 2013 Commission on Salaries was appointed in November 2012 and will make recommendations effective July 1, 2013 for the Executive and Judicial Branches and January 1, 2015 for the Legislative Branch.

The 2013 Commission was convened on November 27, 2012 and is submitting its report and recommendations to the Governor for submission to the 2013 State Legislature.

In response to a request by the 2013 Commission, the State Attorney General issued an opinion regarding language in section 26-56(b), HRS that the Commission shall not establish "salaries lower than salary amounts recommended by prior commissions replaced by this section." The Attorney General opined that "prior commissions replaced by this section" refers to the abolished Executive, Judicial and Legislative salary commissions (the "2006 Commissions") replaced by the Commission on Salaries established by Act 299, SLH 2006. Therefore, the recommendations of the 2006 Salary Commissions effectively set a floor for the recommendations of this Commission. However, the 2013 Commission could recommend salaries lower than that recommended by the 2007 Commission.

The intent of the 2013 Commission is to recommend salaries that are fair, and take into account the following:

- The economic condition of the State and the fiscal impact of the increases.
- Appropriate pay relationships with other governmental employees.
- Attracting and retaining qualified employees to be the leaders of the State of Hawai'i.

Unless disapproved by the Legislature, the recommendations of the 2013 Commission will go into effect on July 1, 2013 for the Executive and Judicial branch officials. The recommendations for the Legislative branch officials will go into effect on January 1, 2015, because Article XVI of the Constitution states that any salary change shall not apply to the Legislature to which the recommendations were submitted. The following recommendations were unanimously adopted by the 2013 Commission:

#### A. EXECUTIVE BRANCH RECOMMENDATIONS

- Effective July 1, 2013, continue the restoration of what would have been the June 30, 2013 salaries recommended by the 2007 Commission.
- No further increase from July 1, 2013 to June 30, 2014.
- Effective July 1, 2014; July 1, 2015; July 1, 2016; July 1, 2017; July 1, 2018 increase the salaries and salary ranges of all positions by 2% each year.
- Effective July 1, 2013, place the Budget and Finance Director and Deputy in Tier 1 and continue the recommendation of the 2007 Commission to collapse the three tiers into two: Tier 1 would then include the Attorney General, the Administrative Director of the State, and the Director of Budget and Finance.

The Lieutenant Governor, while not in Tier 1, would receive a salary equal to the Tier 1 officials; Tier 2 includes all other department directors and their deputies.

- The salaries and future salary increases for the Adjutant General and Deputy Adjutant General be set by the pay and allowance tables of the regular army or air force of the United States for officers of comparable rank and time in service over the period covered by this Commission's recommendation.

#### B. JUDICIAL BRANCH RECOMMENDATIONS

- Effective July 1, 2013, continue the restoration of what would have been the June 30, 2013 salaries recommended by the 2007 Commission.
- No further increase from July 1, 2013 to June 30, 2014.
- Effective July 1, 2014; July 1, 2015; July 1, 2016; July 1, 2017; July 1, 2018 increase the salaries of justices and judges by 2% each year.

#### C. LEGISLATIVE BRANCH RECOMMENDATIONS

Per Act 48, SLH 2012, the Legislative branch salaries, "notwithstanding section 26-56(d), Hawai'i Revised Statutes, shall be at the rates provided for by the recommendations, dated March 14, 2007, of the commission on salaries convened in 2006." Therefore, the Legislative branch will receive the January 1, 2013 salaries recommended by the Commission convened in 2006, effective July 1, 2013; and the January 1, 2014 recommended salaries effective January 1, 2014.

By HRS 26-56(d), the 2013 Commission can only make recommendations for the House and Senate from 2015 until the next commission is appointed in 2018.

- Effective January 1, 2015, January 1, 2016; January 1, 2017; and January 1, 2018 increase the salaries of senators and representatives by 2% each year.
- The President of the Senate and Speaker of the House of Representatives will continue to receive \$7,500 more per year than senators and representatives.

## Overview

### Legal Framework

#### A. Constitution and State Statutes

This report fulfills Article XVI, section 3.5 of the Constitution which reads as follows:

#### “SALARY COMMISSION

Section [3.5]. There shall be a commission on salaries as provided by law, which shall review and recommend salaries for the justices and judges of all state courts, members of the legislature, department heads or executive officers of the executive departments and the deputies or assistants to department heads of the executive departments as provided by law, excluding the University of Hawai'i and the department of education. The commission shall also review and make recommendations for the salary of the administrative director of the state or equivalent position and the salary of the governor and the lieutenant governor.

Any salary established pursuant to this section shall not be decreased during a term of office, unless by general law applying to all salaried officers of the state.

Not later than the fortieth legislative day of the 2007 regular legislative session and every six years thereafter, the commission shall submit to the legislature its recommendations and then dissolve.

The recommended salaries submitted shall become effective as provided in the recommendation, unless the legislature disapproves the entire recommendation as a whole by adoption of a concurrent resolution prior to adjournment *sine die* of the legislative session in which the recommendation is submitted; provided that any change in salary which becomes effective shall not apply to the legislature to which the recommendation for the change in salary was submitted.”

In addition, section 26-56, HRS, indicates that:

1. The Commission shall consist of seven members of whom: two members shall be appointed by the Governor, two by the President of the Senate, two by the Speaker of the House of Representatives, and one by the Chief Justice of the Supreme Court.
2. The Commission may recommend different salaries for department heads and executive officers and different salary ranges for deputies or assistants to department heads; provided that the Commission shall recommend the same salary range for deputies or assistants to

department heads within the same department; provided further that the appointing official shall specify the salary for a particular position within the applicable range.

3. The Commission shall not recommend salaries lower than salary amounts recommended by prior Commissions replaced by this section, however, may recommend salaries lower than the recommendations of the 2007 Commission.
4. Not later than the fortieth legislative day of the regular session of 2007, and every six years thereafter, the Commission shall submit a report of its findings and its salary recommendations to the Legislature, through the Governor. The Commission may include incremental increases that take effect prior to the convening of the next salary Commission, which will be in November 2018.
5. The recommended salaries submitted by the Commission shall become effective July 1 of the next fiscal year unless the Legislature disapproves the recommended salaries submitted by the Commission through the adoption of a concurrent resolution, which shall be approved by a simple majority of each house of the Legislature, prior to adjournment *sine die* of the legislative session in which the recommended salaries are submitted; provided that any change in salary which becomes effective shall not apply to the Legislature to which the recommendation for the change in salary was submitted.
6. Effective July 1, 2007, and every six years thereafter, the salary of the Adjutant General shall be as last recommended by the Commission, pursuant to Section 26-56, HRS, unless rejected by the Legislature, except that if the State salary is in conflict with the pay and allowance fixed by the tables of the regular army or air force of the United States, the latter shall prevail.
7. The Governor shall include the salary amounts recommended by the Commission and approved by the Legislature for employees of the Executive branch in the Executive budget.

In 2009, due to the downturn in the economy, the Legislature passed Act 85 which changed the salaries recommended by the 2007 Commission by reducing the June 30, 2009 salaries by 5% and freezing said salaries effective July 1, 2009 to June 30, 2011.

In 2011, Act 57 extended the 5% reduction and freeze of salaries to December 31, 2013.

In 2012, Act 48 repealed Act 85, SLH 2009 as amended by Act 57, SLH 2011; resulting in a change to the end date of the 5% reduction and freeze from December 31, 2013 to June 30, 2013. This avoids the conflict in dates between the start of the 2013 Commission recommendations effective July 1, 2013 for the Executive and Judicial branches and the 5% reduction and freeze that would continue to December 31, 2013 under Act 57, SLH 2011. In addition, Act 48 provided that the salaries recommended by the 2007 Commission be effective July 1, 2013, if the recommendations of the 2013 Commission are disapproved during the 2013 legislative session by the adoption of a concurrent resolution.

B. Attorney General Opinion

An Attorney General Opinion dated December 24, 2012, opines that section 26-56, HRS which states "[t]he commission shall not recommend salaries lower than salary amounts recommended by prior commissions replaced by this section." refers to the 2006 Commissions that were abolished and replaced by the single Commission on Salaries established by Act 299, SLH 2006.

Therefore, the Commission may recommend salaries that are lower than the 2007 Commission's recommendations but, not lower than the separate salary commissions that were abolished in 2006.

Furthermore, section 26-56(d), HRS sets limits for "incremental increases that take effect prior to the convening of the next salary commission." The 2007 Commission recommended increases effective January 1, 2013 and January 1, 2014, which is contrary to the statute since the 2013 Commission convened in November 2012. However, Act 48, SLH 2012 trumped section 26-56(d) by the statement, "notwithstanding section 26-56(d), Hawai'i Revised Statutes, [salary increases] shall be at the rates provided for by the recommendations dated March 14, 2007, of the commission on salaries convened in 2006." Therefore, based on Act 48, SLH 2012, the January 1, 2013 and January 1, 2014, recommendations of the 2007 Commission are valid salaries for the Legislative branch.

The Commission notes the March 13, 2013 filing of House Resolution No. 191 and House Concurrent Resolution No. 236 at the Legislature urging that the Commission "suspend the automatic salary increase and extend the salary reduction for members of the Legislature until Hawaii's economic forecast reflects greater growth and vitality." The Commission notes, however, that the provisions of Act 48 precludes such actions and only allow the Commission to make salary recommendations for the Legislature beginning January 1, 2015 as stated above.

2013 Commission on Salaries

This is the report and recommendations of the 2013 Commission, which covers the Executive, Judicial and Legislative branches.

## Process

The Commission was convened on November 27, 2012. At that time, Commissioner Michael Irish was elected as Chairperson and Commissioner Mark Fox was elected as Vice-Chairperson. A brief orientation was provided by staff of the Department of Human Resources Development (DHRD) and there was agreement on a tentative meeting schedule. Commissioners were provided with a folder of documents to review. They decided to set up investigatory meetings, following the guidelines of the Sunshine Law, to gather information from each of the branches. Selected as point person to coordinate for the respective branches were Lynn Heirakuji for the Executive branch, Mark Fox for the House, Robert Wu for the Senate, and Michael Irish for the Judiciary. The Commission also expressed their interest in scheduling the State Budget and Finance Director and a representative from the Council on Revenues to make presentations on the fiscal outlook for the State.

Oral testimony from the public was solicited at all meetings, but none was received.

The second meeting of the Commission was held on December 11, 2012. Kalbert Young, Director of the Department of Budget and Finance made a presentation regarding the fiscal condition of the State. Dr. Jack Suyderhoud, Vice-Chair of the Council on Revenues spoke about the process of how the Council on Revenues makes their projections. Follow up reports were also made by Commission members on their investigatory outreach with the Executive and Legislative branches.

The third meeting of the Commission was held on December 18, 2012. Tom Mick and Dan Seto from the Judiciary made a presentation regarding the salaries of judges. Commissioners also shared information gathered from their investigatory outreach with members of the Executive and Legislative branches. Requested information regarding salaries and costing was reviewed by the Commission.

The fourth meeting of the Commission was held on January 8, 2013. There was discussion regarding the outcome of the Attorney General opinion which generally concluded that the salaries for each branch cannot be lower than the recommendations made by the three separate commissions (Executive Salary Commission, Judicial Salary Commission, and Legislative Salary Commission) that were abolished in 2006. In addition, the Legislative branch will receive the salary increases recommended by the 2007 Commission for January 1, 2013, to be effective July 1, 2013; and for January 1, 2014, to be effective on that date. After review of data and materials before the Commission, a motion was made and passed to follow the recommendations of the 2007 Commission and to collapse the tiers for the directors and deputies from three down to two.

The fifth meeting of the Commission was held on January 22, 2013. Written testimony from the Director of the DHRD and the Chief Negotiator for the Office of

Collective Bargaining was distributed. In their written testimony, they requested that the Commission consider the State's budget challenges and the fiscal constraints on public employee bargaining when making their decisions. The Commission requested that an invitation be extended to the Director and Chief Negotiator to attend the next Commission meeting. The Council on Revenues January 7, 2013 report, as well as reports on the difference between the 2007 Commission salary recommendation versus the actual salaries received, and various costing scenarios, were reviewed. The 2013 Commission reaffirmed its decision to continue the salary recommendations of the 2007 Commission, with increases in subsequent years.

The sixth meeting of the Commission was held on February 12, 2013. Barbara Krieg, DHRD Director and Neil Dietz, Chief Negotiator for the Office of Collective Bargaining spoke to the Commission regarding their written testimony that was distributed at the last Commission meeting. The Commissioners then discussed rationales for various scenarios and agreed to come to the next meeting prepared with their recommendation and supporting rationale for their decision.

Meetings were held on February 26, March 5, March 12, and March 18 for the purpose of conducting a page by page review of the draft report.



## **Rationales and Recommendations**

### General Rationale

The Commission's general rationale is that, in the context of public and private sector salaries at both the local and national level, the compensation of the elected and appointed officials should be fair and equitable and sufficient to attract and retain highly qualified individuals, while at the same time being prudent in the expenditure of public funds.

### Executive Branch

In reaching its recommendations for the “executive salaries,” the Commission reviewed the compensation of State of Hawai‘i managers covered by the Excluded Managerial Compensation Plan (EMCP).

Additionally, salaries of county executives were reviewed, i.e., mayors, deputy managing directors, department directors, deputy department directors, prosecuting attorneys, etc., for the City and County of Honolulu, Hawai‘i County, Maui County and Kauai County.

**The Book of the States 2011** edition was reviewed to determine how other jurisdictions compensated their respective governors, lieutenant governors, and comparable department directors.

After reviewing the materials cited above and additional information, the Commission determined that pay equity and compensation levels need to be addressed for executive salaries if the State is to recruit and retain qualified executives to the Executive branch of government. It is important to remember that the Governor, Lieutenant Governor, Administrative Director, department directors, deputy directors, etc., administer programs that affect the health and welfare of our residents, and which have annual budgets that collectively exceed \$7.9 billion per year. The State needs to recruit and retain the “best and brightest” for these positions because of the daily impact these positions have on our State.

Executives in the public service are expected to work extended hours; participate in community service events, forums and meetings; be accessible on a 24-hour, 7-day-a-week basis for emergency situations; and exercise effective leadership in addressing emergency and crisis situations. Many could easily secure higher paying jobs in the private sector but instead chose to take on these high impact, high profile, demanding and time limited jobs because of their commitment to public service. It was also noted by the Commission that directors and deputy directors are generally at the top of their professions, often with graduate degrees (including JDs, MDs, Masters’, Ph.D.s, in various fields) and several years of specialized experience qualifying them for the positions.

Internally within the State, the pay equity issue needs to be addressed because several department directors and deputies earn less than the civil service managers that they supervise. There are currently 20 excluded (from collective bargaining coverage) managerial employees in the Excluded Managerial Compensation Plan (EMCP) who are being paid more than the Attorney General at the Tier 1 level. At the Tier 2 level, there are 40 excluded managerial employees in the EMCP who are paid more than department directors at Tier 2; and 56 excluded managerial employees (19%) being paid more than the department directors in the Tier 3 level. The salaries of excluded

managerial employees not only exceed the salaries of the department directors, but also the salaries of the deputy directors who in many cases directly supervise them.

Furthermore, in the past, EMCP managers served as an excellent pool from which to recruit directors or deputy directors. As long term employees, many have extensive backgrounds and the technical expertise to lead the department, and could have an immediate positive impact since they're already knowledgeable about departmental operations. However, in recent years, the salaries of the directors and deputies are close to, and sometimes below the salaries of EMCP managers, therefore there is little financial incentive for these employees to be interested in these positions.

Externally, there are no comparable positions in the other jurisdictions in Hawai'i to match the Governor, Lieutenant Governor, and Attorney General positions since they are unique with their statewide scope and responsibility. However, comparison with the City and County of Honolulu Mayor, Managing Director, and Prosecuting Attorney show all three State positions are paid below these three City jobs.

The general fund tax revenue projections from the January 3, 2013 meeting of the Council on Revenues show projected increases of 6.8%, 6.2%, 1.4%, 4.2%, 5.0%, and 4.7% for the FY 2014, FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019; respectively. The general fund tax projections from the March 13, 2013 meeting of the Council on Revenues show projected increases of 7.3%, 6.8%, 1.4%, 4.2%, 5.0%, and 4.7% for the FY 2014, FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019; respectively.

To address the issue of pay equity and compensation level, the following recommendations are made by the Commission (see Figure 1).

- Effective July 1, 2013, continue the restoration of what would have been the June 30, 2013 salaries recommended by the 2007 Commission.
- No further increase from July 1, 2013 to June 30, 2014.
- Effective July 1, 2014; July 1, 2015; July 1, 2016; July 1, 2017; July 1, 2018 increase the salaries and salary ranges of all positions, and for deputies the ranges, by 2% each year.
- Effective July 1, 2013, place the Budget and Finance Director and Deputy in Tier 1 and continue the recommendation of the 2007 Commission to collapse the three "tiers" into two: Tier 1 includes the Attorney General and the Administrative Director of the State. The Lieutenant Governor, while not in Tier 1, would receive a salary equal to the Tier 1 officials; Tier 2 includes all other department directors and their deputies.

The 2007 Commission recommended that the four tiered salary structure for department directors and deputies be collapsed to two tiers. In recognition of the comparable complexity and demands inherent to each of these executive

positions this Commission endorses the 2007 Commission recommendation. However, this Commission also recommends that the Director and Deputy of Budget and Finance be placed in Tier 1 in recognition of their training, credentials, and knowledge and, in the case of the Director, his/her responsibility as the chief financial officer of the State.

- Section 26-52, HRS, provides that if the Adjutant General, Department of Defense salary is in conflict with the pay and allowance fixed by the tables of the regular army or air force of the United States, the latter shall prevail in setting the salary. Therefore, the Commission recommends that the salaries and future salary increases for the Adjutant General and Deputy Adjutant General be set by the pay and allowance tables of the regular army or air force of the United States for officers of comparable rank and time in service over the period covered by this Commission's recommendation.

**Figure 1 - Executive Salary Recommendations**

Position	No. of Empl.	7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018
Governor	1	\$ 143,748	\$ 146,628	\$ 149,556	\$ 152,544	\$ 155,592	\$ 158,700
Lieutenant Governor	1	140,220	143,028	145,884	148,800	151,776	154,812
<b>Tier 1</b> Admin. Director of the State, Attorney General, Director of Budget and Finance	3	140,220	143,028	145,884	148,800	151,776	154,812
<b>Tier 2 Dept. Directors</b> DAGS, DBEDT, DCCA, DHHL, DHRD, DHS, DLIR, DLNR, DOA, DOH, DOT, PSD, TAX	13	133,536	136,212	138,936	141,720	144,552	147,444
<b>Tier 1 Deputy Dept. Directors</b> Attorney General, Budget and Finance	2	121,992 - 129,000	124,428 - 131,580	126,912 - 134,208	129,456 - 136,896	132,048 - 139,632	134,688 - 142,428
<b>Tier 2 Deputy Dept. Directors</b> DAGS, DBEDT, DCCA, DHHL, DHRD, DHS, DLIR, DLNR, DOA, DOH, DOT, PSD, TAX	22	116,172 - 122,844	118,500 - 125,304	120,876 - 127,812	123,288 - 130,368	125,748 - 132,972	128,268 - 135,636

### Judicial Branch

The objectives in setting salaries for the Judicial branch are to create the most qualified judicial applicant pool, and to retain an experienced judiciary by providing fair and just compensation for Hawai'i's justices and judges.

In order to achieve this, the Commission considered the following:

- 1) The academic training, skill and experience required for judicial positions. Judges must be licensed attorneys (among other qualifications, have earned a Juris Doctor from an accredited institution of higher learning); and must have a minimum 5 years as a licensed attorney to qualify for the District Court judge position and minimum 10 years to qualify for the Circuit Court judge position.
- 2) The lack of opportunity for judges to earn other income. Judges are constitutionally prohibited from practicing law, running for, or holding any other office or position of profit, including paid service on for-profit boards.
- 3) Turnover was 10% in 2009 when 9 judges voluntarily retired during the year in which the salary cuts and freeze were implemented. This number of voluntary retirements is high compared to the 1 in 2007, 2 in 2008, 2 in 2010 and 4 in 2011 (these figures do not include constitutionally mandated retirements due to reaching age 70).
- 4) The general fund tax revenue projections from the January 3, 2013 meeting of the Council on Revenues show projected increases of 6.8%, 6.2%, 1.4%, 4.2%, 5.0%, and 4.7% for the FY 2014, FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019; respectively. The general fund tax projections from the March 13, 2013 meeting of the Council on Revenues show projected increases of 7.3%, 6.8%, 1.4%, 4.2%, 5.0%, and 4.7% for the FY 2014, FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019; respectively.

The Commission's recommendations for the Judicial branch are as follows (see Figure 2):

- Effective July 1, 2013, continue the restoration of what would have been the June 30, 2013 salaries recommended by the 2007 Commission.
- No further increase from July 1, 2013 to June 30, 2014.
- Effective July 1, 2014; July 1, 2015; July 1, 2016; July 1, 2017; July 1, 2018 increase the salaries of justices and judges by 2% each year.

**Figure 2 - Judicial Salary Recommendations**

Position	No. of Empl.	7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018
Chief Justice, Supreme	1	\$ 213,840	\$ 218,112	\$ 222,480	\$ 226,932	\$ 231,468	\$ 236,100
Associate Justice, Supreme	4	206,184	210,312	214,524	218,820	223,200	227,664
Chief Judge, Intermediate	1	198,588	202,560	206,616	210,744	214,956	219,252
Associate Judge, Intermediate	5	190,908	194,724	198,624	202,596	206,652	210,780
Circuit Court Judge	33	185,736	189,456	193,248	197,112	201,060	205,080
District/Family/Per Diem Court Judge	48	175,032	178,536	182,112	185,760	189,480	193,272

### Legislative Branch

In formulating recommendations on salary adjustments for members of the State Legislature, the Commission sought to provide recommendations that were fair and equitable given the duties, time commitment, responsibilities, and historical and comparative pay of legislators. In order to achieve this, the Commission considered the following:

- 1) State legislators' policy making, budgetary, fact finding, community and constituent service responsibilities require much more than full-time attention during the four-month legislative session and considerable time and attention when the Legislature is out of session.
- 2) The demands on State legislators, the time required to fulfill their duties, and real and perceived conflicts of interest limit legislators' ability to supplement their income through outside employment.
- 3) Legislator salaries remained unchanged from 1993 to 2005 at \$32,000 (\$37,000 for Senate President and House Speaker). Small incremental increases were achieved in 2005 and 2007 to move legislator pay to \$35,900 (\$43,400 for Senate President and House Speaker).
- 4) Following recommendations of the 2007 Salary Commission to achieve salary levels more commensurate with duties and responsibilities, legislators received a significant increase in pay on January 1, 2009 to \$48,708 (\$56,208 for President and Speaker),
- 5) Legislator salaries were then reduced by 5% on July 1, 2009 (Act 85, Session Laws of Hawai'i 2009) to \$46,272 (\$53,400 for President and Speaker), where they stand as of the date of this report.
- 6) The annual salary for State legislators is currently between \$1,500 and \$20,000 below the salaries of Council members from each of the four Counties. Annual salary for the Senate President and House Speaker is currently approximately the same as the Council Chair from Hawai'i County, but is between \$5,200 and \$18,000 less than the Council Chairs from the other three Counties.
- 7) All legislators receive \$5000 for miscellaneous legislative expenses and neighbor island legislators receive \$150 per diem while the Legislature is in session.
- 8) The general fund tax revenue projections from the January 3, 2013 meeting of the Council on Revenues show projected increases of 6.8%, 6.2%, 1.4%, 4.2%, 5.0%, and 4.7% for the FY 2014, FY 2015, FY 2016,

FY 2017, FY 2018 and FY 2019; respectively. The general fund tax projections from the March 13, 2013 meeting of the Council on Revenues show projected increases of 7.3%, 6.8%, 1.4%, 4.2%, 5.0%, and 4.7% for the FY 2014, FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019; respectively.

- 9) Act 48, SLH 2012 provides that the salaries recommended by the 2007 Commission be restored effective July 1, 2013, for the Legislative branch. The effect of this restored salary schedule for legislators is as follows:
  - a. Effective July 1, 2013, the salary for legislators will be \$55,896 (\$63,396 for Senate President and House Speaker); and
  - b. Effective January 1, 2014, the salary for legislators will be \$57,852 (\$65,352 for Senate President and House Speaker).
- 10) Any salary recommendation offered by the 2013 Commission will not go into effect until January 1, 2015. In addition, HRS 26-56 allows the Commission to include incremental increases that take effect prior to the convening of the next salary commission. The next commission is expected to convene in November 2018.
- 11) Consideration was given to provide regular salary increases between January 1, 2015 and November 2018. Consideration was also given to past, current and projected cost of living increases; and the fact that pursuant to Act 48 (SLH 2012) the Legislative branch will receive the 2007 Salary Commission's recommended increases on July 1, 2013 and January 1, 2014 as noted above.

The Commission's recommendations for the Legislative branch are as follows (see Figure 3):

- Effective January 1, 2015, January 1, 2016; January 1, 2017; and January 1, 2018 increase the salaries of senators and representatives by 2% each year.
- The President of the Senate and Speaker of the House of Representatives will continue to receive \$7,500 more per year than senators and representatives.

Per Act 48, SLH 2012, the Legislative branch salaries, "notwithstanding section 26-56(d), Hawai'i Revised Statutes, shall be at the rates provided for by the recommendations, dated March 14, 2007, of the commission on salaries convened in 2006." Therefore, the Legislative branch will receive the January 1, 2013 salaries recommended by the Commission convened in 2006, effective July 1, 2013; and the January 1, 2014 recommended salaries effective January 1, 2014. By HRS 26-56(d), the 2013 Commission can only make recommendations for the House and Senate from 2015 until the next commission is appointed in 2018.



The Commission notes the March 13, 2013 filing of House Resolution No. 191 and House Concurrent Resolution No. 236 at the Legislature urging that the Commission “suspend the automatic salary increase and extend the salary reduction for members of the Legislature until Hawaii’s economic forecast reflects greater growth and vitality.” The Commission notes, however, that the provisions of Act 48 precludes such actions and only allow the Commission to make salary recommendations for the Legislature beginning January 1, 2015 as stated above.

**Figure 3 - Legislative Salary Recommendations**

Position	No. of Empl.	2007 Commission Recommendation		2013 Commission Recommendation			
		7/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018
Representative/Senator	74	\$ 55,896	\$ 57,852	\$ 59,004	\$ 60,180	\$ 61,380	\$ 62,604
House Speaker/Senate President	2	63,396	65,352	66,504	67,680	68,880	70,104

## Conclusion

In addition to the above salary recommendations, the Commission offers the following recommendations and comments for consideration:

The Commission is charged with making salary recommendations covering a six-year period. While we are relying on the 2013 general fund tax revenue projections, the Commission recognizes that the future status of the State's economy is difficult to predict, as evidenced by the 2009 downturn in the economy and the on-going effects of the Federal sequester. Therefore, the Commission recommends that provisions for adjustments during the six-year salary period should be considered to accommodate the uncertainties of the future.

Furthermore, the Commission would like to bring attention to the fact that the time period that incremental increases can be made for the Legislative branch is shorter than the time period that is allowed for the Executive and Judicial branches. This is because, pursuant to HRS 26-56(d), the Commission convenes in November of every sixth year and the recommended salaries submitted by the Commission become effective the next fiscal year for the Executive and Judicial branches, and over two years later for the Legislative branch since changes in salaries cannot apply to the Legislature in which the salary recommendation was made. The 2013 Commission recommends that there should be equity in the time period allowed for incremental salary adjustments for all three branches of Officials.

We, the undersigned members of the Commission hereby respectfully submit this report and recommendations to the Twenty-Seventh Legislature of the State of Hawai'i.



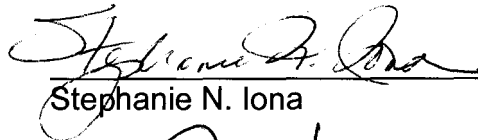
Michael P. Irish, Chairperson



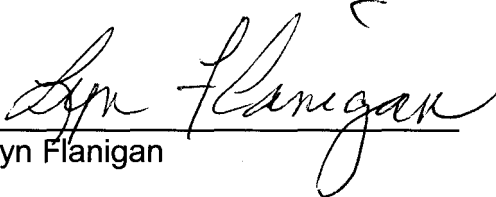
Mark R. Fox, Vice Chairperson



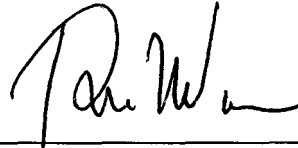
Chad R. Buck



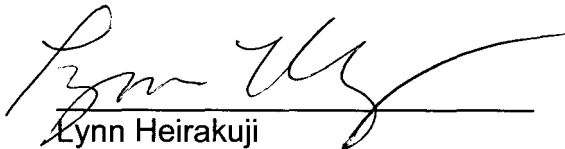
Stephanie N. Iona



Lyn Flanigan



Robert T. Wu



Lynn Heirakuji

# TABLES

Table 1 - Executive Salaries and Costs

Position	No. of Empl.	Current Salary Effective 7/1/2009		Recommendation by the 2013 Commission on Salaries																							Total Salaries 7/1/2013 to 6/30/2019	Total Increase
				7/1/2013								7/1/2014			7/1/2015			7/1/2016			7/1/2017			7/1/2018				
				Recommendation by the 2007 Commission (salary as of 7/1/2012)		Incr ease	Increase to 2007 Commission Increase		Increase	Total 2013 Increase	Salary	Cost	Increase	Salary	Cost	Increase	Salary	Cost	Increase	Salary	Cost	Increase	Salary	Cost	Increase			
				Salary	Cost		Salary	Cost																		Salary		
Governor	1	117,312	117,312	143,748	143,748	23%	143,748	143,748	0%	23%	146,628	146,628	2%	149,556	149,556	2%	152,544	152,544	2%	155,592	155,592	2%	158,700	158,700	2%	906,768	29%	
Lieutenant Governor	1	114,420	114,420	140,220	140,220	23%	140,220	140,220	0%	23%	143,028	143,028	2%	145,884	145,884	2%	148,800	148,800	2%	151,776	151,776	2%	154,812	154,812	2%	884,520	29%	
Admin Dir of the State	1	114,420	114,420	140,220	140,220	23%	140,220	140,220	0%	23%	143,028	143,028	2%	145,884	145,884	2%	148,800	148,800	2%	151,776	151,776	2%	154,812	154,812	2%	884,520	29%	
Attorney General	1	114,420	114,420	140,220	140,220	23%	140,220	140,220	0%	23%	143,028	143,028	2%	145,884	145,884	2%	148,800	148,800	2%	151,776	151,776	2%	154,812	154,812	2%	884,520	29%	
Dept. Director, B&F	1	108,972	108,972	133,536	133,536	23%	140,220	140,220	5%	29%	143,028	143,028	2%	145,884	145,884	2%	148,800	148,800	2%	151,776	151,776	2%	154,812	154,812	2%	884,520	35%	
Dept. Director, DAGS	1	108,972	108,972	133,536	133,536	23%	133,536	133,536	0%	23%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	29%	
Dept. Director, DCCA	1	108,972	108,972	133,536	133,536	23%	133,536	133,536	0%	23%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	29%	
Dept. Director, DOH	1	108,972	108,972	133,536	133,536	23%	133,536	133,536	0%	23%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	29%	
Dept. Director, DOT	1	108,972	108,972	133,536	133,536	23%	133,536	133,536	0%	23%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	29%	
Dept. Director, TAX	1	108,972	108,972	133,536	133,536	23%	133,536	133,536	0%	23%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	29%	
Dept. Director, DBEDT	1	103,512	103,512	133,536	133,536	29%	133,536	133,536	0%	29%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	36%	
Dept. Director, DHS	1	103,512	103,512	133,536	133,536	29%	133,536	133,536	0%	29%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	36%	
Dept. Director, DLIR	1	103,512	103,512	133,536	133,536	29%	133,536	133,536	0%	29%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	36%	
Dept. Director, DLNR	1	103,512	103,512	133,536	133,536	29%	133,536	133,536	0%	29%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	36%	
Dept. Director, DOA	1	103,512	103,512	133,536	133,536	29%	133,536	133,536	0%	29%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	36%	
Dept. Director, DHHL	1	103,512	103,512	133,536	133,536	29%	133,536	133,536	0%	29%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	36%	
Dept. Director, HRD	1	103,512	103,512	133,536	133,536	29%	133,536	133,536	0%	29%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	36%	
Dept. Director, PSD	1	103,512	103,512	133,536	133,536	29%	133,536	133,536	0%	29%	136,212	136,212	2%	138,936	138,936	2%	141,720	141,720	2%	144,552	144,552	2%	147,444	147,444	2%	842,400	36%	
Deputy Dept. Director, AG	1	105,264	105,264	121,992 - 129,000	129,000	23%	129,000	129,000	0%	23%	131,580	131,580	2%	134,208	134,208	2%	136,896	136,896	2%	139,632	139,632	2%	142,428	142,428	2%	813,744	29%	
Deputy Dept. Director, B&F	1	97,524	97,524	116,172 - 122,844	119,508	23%	125,496	125,496	5%	29%	128,004	128,004	2%	130,560	130,560	2%	133,176	133,176	2%	135,840	135,840	2%	138,552	138,552	2%	791,628	35%	
Deputy Dept. Director, DAGS	1	97,524	97,524	116,172 - 122,844	119,508	23%	119,508	119,508	0%	23%	121,896	121,896	2%	124,332	124,332	2%	126,816	126,816	2%	129,348	129,348	2%	131,940	131,940	2%	753,840	29%	
Deputy Dept. Director, DCCA	1	97,524	97,524	116,172 - 122,844	119,508	23%	119,508	119,508	0%	23%	121,896	121,896	2%	124,332	124,332	2%	126,816	126,816	2%	129,348	129,348	2%	131,940	131,940	2%	753,840	29%	
Deputy Dept. Director, DOH	4	97,524	390,096	116,172 - 122,844	119,508	23%	119,508	478,032	0%	23%	121,896	487,584	2%	124,332	497,328	2%	126,816	507,264	2%	129,348	517,392	2%	131,940	527,760	2%	3,015,360	29%	
Deputy Dept. Director, DOT	4	97,524	390,096	116,172 - 122,844	119,508	23%	119,508	478,032	0%	23%	121,896	487,584	2%	124,332	497,328	2%	126,816	507,264	2%	129,348	517,392	2%	131,940	527,760	2%	3,015,360	29%	
Deputy Dept. Director, TAX	1	100,248	100,248	116,172 - 122,844	122,844	23%	122,844	122,844	0%	23%	125,304	125,304	2%	127,812	127,812	2%	130,368	130,368	2%	132,972	132,972	2%	135,636	135,636	2%	774,936	29%	
Deputy Dept. Director, DBEDT	1	92,646	92,646	116,172 - 122,844	119,508	29%	119,508	119,508	0%	29%	121,896	121,896	2%	124,332	124,332	2%	126,816	126,816	2%	129,348	129,348	2%	131,940	131,940	2%	753,840	36%	
Deputy Dept. Director, DHS	1	92,646	92,646	116,172 - 122,844	119,508	29%	119,508	119,508	0%	29%	121,896	121,896	2%	124,332	124,332	2%	126,816	126,816	2%	129,348	129,348	2%	131,940	131,940	2%	753,840	36%	
Deputy Dept. Director, DLIR	1	93,000	93,000	116,172 - 122,844	119,964	29%	119,964	119,964	0%	29%	122,364	122,364	2%	124,812	124,812	2%	127,308	127,308	2%	129,852	129,852	2%	132,444	132,444	2%	756,744	36%	
Deputy Dept. Director, DLNR	2	92,646	185,292	116,172 - 122,844	119,508	29%	119,508	239,016	0%	29%	121,896	243,792	2%	124,332	248,664	2%	126,816	253,632	2%	129,348	258,696	2%	131,940	263,880	2%	1,507,680	36%	
Deputy Dept. Director, DOA	1	92,646	92,646	116,172 - 122,844	119,508	29%	119,508	119,508	0%	29%	121,896	121,896	2%	124,332	124,332	2%	126,816	126,816	2%	129,348	129,348	2%	131,940	131,940	2%	753,840	36%	
Deputy Dept. Director, DHHL	1	92,646	92,646	116,172 - 122,844	119,508	29%	119,508	119,508	0%	29%	121,896	121,896	2%	124,332	124,332	2%	126,816	126,816	2%	129,348	129,348	2%	131,940	131,940	2%	753,840	36%	
Deputy Dept. Director, HRD	1	92,646	92,646	116,172 - 122,844	119,508	29%	119,508	119,508	0%	29%	121,896	121,896	2%	124,332	124,332	2%	126,816	126,816	2%	129,348	129,348	2%	131,940	131,940	2%	753,840	36%	
Deputy Dept. Director, PSD	2	92,646	185,292	116,172 - 122,844	119,508	29%	119,508	239,016	0%	29%	121,896	243,792	2%	124,332	248,664	2%	126,816	253,632	2%	129,348	258,696	2%	131,940	263,880	2%	1,507,680	36%	
Deputy Dept. Director, PSD	1	95,232	95,232	116,172 - 122,844	122,844	29%	122,844	122,844	0%	29%	125,304	125,304	2%	127,812	127,812	2%	130,368	130,368	2%	132,972	132,972	2%	135,636	135,636	2%	774,936	36%	
Total	42		4,242,822					5,331,396				5,438,076			5,546,772		5,657,724			5,770,752			5,886,276					
Cost for 6 years			25,456,932																									
Difference																												

### Table 3 - Legislative Salaries and Costs

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# APPENDICES

Appendices for Material Reviewed by  
the Commission

The entire Commission on Salaries  
Report and Recommendations to the 2007 Legislature  
dated March 14, 2007, including Appendices for  
materials and reports reviewed by the Commission on Salaries, can be  
found at the Department of Human Resources Development website at:  
<http://hawaii.gov/hrd/information/HRDInfoCentral/ReportsCentral/>



**COMMISSION ON SALARIES**  
**REPORT AND RECOMMENDATIONS**  
**TO THE 2007 LEGISLATURE**

**March 14, 2007**

**Members:**

Benjamin A. Kudo, Chairperson  
Paul T. Oshiro, Vice Chairperson  
Barbara A. Annis  
Doris M. Ching  
Michael P. Irish  
Stanley T. Shiraki  
Wayne J. Yamasaki

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## Executive Summary

The Commission on Salaries (Commission) was established as a result of a constitutional amendment of Article XVI of the Constitution of the State of Hawai'i (Constitution) which was approved in November 2006. The Commission is charged with reviewing and making recommendations for the salaries of justices and judges of all State courts, members of the Legislature, the Governor and Lieutenant Governor, and specified appointed officials within the State Executive branch. Section 26-56, **Commission on salaries**, Hawai'i Revised Statutes (HRS), provides supplemental information and guidance relating to the Commission.

The 2006 Commission was convened in December 2006 and is submitting its report and recommendations to the 2007 State Legislature. Pursuant to Article XVI of the Constitution, the recommendations of the Commission shall become effective unless the Legislature disapproves the entire recommendation by adoption of a concurrent resolution prior to the adjournment of the 2007 Legislative Session.

The State Attorney General has issued an opinion indicating that the Commission is to dissolve after submitting its recommendations to the Legislature and cannot reconvene. This would mean that, if the recommendations are disapproved, the salary adjustments recommended by the former Executive, Judicial and Legislative salary commissions would remain in effect until their respective expiration dates.

Section 26-56, HRS, specifies that the Commission shall not recommend salaries that are lower than the salaries recommended by prior commissions that have been replaced by the current Commission. Therefore, the recommendations of the prior Executive, Judicial and Legislative salary commissions effectively set a floor for the recommendations of this Commission. The intent of this Commission is to recommend salaries that are fair, and take into account the following:

- The economic condition of the State and the fiscal impact of the increases
- Appropriate pay relationships with other governmental employees
- Attracting and retaining qualified applicants
- Since 1990, long periods during which no pay increases were granted
- Fairness and equity

The recommendations of the 2006 Commission will go into effect on July 1, 2007 for the Executive and Judicial branch officials. The recommendations will go into effect on January 1, 2009 for legislators, because Article XVI of the Constitution states that any salary change shall not apply to the Legislature to which the recommendations were submitted. The following recommendations, which were unanimously adopted by the Commission, are over and above the salaries that were to go into effect on July 1, 2007, for Executive branch and Judicial branch officials and January 1, 2009, for legislators.

A. EXECUTIVE BRANCH

Effective July 1, 2007

- Increase the salaries of all positions, i.e., Governor, Lieutenant Governor (LG), Administrative Director of the State (AD), department heads and deputy department heads by 5%.

Effective July 1, 2008

- Place the AD in Tier 1 (with the Attorney General), and the AD shall receive the Tier 1 rate.
- Compensate the LG at the same rate as the Attorney General and AD.
- Move Tier 4 department heads from the departments of Agriculture, Hawaiian Home Lands, Public Safety, and Human Resources Development to Tier 3 where they shall receive the Tier 3 rate. Eliminate Tier 4 for department heads.
- Move Tier 4 deputy department heads from the departments of Agriculture, Hawaiian Home Lands, Public Safety, and Human Resources Development to Tier 3 where the appointing authority shall specify the salary within the Tier 3 salary range. Eliminate Tier 4 for the deputy department heads.
- Increase the salaries of the Governor, LG, AD and Tiers 1 through 3 department heads and deputy department heads by 5%.

Effective July 1, 2009

- Move Tier 3 department heads from the departments of Human Services, Labor and Industrial Relations, Land and Natural Resources, Business and Economic Development and Tourism, Agriculture, Hawaiian Home Lands, Public Safety, and Human Resources Development to Tier 2 where they shall receive the Tier 2 rate. Eliminate Tier 3 for department heads.

- Move Tier 3 deputy department heads from the departments of Human Services, Labor and Industrial Relations, Land and Natural Resources, Business and Economic Development and Tourism, Agriculture, Hawaiian Home Lands, Public Safety, and Human Resources Development to Tier 2 where the appointing authority shall specify the salary within the Tier 2 salary range. Eliminate Tier 3 for the deputy department heads.
- Increase the salaries of the Governor, LG, AD, and Tier 1 and 2 department heads and deputy department heads by 5%.

Effective July 1, 2010; July 1, 2011; and July 1, 2012

- Increase the salaries of all positions by 3.5% each year.

B. JUDICIAL BRANCH

Effective July 1, 2007

- Increase the salaries of justices and judges by 10%.

Effective July 1, 2008

- Increase the salaries of justices and judges by 3.5%.

Effective July 1, 2009

- Increase the salaries of justices and judges by 10%.

Effective July 1, 2010

- Increase the salaries of justices and judges by 3.5%.

Effective July 1, 2011

- Increase the salaries of justices and judges by 10%.

Effective July 1, 2012

- Increase the salaries of justices and judges by 3.5%.

C. LEGISLATIVE BRANCH

Effective January 1, 2009

- Increase the salaries of senators and representatives by \$12,808 per annum.
- The President of the Senate and Speaker of the House of Representatives will continue to receive \$7,500 more per year than senators and representatives.

Effective January 1, 2010; January 1, 2011; January 1, 2012; January 1, 2013; and January 1, 2014

- Increase the salaries of senators and representatives by 3.5% each year.
- The President of the Senate and Speaker of the House of Representatives will continue to receive \$7,500 more per year than senators and representatives.



## Overview

### Legal Framework

#### A. Constitution and State Statutes

This report fulfills the amendment to the Constitution (House Bill No. 1917) which was approved by the electorate of Hawai'i on November 7, 2006, and the companion legislative mandate in Act 299, Session Laws of Hawai'i (SLH), 2006 (House Bill No. 1918).

House Bill No. 1917, Regular Session of the Twenty-Third State Legislature 2006, amended Section 2, Article XVI of the Constitution by adding a new section to be appropriately designated and to read as follows:

#### "SALARY COMMISSION

Section . There shall be a commission on salaries as provided by law, which shall review and recommend salaries for the justices and judges of all state courts, members of the legislature, department heads or executive officers of the executive departments and the deputies or assistants to department heads of the executive departments as provided by law, excluding the University of Hawai'i and the department of education. The commission shall also review and make recommendations for the salary of the administrative director of the State or equivalent position and the salary of the governor and the lieutenant governor.

Any salary established pursuant to this section shall not be decreased during a term of office, unless by general law applying to all salaried officers of the State.

Not later than the fortieth legislative day of the 2007 regular legislative session and every six years thereafter, the commission shall submit to the legislature its recommendations and then dissolve.

The recommended salaries submitted shall become effective as provided in the recommendation, unless the legislature disapproves the entire recommendation as a whole by adoption of a concurrent resolution prior to adjournment *sine die* of the legislative session in which the recommendation is submitted; provided that any change in salary which becomes effective shall not apply to the legislature to which the recommendation for the change in salary was submitted."

House Bill No. 1918 which became Act 299, SLH, 2006, was a companion to House Bill No. 1917. It amended Sections 26-51, 26-52, 26-53, 26-54, 601-3, 602-2, 602-52, 603-5 and 604-2.5, HRS, repealed Section 26-55, HRS, and created a new

Section 26-56, HRS, which indicates that (see Appendices, A-1 for the entire content of House Bill No. 1918):

1. The Commission shall consist of seven members of whom: two members shall be appointed by the Governor, two by the President of the Senate, two by the Speaker of the House of Representatives and one by the Chief Justice of the Supreme Court.
2. The Commission may recommend different salaries for department heads and executive officers and different salary ranges for deputies or assistants to department heads; provided that the Commission shall recommend the same salary range for deputies or assistants to department heads within the same department; provided further that the appointing official shall specify the salary for a particular position within the applicable range.
3. The Commission shall not recommend salaries lower than salary amounts recommended by prior Commissions replaced by this section.
4. Not later than the fortieth legislative day of the regular session of 2007, and every six years thereafter, the Commission shall submit a report of its findings and its salary recommendations to the Legislature, through the Governor. The Commission may include incremental increases that take effect prior to the convening of the next salary Commission.
5. The recommended salaries submitted by the Commission shall become effective July 1 of the next fiscal year unless the Legislature disapproves the recommended salaries submitted by the Commission through the adoption of a concurrent resolution, which shall be approved by a simple majority of each house of the Legislature, prior to adjournment *sine die* of the legislative session in which the recommended salaries are submitted; provided that any change in salary which becomes effective shall not apply to the Legislature to which the recommendation for the change in salary was submitted.
6. Effective July 1, 2007, and every six years thereafter, the salary of the Adjutant General shall be as last recommended by the Commission, pursuant to Section 26-56, HRS, unless rejected by the Legislature, except that if the State salary is in conflict with the pay and allowance fixed by the tables of the regular army or air force of the United States, the latter shall prevail.
7. The Governor shall include the salary amounts recommended by the Commission and approved by the Legislature for employees of the Executive branch in the Executive budget.

B. Attorney General Opinion

An Attorney General Opinion dated February 26, 2007, concerning the Commission on Salaries was forwarded to the Commission by Speaker of the House of Representatives Calvin Say. The opinion indicates that because the 2006 constitutional amendment states that "the commission shall submit to the legislature its recommendations and then dissolve," the Attorney General's office opines this precludes the current Commission from reconvening should its recommendations be disapproved by the Legislature. The opinion further states that the constitutional amendment is clear in requiring the Commission to submit its salary recommendations to the "2007 regular legislative session and every six years thereafter." The constitutional amendment does not contemplate submissions outside of this six-year cycle.

Should the Legislature reject the Commission's recommendations, the salaries of the Executive, Judicial, and Legislative branch will continue under the existing salary schedules. Under the Attorney General's opinion, the next salary recommendation will be issued by a Commission instituted in 2013. (See Appendices, A-2 for the entire Attorney General Opinion Concerning Salary Commission.)

C. Judiciary's Administrative Director and Deputy Administrative Director of the Courts

The Judicial Salary Commission, which was repealed by Act 299, SLH 2006, made recommendations on the salaries of the Judiciary's Administrative Director and Deputy Administrative Director of the Courts. The 2006 constitutional amendment does not provide authority for this Commission to make salary recommendations for those positions. Therefore, the Commission has not made any recommendations on these two Judiciary positions. The Commission is aware that the Judiciary has, by request, introduced legislation to remedy this situation by linking these positions to other Judicial salaries.

Prior Pay Increases

The last Executive Salary Commission submitted recommendations to the 2004 Legislature for the eight-year period July 1, 2004, to June 30, 2012, (December 4, 2006, to noon on the first Monday in December 2014 for Governor, Lieutenant Governor and Administrative Director of State). The recommendations were not disapproved and will continue to be in effect if this Commission's recommendations are disapproved. Prior to July 1, 2004, Executive salaries were last adjusted on January 1, 1990.

The last Judicial Salary Commission also submitted recommendations to the 2004 Legislature for the same eight-year period, but the first pay increase recommended by the Commission took effect on July 1, 2005, instead of July 1, 2004. The recommendations were not disapproved and will continue to be in effect if this Commission's recommendations are disapproved. Prior to the July 1, 2005, pay

increases, Judicial salaries were adjusted on January 1, 1990, July 1, 1999, and on July 1, 2000.

The last Commission on Legislative Salary submitted recommendations to the 2003 Legislature covering the eight-year period January 2005 to December 2012. The recommendations were not disapproved and will continue to be in effect if this Commission's recommendations are disapproved. Unlike the recommendations of the Executive Salary Commission and the Judicial Salary Commission, the recommended pay increases would take effect every two years after the first increase as opposed to each year. Prior to the January 1, 2005, increase, legislative salaries were last adjusted in January 1993.

#### 2006 Commission on Salaries

This is the report and recommendations of the first Commission on Salaries authorized by the November 2006 State of Hawai'i constitutional amendment which mandates combining three previously separate salary commission functions – the Executive, the Judicial and the Legislative. This Commission's review will cover a six-year period. For Executive and Judicial salaries, the recommendations cover the period July 1, 2007, through June 30, 2013. For legislative salaries, the recommendations cover the period January 1, 2009, through December 31, 2014.

## Process

The Commission was convened on December 28, 2006. At that time, Commissioner Benjamin A. Kudo was elected as Chairperson and Commissioner Paul T. Oshiro was elected as Vice-Chairperson. A brief orientation was provided by staff of the Department of Human Resources Development (DHRD) and there was agreement on a tentative schedule. Commissioners were provided with a folder of documents to review prior to the next meeting. They also asked that information be provided to them regarding past Executive branch pay increases and the compensation of top-level officials within the University of Hawai'i and Department of Education. The Commission also indicated that they wanted to have a presentation by the Director of Budget and Finance regarding the financial condition of the State.

Testimony from the public was solicited at all subsequent meetings, but none was received.

The second meeting of the Commission was held on January 10, 2007, at which time a representative from the DHRD provided some observations regarding the salary structure resulting from the recommendations of the Executive Salary Commission and pay relationships. Representatives of the Judiciary also made a presentation regarding possible salary recommendations. Additional information provided to the Commission included: estimated tax revenue, historical data regarding Executive and Judicial pay increases, an organization chart of top-level Executive branch jobs, salary information regarding top-level University of Hawai'i and Department of Education officials, and information regarding collective bargaining pay increases.

The third meeting of the Commission was held on January 22, 2007. A representative of the Employees' Retirement System made a presentation regarding retirement benefits, and the Director of Budget and Finance made a presentation regarding the financial condition of the State. Additional information provided to the Commission included: prior reports of the Executive, Judicial and Legislative salary commissions, and a Legislative Reference Bureau Report concerning the Judicial salary structure. The Commission decided to divide into three subcommittees to determine recommendations for each of the branches of State government. The Executive branch subcommittee members were Commissioners Stanley Shiraki and Wayne Yamasaki. The Judicial branch subcommittee members were Commissioners Doris Ching, Michael Irish, and Benjamin Kudo. The Legislative branch subcommittee members were Commissioners Barbara Annis and Paul Oshiro.

The fourth meeting of the Commission was held on January 31, 2007. Presentations and recommendations were made by each subcommittee and there was substantial discussion regarding each of the recommendations. The Commissioners agreed to study each of the subcommittee reports prior to the next meeting. Staff was asked to provide data showing what the Executive, Judicial and Legislative salaries would be if increases comparable to the increases for Bargaining Unit 13 (Professional

and Scientific Employees) had been granted during the period of time when there were no pay increases to the present. In addition, projections were prepared to show what the salaries would be if annual increases of 3%, 3.5%, and 4% had been granted for the same period.

Meetings were held on February 7, 2007, and February 14, 2007, and after substantial discussion, recommendations were unanimously agreed upon. Staff was instructed to begin drafting the report and each subcommittee was to draft the rationale used for the recommendations.

Meetings were held on March 2, 2007, and March 7, 2007, to review the draft report. The report was approved by the Commission at a meeting held on March 14, 2007.

## **Rationale and Recommendations**

### General Rationale

The Commission's general rationale is that the compensation of the elected and appointed officials should be fair and equitable, and sufficient to attract and retain high quality individuals while at the same time being prudent in the expenditure of public funds. In order to do so, the Commission asked to be briefed on the State system of Judicial, Legislative and Executive branch retirement benefits; State tax revenue projections for FY 2007 to FY 2013; and the State of Hawai'i Updated State General Fund Financial Plan for FY 2006 to FY 2013.

It was also noted by the Commission that there were long periods during which other State employees received pay increases while elected and appointed officials and justices and judges did not receive pay increases.

### Executive Branch

In reaching its recommendations for the “executive salaries,” the Commission reviewed the compensation of executives in the State of Hawai‘i, i.e., University of Hawai‘i, Department of Education, and State employees covered by the Excluded Managerial Compensation Plan (EMCP). Although the Commission does not have jurisdiction over, nor is it involved with setting the salaries for the University of Hawai‘i and Department of Education, the salaries were reviewed since they are an integral part of Hawai‘i’s government structure. (See Appendices, A-32)

Additionally, salaries of county executives were also reviewed, i.e., mayors, deputy managing directors, department heads, deputy department heads, prosecuting attorneys, etc., for the City and County of Honolulu, Hawai‘i County, Maui County and Kauai County. (See Appendices, A-10)

**The Book of the States 2006** edition was reviewed to determine how other jurisdictions compensated their respective governors, lieutenant governors, and comparable department heads. Although the compensations from other jurisdictions were not compared to the compensations of Hawai‘i’s executives, they did show that there is no consistent method of setting executive salaries.

After reviewing the materials cited above and additional information, the Commission determined that pay equity and compensation levels need to be addressed for executive salaries if the State is to recruit and retain qualified executives to the Executive branch of government. It is important to remember that the Governor, Lieutenant Governor, department heads, deputy department heads, etc., are called upon to administer programs that affect the health and welfare of our residents, which include annual budgets that collectively exceed \$9.8 billion per year. The State needs to recruit and retain the “best and brightest” for these positions because of the daily impact these positions have on our State.

The pay equity issue needs to be addressed because of the demoralizing impact that the current salary levels create. There are currently five (5) excluded (from collective bargaining coverage) managerial employees in the Excluded Managerial Compensation Plan (EMCP) that are being paid more than the Attorney General at the Tier 1 level. At the Tier 2 level, there are 22 excluded managerial employees in the EMCP that are paid more than department heads at this Tier 2 level. Additionally, there are 78 excluded managerial employees in the EMCP being paid more than the department heads in the Tier 4 level; in fact, 43% of the Department of Transportation excluded managerial employees are being paid more than the department heads in the Tier 4 level. The salaries of excluded managerial employees not only exceed the salaries of the department heads, but also the salaries of the deputy department heads who in many cases directly supervise them.

In addressing the compensation levels, the Commission realizes that the State will not be able to match salaries and benefits of executives in the private sector, but



feels that the State will be able to attract qualified candidates with a reasonable compensation level. A factor that the Commission will not be able to quantify in this report is the willingness of individuals to service the public. The Commission believes that there are qualified candidates who are willing to provide public service and make financial sacrifices within certain limits. Many of these qualified candidates would be providing public service for 4-8 years, depending on the term of the Governor, without any additional outside employment compensation since State law prohibits their outside employment.

To address the issue of pay equity and compensation level, the following recommendations are made by the Commission utilizing the existing four tiers, which will be modified as follows (see Figure 1):

Effective July 1, 2007

- Increase the salaries of all positions, i.e., Governor, Lieutenant Governor (LG), Administrative Director of the State (AD), department heads and deputy department heads by 5%.

Effective July 1, 2008

- Place the AD in Tier 1 (with the Attorney General), and the AD shall receive the Tier 1 rate.
- Compensate the LG at the same rate as the Attorney General and AD.
- Move Tier 4 department heads from the departments of Agriculture, Hawaiian Home Lands, Public Safety, and Human Resources Development to Tier 3 where they shall receive the Tier 3 rate. Eliminate Tier 4 for department heads.
- Move Tier 4 deputy department heads from the departments of Agriculture, Hawaiian Home Lands, Public Safety, and Human Resources Development to Tier 3 where the appointing authority shall specify the salary within the Tier 3 salary range. Eliminate Tier 4 for the deputy department heads.
- Increase the salaries of the Governor, LG, AD, and Tiers 1 through 3 department heads and deputy department heads by 5%.

Effective July 1, 2009

- Move Tier 3 department heads from the departments of Human Services, Labor and Industrial Relations, Land and Natural Resources, Business and Economic Development and Tourism, Agriculture, Hawaiian Home Lands, Public Safety, and Human Resources Development to Tier 2 where they shall receive the Tier 2 rate. Eliminate Tier 3 for department heads.

- Move Tier 3 deputy department heads from the departments of Human Services, Labor and Industrial Relations, Land and Natural Resources, Business and Economic Development and Tourism, Agriculture, Hawaiian Home Lands, Public Safety, and Human Resources Development to Tier 2 where the appointing authority shall specify the salary within the Tier 2 salary range. Eliminate Tier 3 for the deputy department heads.
- Increase the salaries of the Governor, LG, AD, and Tier 1 and 2 department heads and deputy department heads by 5%.

Effective July 1, 2010; July 1, 2011; and July 1, 2012

- Increase the salaries of all positions by 3.5% each year.

With the implementation of these recommendations, there will be only two (2) tiers on July 1, 2009. Tier 1 will include the Administrative Director and the Attorney General. The placement into Tier 1 of the Attorney General recognizes his/her training, knowledge and recognition as the chief legal officer for the State. The salary of the Lieutenant Governor will parallel the salary of the Administrative Director and the Attorney General. Tier 2 will include all the department heads and their deputy department heads in recognition of scope, complexity, and diversity of responsibilities in the health, safety and welfare of the public, financial management and economic development, infrastructure and other services.

The Commission recognizes that the salaries recommended for the Executive Branch would place the salary of the Adjutant General, Department of Defense, at a lower salary than what the Adjutant General is currently receiving and would be in conflict with the pay and allowance fixed by the tables of the regular army or air force of the United States for officers of comparable rank and time in service. Section 26-52, HRS, provides that if the salary is in conflict with the pay and allowance fixed by the tables of the regular army or air force of the United States, the latter shall prevail in setting the salary. Therefore, the Commission recommends that the salary and future salary increases for the Adjutant General be set by the pay and allowance tables of the regular army or air force of the United States over the period covered by this Commission's recommendation. Additionally, the Commission recommends the salary of the Deputy Adjutant General be set by the pay and allowance tables of the regular army or air force of the United States for officers of comparable rank and time in service over the period covered by this Commission's recommendation.

Executives in the public service are expected to work extended hours; participate in community service events, forums and meetings; be accessible on a 24-hour, 7-day-a-week basis for emergency situations; and exercise effective leadership in addressing emergency and crisis situations.

**Figure 1 - Executive Salary Recommendations**

Position	Current 7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012
Governor	112,000	117,600	123,480	129,660	134,196	138,888	143,748
Lieutenant Governor	100,000	105,000	120,444	126,468	130,896	135,480	140,220
<b>Tier 1</b>							
Admin. Director of the State	100,000	105,000	120,444	126,468	130,896	135,480	140,220
<b>Tier 1 Dept. Head</b>							
Attorney General	109,242	114,708	120,444	126,468	130,896	135,480	140,220
<b>Tier 2 Dept. Heads</b>							
DOH, DOT, DAGS, DCCA, TAX, B&F	104,040	109,248	114,708	120,444	124,656	129,024	133,536
<b>Tier 3 Dept. Heads<sup>2</sup></b>							
DHS, DLIR, DLNR, DBEDT	98,838	103,776	108,960	Move to Tier 2			
<b>Tier 4 Dept. Heads<sup>1</sup></b>							
DOA, DHHL, PSD, DHRD	93,636	98,316	Move to Tier 3				
<b>Tier 1 Deputy Dept. Head</b>							
Attorney General	95,041 - 100,503	99,792 - 105,528	104,784 - 110,808	110,028 - 116,352	113,880 - 120,420	117,864 - 124,632	121,992 - 129,000
<b>Tier 2 Deputy Dept. Heads</b>							
DOH, DOT, DAGS, DCCA, TAX, B&F	90,515 - 95,717	95,040 - 100,500	99,792 - 105,528	104,784 - 110,808	108,456 - 114,684	112,248 - 118,692	116,172 - 122,844
<b>Tier 3 Deputy Dept. Heads<sup>2</sup></b>							
DHS, DLIR, DLNR, DBEDT	85,989 - 90,931	90,288 - 95,472	94,800 - 100,248	Move to Tier 2			
<b>Tier 4 Deputy Dept. Heads<sup>1</sup></b>							
DOA, DHHL, PSD, DHRD	81,463 - 86,145	85,536 - 90,456	Move to Tier 3				

<sup>1</sup>Effective 7/1/2008, Tier 4 positions shall move to Tier 3. Tier 3 shall consist of DHS, DLIR, DLNR, DBEDT, DOA, DHHL, PSD, and DHRD. Tier 4 shall be eliminated.

<sup>2</sup>Effective 7/1/2009, Tier 3 positions shall move to Tier 2. Tier 2 shall consist of DOH, DOT, DAGS, DCCA, TAX, B&F, DHS, DLIR, DLNR, DBEDT, DOA, DHHL, PSD, and DHRD. Tier 3 shall be eliminated.

See Table 1 for cost.

### Judicial Branch

**Basis and Considerations of Salary Recommendations.** The basis of the Commission on Salaries' Judicial salary recommendations for FY 2007 to FY 2012 is *equity and fairness*. In determining *equity and fairness*, the Commission considered: 1) significance and seriousness of Judicial application and interpretation of State laws and their profound effect of justice in a democratic society; 2) relationship of actual salary and consumer-price-index adjusted salary; 3) Hawai'i's ranked position in the National Center for State Courts (NCSC) study of *Salary Comparison Among States*; 4) probability of attracting qualified applicants and retaining competent, experienced justices and judges; 5) impact of ten years of no increase in Judicial salaries between 1990 and 1999; 6) reasonableness within the context of salaries of employees of other State departments; 7) minimum requirements of skill and experience for Judicial positions; 8) affordability in light of the State economy and projected State revenues for FY 2007 to FY 2013; and 9) the totality of all of the above considerations.

The Commission was briefed on the State system of Judicial, Legislative and Executive branch retirement benefits; State tax revenue projections for FY 2007 to FY 2013; and the State of Hawai'i *Updated State General Fund Financial Plan FY 2006 to FY 2013*. The Commission also consulted various pertinent documents (see *Appendices* for complete list and set of documents).

In comparing Judicial salaries with other states, the Commission reviewed the states' rankings in both *non-adjusted* salaries and *COLA adjusted* salaries (adjusted for cost of living), as provided by the NCSC-published *Survey of Judicial Salaries*. The Commission weighted the ranking of the *COLA adjusted* salaries more heavily on the basis of fairness. The *Adjusted Salary Comparison Among States*, based in part on information provided by the Council for Community and Economic Research—known as ACCRA, the most widely accepted U.S. source of cost-of-living indices—found Hawai'i's Judicial salaries, indexed to the national average, as lowest and last among all states, which the Commission considered to be an unfair and inaccurate reflection of our State's regard for the Judiciary and its effect on Judicial decisions and justice throughout the State.

The Commission considered the impact of ten years of no increase in Judicial salaries from 1990 to 1999. Clearly, the impact has been substantially negative. Had Judicial salaries been adjusted at similar levels as collective bargaining increases or at reasonable levels of 3%, 3.5% or 4% during 1990 - 1999, current Judicial salaries would be as follows (see *Appendices*, A-40):

- The current salary of the Chief Justice is \$144,900. Had the salary kept pace with collective bargaining increases from January 1, 1990, to July 1, 2006, the current salary would be \$183,037. Had the salary increased annually by 3%, the current salary would be \$156,657; at 3.5% annual increase, the current salary would be

\$170,099; at 4% annual increase, the current salary would be \$184,622. The Commission's recommended salary for July 1, 2007, is \$159,396.

- The current salary of the Associate Justice is \$139,725. Had the salary kept pace with collective bargaining increases from January 1, 1990, to July 1, 2006, the current salary would be \$181,119. Had the salary increased annually by 3%, the current salary would be \$155,004; at 3.5% annual increase, the current salary would be \$168,305; at 4% annual increase, the current salary would be \$182,674. The Commission's recommended salary for July 1, 2007, is \$153,696.
- The current salaries of judges range from \$134,550 (Intermediate Court of Appeals chief judge) to \$118,611 (District/Family Court judge). Had the salaries kept pace with collective bargaining increases from January 1, 1990, to July 1, 2006, the current salaries would range from \$176,324 (ICA chief judge) to \$158,104 (District/Family Court judge). Had the salaries increased annually by 3%, the current salaries would range from \$150,872 to \$135,170; at 3.5% annual increase, the current salaries would range from \$163,818 to \$146,769; at 4% annual increase, the current salaries would range from \$177,804 to \$159,299. The Commission's recommended salaries for July 1, 2007, range from \$148,008 to \$130,476.

The Commission also considered Judicial retirement benefits and the Judicial mandatory retirement age of 70.

**Imperative Considerations.** The Hawai'i Judiciary applies and interprets laws and addresses legal issues of the State of Hawai'i. As one of three branches of State government, the Hawai'i Judiciary is responsible for administration of justice with the highest possible levels of impartiality, efficiency and accessibility. The Hawai'i State courts operate within an integrated statewide system; and court rules, procedures and forms are consistent through all jurisdictions within the State.

Decisions of the Judiciary are based solely on relevant laws and evidence presented, regardless of public opinion and other external influences. Thus, the Judiciary serves as guardian and interpreter of State law. While decisions of the courts can have lifelong consequences for the individuals involved, Judiciary decisions, nevertheless, speak to the heart of the law and are made with commitments to protect individual rights and freedoms and assurance of equal justice under law, which are keys to a sound democracy.

**Reasonable Recommendations.** While the Commission had hoped to raise Hawai'i's rank on the NCSC *Salary Comparison Among States* from lowest and last to a slightly higher position of 42<sup>nd</sup> or 43<sup>rd</sup>, it chose, instead, to recommend a more moderate and affordable salary adjustment, in light of salaries of employees of other State departments. Thus, despite the recommended increases, Hawai'i's adjusted salary comparison among all states will remain lowest and last. Nevertheless, the recommended increases will narrow the equity gap that currently exists.

**Recommendations Justified.** The recommendations of the Commission are justified in terms of the above considerations to determine *equity and fairness* of Judicial salaries. In order to attract and retain competent and experienced individuals, salaries commensurate with their abilities are critical. Fair and just compensation is an imperative in creating the most qualified Judicial applicant pool and retaining a proficient Judiciary.

The Commission's recommendations for the Judicial branch are as follows (see Figure 2):

Effective July 1, 2007

- Increase the salaries of justices and judges by 10%.

Effective July 1, 2008

- Increase the salaries of justices and judges by 3.5%.

Effective July 1, 2009

- Increase the salaries of justices and judges by 10%.

Effective July 1, 2010

- Increase the salaries of justices and judges by 3.5%.

Effective July 1, 2011

- Increase the salaries of justices and judges by 10%.

Effective July 1, 2012

- Increase the salaries of justices and judges by 3.5%.

**Figure 2 - Judicial Salary Recommendations**

Position	Current 7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012
Chief Justice, Supreme	144,900	159,396	164,976	181,476	187,824	206,604	213,840
Associate Justice, Supreme	139,725	153,696	159,072	174,984	181,104	199,212	206,184
Chief Judge, Intermediate	134,550	148,008	153,192	168,516	174,420	191,868	198,588
Associate Judge, Intermediate	129,375	142,308	147,288	162,012	167,688	184,452	190,908
Circuit Court Judge	125,856	138,444	143,292	157,620	163,140	179,460	185,736
District/Family/Per Diem Court Judge	118,611	130,476	135,048	148,548	153,744	169,116	175,032

See Table 2 for cost.

### Legislative Branch

In formulating recommendations on salary adjustments for members of the State Legislature, the Commission reviewed and evaluated the duties, responsibilities, and estimated time commitments of State legislators; conducted a comparative analysis with the duties, responsibilities, estimated time commitments and salaries of county council members; evaluated the ability of State legislators to supplement their legislative salary with a profession, business or other employment; evaluated the salaries of legislative staff; reviewed non-salary benefits of legislators; considered the fact that legislative salaries remained unchanged for twelve years from 1993 to 2005; took into account that legislative salary adjustments offered by the Commission will not go into effect until 2009; and considered several other items of relevance and interest.

State legislative duties include but are not limited to: law making functions; State budget appropriations; fact finding and other similar investigations; receiving and considering petition requests from groups or individuals; confirming certain officers appointed by the Governor (Senate function); proposing amendments to the State Constitution; and addressing community and constituent inquiries and concerns.

Requirements and expectations placed upon legislators by constituents, along with the increasing complexity of issues that come before the Legislature, necessitate legislators to expend extensive amounts of time and effort on legislative matters during the months that the Legislature is in session and during the interim period between their annual and special legislative sessions. While legislators are considered to be part-time employees, it is apparent that their duties and responsibilities require more than that of a part-time employee. They perform many complex and time-consuming duties both during the legislative session as well as during the interim period between sessions. During session, legislators are involved with daily legislative sessions, public hearings, decision-making meetings on a wide variety of bills and resolutions, meetings and discussions with advocates, community meetings, and meetings and discussions on constituent concerns and inquiries. During the interim period between legislative sessions, legislators are often involved with community meetings, addressing community issues, handling legislative inquiries, conducting site visitations and research, researching and drafting of legislative bills and resolutions, and the handling of constituent inquiries and concerns.

The Commission conducted a general comparison of the duties, responsibilities, and estimated time commitments of State legislators and county council members. While the county council members have their council and committee meetings spaced throughout the calendar year, State legislators have their daily floor sessions and various committee meetings compressed over a four-month period. The estimated time commitments for both county council members and State legislators were found to be generally comparable.



The many demands imposed upon State legislators and the time required to fulfill their duties and responsibilities, restrict the ability of legislators to supplement their salary with a profession, business or other employment. The legislators' ability to supplement their income is further limited by conflicts, or a perception of conflict, with legislative responsibilities and duties. Fortunately, qualified individuals have been willing to serve despite concern regarding compensation. However, inadequate compensation, coupled with the restrictions to supplement the compensation, may limit the number of qualified individuals willing to serve as State legislators in the future.

The current salary for senators and representatives (excluding the Speaker of the House of Representatives and the President of the Senate) is \$35,900. The highest paid House session staff employee (excluding the Speaker's office) is \$39,600 or \$3,700 more per year than that of a legislator. Office managers in the House receive an annual salary of \$35,048 or \$852 less than a legislator. The current salary for Maui County Council members is \$52,500 or \$16,600 more than a legislator. The current salary for Honolulu City Council members is \$46,900 or \$11,000 more than a legislator. The current salary for Big Island County Council members is \$39,240 or \$3,340 more than a legislator. The current salary for Kauai County Council members is \$35,100 or \$800 less than a legislator.

Legislative salaries remained unchanged for twelve years (1993 - 2005). If legislative salaries had kept pace with collective bargaining increases over the period from 1993 to January 1, 2007, the current legislative salary would be \$53,495 or 33% greater than the current salary of \$35,900. If legislative salaries had been adjusted annually by 3% from 1993 to January 1, 2007, the current legislative salary would be \$48,403 or 26% greater than the current salary of \$35,900. If legislative salaries had been adjusted annually by 3.5% from 1993 to January 1, 2007, the current legislative salary would be \$51,798 or 31% greater than the current salary. If legislative salaries had been adjusted annually by 4% from 1993 to January 1, 2007, the current legislative salary would be \$55,414 or 35% greater than the current salary.

Any salary recommendation offered by the Commission will not go into effect until January 1, 2009. However, consideration was given to normal salary and cost of living increases over the next two years between January 1, 2007 and January 1, 2009.

The Commission also considered the non-salary benefits that legislators receive. Legislators earn no vacation or sick leave and are not eligible for overtime compensation. Legislators receive the same holidays as other State employees. Medical and other insurance are determined on the same basis as other State employees, as well as personal savings options such as deferred compensation and savings bond deductions. Legislators are eligible for a contributory retirement plan of 3.5%. While on official business, legislators are eligible to receive an \$80 per diem for neighbor island travel (this includes neighbor island legislators attending session on O'ahu) and a \$130 per diem for mainland travel. This is consistent with other State employees. Legislators are eligible for downtown parking stalls at the standard State

rate. Free parking at all State airports is offered. Legislators receive a \$5,000 expense account, which is subject to very stringent regulations and limitations as to its use.

The Commission's salary recommendations for members of the State Legislature (excluding the Speaker of the House of Representatives and the President of the Senate) are generally comparable to salaries of Honolulu City Council members. Salary recommendations also provide an adequate differential between State legislators and their legislative session and year round office staff.

Consideration was given to the additional duties and responsibilities of the President of the Senate and the Speaker of the House of Representatives. The Commission believes that the additional requirements to fulfill the duties and responsibilities of the Senate President and House Speaker warrant a differential in salary from other members of the Legislature.

The Commission's recommendations for the Legislative branch are as follows (see Figure 3):

- Effective January 1, 2009 – Increase the annual salaries of legislators by \$12,808 and maintain the \$7,500 additional annual differential for the Senate President and House Speaker.
- Effective January 1, 2010, 2011, 2012, 2013, and 2014 – Increase the salaries of legislators by 3.5% each year and maintain the \$7,500 annual differential for the Senate President and the House Speaker each year.

**Figure 3 - Legislative Salary Recommendations**

Position	Current 1/1/2007	1/1/2009	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014
House Speaker/Senate President	43,400	56,208	57,912	59,676	61,500	63,396	65,352
Representative/Senator	35,900	48,708	50,412	52,176	54,000	55,896	57,852

See Table 3 for cost.


## Conclusion


In addition to the above recommendations, the Commission would like to offer the following recommendations and comments for future consideration:

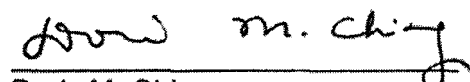
1. Individuals who occupy appointed positions in the Executive Branch that are subject to the Commission's salary recommendations do not enjoy the same degree of control over their duration of employment as most other State employees as they are appointed for set terms of office. It may be appropriate that their retirement benefits be re-examined in light of that difference.
2. The Commission is charged with making salary recommendations covering a six-year period. The Commission, however, recognizes that the future status of the State's economy is difficult to predict. The Commission also recognizes that provisions for adjustment during the six-year salary period should be allowed to accommodate the uncertainties of the future.

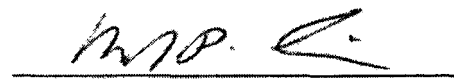
We, the undersigned members of the Commission hereby respectfully submit this report and recommendations to the Twenty-Fourth Legislature of the State of Hawai'i.

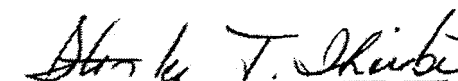
  
Benjamin A. Kudo, Chairperson

  
Paul T. Oshiro, Vice Chairperson

  
Barbara A. Annis

  
Doris M. Ching

  
Michael P. Irish

  
Stanley T. Shiraki

  
Wayne J. Yamasaki

# Tables

**Table 1 - Executive Salaries and Costs**

Position		No. of Empl.	7/1/2006		7/1/2007		7/1/2008		7/1/2009		7/1/2010		7/1/2011		7/1/2012		Total Salaries 7/1/2007 to 6/30/2013
			Current	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
Position		No. of Empl.	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	
Governor <sup>1</sup>	Current	1	112,000	104,825	114,240	114,240	116,525	116,525	118,855	118,855	121,232	121,232	123,657	123,657	126,130	126,130	720,640
	Recommend	1	112,000	104,825	117,600	117,600	123,480	123,480	129,660	129,660	134,196	134,196	138,888	138,888	143,748	143,748	787,572
Lieutenant Governor <sup>2,3</sup>	Current	1	100,000	95,850	102,000	102,000	104,040	104,040	106,121	106,121	108,243	108,243	110,408	110,408	112,616	112,616	643,428
	Recommend	1	100,000	95,850	105,000	105,000	120,444	120,444	126,468	126,468	130,896	130,896	135,480	135,480	140,220	140,220	758,508
Tier 1	Current	1	100,000	95,850	102,000	102,000	104,040	104,040	106,121	106,121	108,243	108,243	110,408	110,408	112,616	112,616	643,428
Admin. Dir. of the State <sup>2,3</sup>	Recommend	1	100,000	95,850	105,000	105,000	120,444	120,444	126,468	126,468	130,896	130,896	135,480	135,480	140,220	140,220	758,508
Tier 1 Dept. Head	Current	1	109,242	109,242	111,427	111,427	113,655	113,655	115,928	115,928	118,247	118,247	120,612	120,612	120,612	120,612	700,482
Attorney General	Recommend	1	109,242	109,242	114,708	114,708	120,444	120,444	126,468	126,468	130,896	130,896	135,480	135,480	140,220	140,220	768,216
Tier 2 Dept. Heads	Current	6	104,040	624,240	106,121	636,725	108,243	649,459	110,408	662,448	112,616	675,697	114,869	689,211	114,869	689,211	4,002,753
DOH, DOT, DAGS, DCCA, TAX, B&F	Recommend	6	104,040	624,240	109,248	655,488	114,708	688,248	120,444	722,664	124,656	747,936	129,024	774,144	133,536	801,216	4,389,696
Tier 3 Dept. Heads <sup>4</sup>	Current	4	98,838	395,352	100,815	403,259	102,831	411,324	104,888	419,551	106,985	427,942	109,125	436,501	109,125	436,501	2,535,077
DHS, DLIR, DLNR, DBEDT	Recommend	4	98,838	395,352	103,776	415,104	108,960	435,840	120,444	481,776	124,656	498,624	129,024	516,096	133,536	534,144	2,881,584
Tier 4 Dept. Heads <sup>3,4</sup>	Current	4	93,636	374,544	95,509	382,035	97,419	389,676	99,367	397,469	101,355	405,418	103,382	413,527	103,382	413,527	2,401,652
DOA, DHHL, PSD, DHRD	Recommend	4	93,636	374,544	98,316	393,264	108,960	435,840	120,444	481,776	124,656	498,624	129,024	516,096	133,536	534,144	2,859,744
Tier 1 Deputy Dept. Head	Current	1	100,503	100,503	102,513	102,513	104,563	104,563	106,654	106,654	108,787	108,787	110,963	110,963	110,963	110,963	644,443
Attorney General	Recommend	1	95,041	95,041	99,792	99,792	104,784	104,784	110,028	110,028	113,880	113,880	117,864	117,864	121,992	121,992	706,740
Tier 2 Deputy Dept. Heads	Current	12	95,717	1,148,602	97,631	1,171,574	99,584	1,195,005	101,575	1,218,905	103,607	1,243,283	105,679	1,268,149	105,679	1,268,149	7,365,065
DOH, DOT, DAGS, DCCA, TAX, B&F	Recommend	12	90,515	90,515	95,040	95,040	99,792	99,792	104,784	104,784	108,456	108,456	112,248	112,248	116,172	116,172	8,076,672
Tier 3 Deputy Dept. Heads <sup>4</sup>	Current	5	90,931	454,655	92,750	463,748	94,605	473,023	96,497	482,483	98,427	492,133	100,395	501,976	100,395	501,976	2,915,338
DHS, DLIR, DLNR, DBEDT	Recommend	5	85,989	85,989	90,288	90,288	94,800	94,800	104,784	104,784	108,456	108,456	112,248	112,248	116,172	116,172	3,313,740
Tier 4 Deputy Dept. Heads <sup>3,4</sup>	Current	6	86,145	516,871	87,868	527,208	89,625	537,752	91,418	548,507	93,246	559,478	95,111	570,667	95,111	570,667	3,314,279
DOA, DHHL, PSD, DHRD	Recommend	6	81,463	81,463	85,536	85,536	94,800	94,800	104,784	104,784	108,456	108,456	112,248	112,248	116,172	116,172	3,946,392
Total Current Salaries		42		4,020,534		4,116,728		4,199,063		4,283,044		4,368,705		4,456,079		4,462,968	25,886,586
Total Recommended Salaries		42		4,020,534		4,237,788		4,524,612		4,860,216		5,030,220		5,206,212		5,388,324	29,247,372
Difference between Recommended Salaries and Current Approved Salaries						121,060		325,550		577,172		661,515		750,133		925,356	3,360,786
Percent Increase						2.9%		7.8%		13.5%		15.1%		16.8%		20.7%	13.0%
Year-to-year increase in Recommended Salaries						217,254		286,824		335,604		170,004		175,992		182,112	
Percent Increase						5.4%		6.8%		7.4%		3.5%		3.5%		3.5%	

Deputy Department Head salaries costed at recommended range maximum.

<sup>1</sup>Governor: Current annual salary of \$112,000 effective 12/4/2006.

7/1/2006 total salaries = \$94,780/annum @ 5 mos + \$112,000/annum @ 7 mos = \$104,825.00

<sup>2</sup>Lt. Governor, Admin. Director of the State: Current annual salary of \$100,000 effective 12/4/2006.

7/1/2006 total salaries = \$90,041/annum @ 5 mos + \$100,000/annum @ 7 mos = \$95,850.42

<sup>3</sup>Effective 7/1/2008

Lt. Governor, Admin. Director of the State: 14.7% increase

Tier 4 Dept. Heads, Tier 4 Deputy Dept. Heads: 10.8% increase

<sup>4</sup>Effective 7/1/2009

Tier 3 and 4 Dept. Heads, Tier 3 and 4 Deputy Dept. Heads: 10.5% increase

Effective 7/1/2012

Current salaries for Dept. Heads and Deputy Dept. Heads approved to 6/30/2012. 7/1/2012

current costs for these positions computed at 7/1/2011 rates.

Table 2 - Judicial Salaries and Costs

			7/1/2006		7/1/2007		7/1/2008		7/1/2009		7/1/2010		7/1/2011		7/1/2012		Total Salaries  7/1/2007 to 6/30/2013
			Current		10.0%		3.5%		10.0%		3.5%		10.0%		3.5%		
Position		No. of Empl.	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	
Chief Justice, Supreme	Current	1	144,900	144,900	149,972	149,972	155,221	155,221	160,654	160,654	166,277	166,277	172,097	172,097	172,097	172,097	976,318
	Recommend	1	144,900	144,900	159,396	159,396	164,976	164,976	181,476	181,476	187,824	187,824	206,604	206,604	213,840	213,840	1,114,116
Associate Justice, Supreme	Current	4	139,725	558,900	144,615	578,460	149,677	598,708	154,916	619,664	160,338	641,352	165,950	663,800	165,950	663,800	3,765,784
	Recommend	4	139,725	558,900	153,696	614,784	159,072	636,288	174,984	699,936	181,104	724,416	199,212	796,848	206,184	824,736	4,297,008
Chief Judge, Intermediate	Current	1	134,550	134,550	139,259	139,259	144,133	144,133	149,178	149,178	154,399	154,399	159,803	159,803	159,803	159,803	906,575
	Recommend	1	134,550	134,550	148,008	148,008	153,192	153,192	168,516	168,516	174,420	174,420	191,868	191,868	198,588	198,588	1,034,592
Associate Judge, Intermediate	Current	5	129,375	646,875	133,903	669,515	138,590	692,950	143,441	717,205	148,461	742,305	153,657	768,285	153,657	768,285	4,358,545
	Recommend	5	129,375	646,875	142,308	711,540	147,288	736,440	162,012	810,060	167,688	838,440	184,452	922,260	190,908	954,540	4,973,280
Circuit Court Judge	Current	33	125,856	4,153,248	130,261	4,298,613	134,820	4,449,060	139,539	4,604,787	144,423	4,765,959	149,478	4,932,774	149,478	4,932,774	27,983,967
	Recommend	33	125,856	4,153,248	138,444	4,568,652	143,292	4,728,636	157,620	5,201,460	163,140	5,383,620	179,460	5,922,180	185,736	6,129,288	31,933,836
District/Family/Per Diem Court Judge	Current	46	118,611	5,456,106	122,762	5,647,052	127,059	5,844,714	131,506	6,049,276	136,109	6,261,014	140,873	6,480,158	140,873	6,480,158	36,762,372
	Recommend	46	118,611	5,456,106	130,476	6,001,896	135,048	6,212,208	148,548	6,833,208	153,744	7,072,224	169,116	7,779,336	175,032	8,051,472	41,950,344
Total Current Salaries		90		11,094,579		11,482,871		11,884,786		12,300,764		12,731,306		13,176,917		13,176,917	74,753,561
Total Recommended Salaries		90		11,094,579		12,204,276		12,631,740		13,894,656		14,380,944		15,819,096		16,372,464	85,303,176
Difference between Recommended Salaries and Current Approved Salaries						721,405		746,954		1,593,892		1,649,638		2,642,179		3,195,547	10,549,615
Percent Increase						6.3%		6.3%		13.0%		13.0%		20.1%		24.3%	14.1%
Year-to-year increase in Recommended Salaries						1,109,697		427,464		1,262,916		486,288		1,438,152		553,368	
Percent Increase						10.0%		3.5%		10.0%		3.5%		10.0%		3.5%	

Effective 7/1/2012

Current salaries approved to 6/30/2012. 7/1/2012 current costs computed at 7/1/2011 rates.

**Table 3 - Legislative Salaries and Costs**

Position		No. of Empl.	Current 1/1/2007		1/1/2009		1/1/2010		1/1/2011		1/1/2012		1/1/2013		1/1/2014		Total Salaries 1/1/2009 to 12/31/2014
			Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	Annual Salary	Total Salaries	
House Speaker/Senate President	Current	2	43,400	86,800	45,000	90,000	45,000	90,000	46,700	93,400	46,700	93,400	46,700	93,400	46,700	93,400	553,600
	Recommend	2	43,400	86,800	29.5%	112,416	3.0%	115,824	3.0%	119,352	3.1%	123,000	3.1%	126,792	3.1%	130,704	728,088
Representative/Senator	Current	74	35,900	2,656,600	37,500	2,775,000	37,500	2,775,000	39,200	2,900,800	39,200	2,900,800	39,200	2,900,800	39,200	2,900,800	17,153,200
	Recommend	74	35,900	2,656,600	35.7%	3,604,392	3.5%	3,730,488	3.5%	3,861,024	3.5%	3,996,000	3.5%	4,136,304	3.5%	4,281,048	23,609,256
Total Current Salaries		76		2,743,400		2,865,000		2,865,000		2,994,200		2,994,200		2,994,200		2,994,200	17,706,800
Total Recommended Salaries		76		2,743,400		3,716,808		3,846,312		3,980,376		4,119,000		4,263,096		4,411,752	24,337,344
Difference between Recommended Salaries and Current Approved Salaries						851,808		981,312		986,176		1,124,800		1,268,896		1,417,552	6,630,544
Percent Increase						29.7%		34.3%		32.9%		37.6%		42.4%		47.3%	37.4%
Year-to-year increase in Recommended Salaries						973,408		129,504		134,064		138,624		144,096		148,656	
Percent Increase						35.5%		3.5%		3.5%		3.5%		3.5%		3.5%	

Note: Legislative Salaries costed by calendar year due to the increases becoming effective January 1 of each year beginning in 2009.

Effective 7/1/2012

Current salaries approved to 12/31/2012. 1/1/2013 and 1/1/2014 current costs computed at 12/31/2012 rates.

*Constitution of the State of Hawaii, Article XVI*

A-2

**SALARY COMMISSION**

**Section [3.5].** There shall be a commission on salaries as provided by law, which shall review and recommend salaries for the justices and judges of all state courts, members of the legislature, department heads or executive officers of the executive departments and the deputies or assistants to department heads of the executive departments as provided by law, excluding the University of Hawaii and the department of education. The commission shall also review and make recommendations for the salary of the administrative director of the State or equivalent position and the salary of the governor and the lieutenant governor.

Any salary established pursuant to this section shall not be decreased during a term of office, unless by general law applying to all salaried officers of the State.

Not later than the fortieth legislative day of the 2007 regular legislative session and every six years thereafter, the commission shall submit to the legislature its recommendations and then dissolve.

The recommended salaries submitted shall become effective as provided in the recommendation, unless the legislature disapproves the entire recommendation as a whole by adoption of a concurrent resolution prior to adjournment sine die of the legislative session in which the recommendation is submitted; provided that any change in salary which becomes effective shall not apply to the legislature to which the recommendation for the change in salary was submitted. [Add HB 1917 (2006) and election Nov 7, 2006]

**Cross References**

Commission on salaries, see §26-56.

[Previous](#)[Vol01\\_Ch0001-0042F](#)[Next](#)



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# A BILL FOR AN ACT

RELATING TO COMPENSATION.

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

1       SECTION 1. The commission on salaries was established by  
2 constitutional amendment that was ratified by Hawaii voters in  
3 2006. The commission is charged with reviewing and recommending  
4 salaries for state justices and judges, legislators, the  
5 governor, the lieutenant governor, and specified appointed  
6 officials within the executive branch. The commission convened  
7 in 2006 and submitted its report and recommendations to the  
8 legislature in 2007 with a schedule of salary recommendations.  
9 By constitutional law, the salaries recommended and submitted by  
10 the commission become effective as provided in the  
11 recommendation, unless the legislature disapproves the  
12 recommendation in its entirety. The legislature did not  
13 disapprove the recommendations of the commission convened in  
14 2006.

15       The legislature notes that the commission's salary  
16 recommendations specify a July 1, 2007, effective date for  
17 executive and judicial branch official salaries, and a January  
18 1, 2009, effective date for legislator salaries. The state



1 constitution provides that any change in salary that becomes  
2 effective shall not apply to the legislature to which the  
3 recommendation for the change in salary was submitted.

4 The legislature finds that Act 57, Session Laws of Hawaii  
5 2011, establishes a July 1, 2009, until December 31, 2013,  
6 salary reduction period for all positions under the Act, but  
7 applies different salary provisions to those positions after  
8 that period. This has raised concern as to whether those  
9 provisions comport with article XVI, section 3.5, of the state  
10 constitution, which prohibits the salaries from being decreased  
11 during a term of office except by general law applying to all  
12 salaried officers of the State.

13 The legislature also finds that Act 57 also extends the  
14 five per cent salary reduction until December 31, 2013, for all  
15 salaries but does not address the impact of the reductions on  
16 the 2012 commission's recommendations for the executive and  
17 judicial salaries for the period July 1, 2013, through December  
18 31, 2013, thus resulting in a possible conflict between the 2011  
19 law and the next commission's recommendations.

20 The next commission on salaries will convene in 2012 and  
21 will submit its report and recommendations to the 2013  
22 legislature. It is the intent that the 2013 legislature



1 deliberate the range of issues related to salary levels that may  
2 be recommended by the 2012 commission after those salaries are  
3 proposed.

4 The purpose of this Act is to resolve the ambiguity and  
5 concerns arising from provisions contained in Act 57, Session  
6 Laws of Hawaii 2011, by:

7 (1) Amending the salary reduction period to reflect that  
8 it is effective through June 30, 2013;

9 (2) Deleting provisions relating to the restoration of  
10 salaries to what they would have been on July 1, 2009,  
11 but for the salary reductions provided by Act 85,  
12 Session Laws of Hawaii 2009, as amended by Act 57,  
13 Session Laws of Hawaii 2011; and

14 (3) Deleting provisions relating to the salary commission  
15 that convenes in 2012 as unnecessary, inasmuch as  
16 existing provisions set forth the scope of its  
17 mandate.

18 SECTION 2. Section 2 of Act 85, Session Laws of Hawaii  
19 2009, as amended by section 1 of Act 57, Session Laws of Hawaii  
20 2011, is amended to read as follows:



1       "SECTION 2. (a) Notwithstanding any law to the contrary  
2       and notwithstanding the recommendations of the commission on  
3       salaries convened in 2006 for salary increases, beginning  
4       July 1, 2009, and [~~until December 31,~~] through June 30, 2013,  
5       the annual salaries of the governor, the lieutenant governor,  
6       the justices and judges of all state courts, the administrative  
7       director of the State or an equivalent position, and the  
8       department heads or executive officers and the deputies or  
9       assistants to the department heads or executive officers of the  
10      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;
- 22       (12) Labor and industrial relations;



1 (13) Land and natural resources;

2 (14) Public safety;

3 (15) Taxation; and

4 (16) Transportation,

5 shall be reduced by five per cent from what the salary is as of

6 June 30, 2009, and shall remain at that salary rate [~~until~~

7 ~~December 31,~~] through June 30, 2013[~~; provided that on January~~

8 ~~1, 2014, the salaries of these positions shall be restored to~~

9 ~~the level they would have been on July 1, 2009, without the~~

10 ~~salary decrease under this Act; provided further that if any~~

11 ~~salary recommendations for these positions are made and are to~~

12 ~~take effect on or after January 1, 2014, by the commission on~~

13 ~~salaries, and the recommendations are not disapproved by the~~

14 ~~legislature, then the salary recommendations shall become~~

15 ~~effective on the date specified by the commission on salaries in~~

16 ~~accordance with its recommendations].~~

17 (b) Notwithstanding any law to the contrary and

18 notwithstanding the recommendations of the commission on

19 salaries convened in 2006 for salary increases, beginning July

20 1, 2009, and [~~until December 31,~~] through June 30, 2013, the

21 annual salaries of members of the legislature shall be reduced

22 by five per cent from what the salary is as of June 30, 2009[+



1 ~~provided that the salary recommendations of the commission on~~  
2 ~~salaries for legislators effective January 1, 2014, shall become~~  
3 ~~effective on that date in accordance with the recommendations.],~~  
4 and shall remain at that salary rate through June 30, 2013.

5 (c) For the period from July 1, 2009, ~~[to December 31,]~~  
6 through June 30, 2013, notwithstanding any law to the contrary,  
7 the leaves of absence for vacation and sick leave, with pay, of  
8 persons affected under subsections (a) and (b) shall be the same  
9 as those negotiated, mediated, or arbitrated under chapter 89,  
10 Hawaii Revised Statutes, for collective bargaining unit (13) ~~[+~~  
11 ~~provided that on January 1, 2014, the leaves of absence under~~  
12 ~~this subsection shall be either: restored to the level they~~  
13 ~~would have been on July 1, 2009, but for this subsection; or~~  
14 ~~commensurate with any salary adjustment recommended for any~~  
15 ~~period on or after January 1, 2014, by the commission on~~  
16 ~~salaries and not disapproved by the legislature].~~

17 (d) This section shall not be construed to impart any  
18 right to additional compensation previously authorized through  
19 the adoption of the recommendations of the commission on  
20 ~~[salaries' recommendations]~~ salaries convened in 2006, for the  
21 period from ~~[January 1, 2009,]~~ July 1, 2007, through ~~[December~~



1 ~~31,~~ June 30, 2013, for positions covered under subsections (a)  
2 and (b).

3 (e) This section shall not be enforced to the extent that  
4 it is preempted by federal law."

5 SECTION 3. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval;  
8 provided that:

- 9 (1) Act 85, Session Laws of Hawaii 2009, as amended by Act  
10 57, Session Laws of Hawaii 2011, as amended by this  
11 Act shall be repealed at 11:59 p.m. on June 30, 2013;
- 12 (2) The repeal of Act 85, Session Laws of Hawaii 2009, as  
13 amended by Act 57, Session Laws of Hawaii 2011, as  
14 amended by this Act shall not be construed to restore  
15 or reinstate for the period of July 1, 2009, through  
16 June 30, 2013, any leaves of absence for vacation or  
17 sick leave, any salary reduction incurred during the  
18 period specified in this paragraph, or any other  
19 compensation reduced by the aforementioned Acts; and
- 20 (3) On July 1, 2013, and thereafter, unless modified by  
21 the adoption of the recommendations of the commission  
22 on salaries scheduled to convene in 2012, all salaries



1 reduced by Act 85, Session Laws of Hawaii 2009, as  
2 amended by Act 57, Session Laws of Hawaii 2011, as  
3 amended by this Act, and notwithstanding section 26-  
4 56(d), Hawaii Revised Statutes, shall be at the rates  
5 provided for by the recommendations, dated March 14,  
6 2007, of the commission on salaries convened in 2006.





**Report Title:**

Salaries; Legislature; Judiciary; Executive

**Description:**

Stipulates that the five per cent decrease to the legislative, executive, and judicial salaries applies to what the respective salaries were as of June 30, 2009, and remains at the specified salary rate until June 30, 2013. Repeals Act 85, Session Laws of Hawaii (SLH) 2009, as amended by Act 57, SLH 2011, as amended by this Act, at 11:59 p.m. on June 30, 2013. Provides that the repeal of the aforementioned Acts for the period of July 1, 2009, through June 30, 2013, shall not be construed to restore or reinstate any leaves for vacation or sick leave, any salary reduction, or any other compensation reduced by the Acts.

(HB1744 HD1)

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



**[§26-56] Commission on salaries.** (a) Pursuant to article XVI, section 3.5, of the Constitution of the State of Hawaii, there is established a commission on salaries within the department of human resources development, for administrative purposes only.

The commission shall consist of seven members of whom:

- (1) Two members shall be appointed by the governor;
- (2) Two members shall be appointed by the president of the senate;
- (3) Two members shall be appointed by the speaker of the house of representatives; and
- (4) One member shall be appointed by the chief justice of the supreme court.

Vacancies in these positions shall be filled in the same manner. The members of the commission shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.

(b) The commission shall review and recommend an appropriate salary for the governor, lieutenant governor, members of the legislature, justices and judges of all state courts, administrative director of the State or an equivalent position, and department heads or executive officers and the deputies or assistants to the department heads of the departments of:

- (1) Accounting and general services;
- (2) Agriculture;
- (3) The attorney general;
- (4) Budget and finance;
- (5) Business, economic development, and tourism;
- (6) Commerce and consumer affairs;
- (7) Defense;
- (8) Hawaiian home lands;
- (9) Health;
- (10) Human resources development;
- (11) Human services;
- (12) Labor and industrial relations;
- (13) Land and natural resources;
- (14) Public safety;
- (15) Taxation; and
- (16) Transportation.

The commission shall not review the salary of any position in the department of education or the University of Hawaii.

The commission may recommend different salaries for department heads and executive officers and different salary ranges for deputies or assistants to department heads; provided that the commission shall recommend the same salary range for deputies or assistants to department heads within the same department; provided further that the appointing official shall specify the salary for a particular position within the applicable range.

The commission shall not recommend salaries lower than salary amounts recommended by prior commissions replaced by this section.

(c) The commission may seek assistance from the department of

human resources development and any other agency in conducting its review, and all agencies shall fully cooperate with the commission and provide any necessary information to the commission upon request.

(d) The commission shall convene in the month of November 2006, and every six years thereafter. Not later than the fortieth legislative day of the regular session of 2007, and every six years thereafter, the commission shall submit a report of its findings and its salary recommendations to the legislature, through the governor. The commission may include incremental increases that take effect prior to the convening of the next salary commission.

The recommended salaries submitted by the commission shall become effective July 1 of the next fiscal year unless the legislature disapproves the recommended salaries submitted by the commission through the adoption of a concurrent resolution, which shall be approved by a simple majority of each house of the legislature, prior to adjournment sine die of the legislative session in which the recommended salaries are submitted; provided that any change in salary which becomes effective shall not apply to the legislature to which the recommendation for the change in salary was submitted.

The governor shall include the salary amounts recommended by the commission and approved by the legislature for employees of the executive branch in the executive budget. If the salary amounts recommended by the commission are disapproved by the legislature, the commission shall reconvene in the November next following the legislative disapproval to review the legislature's reasons for disapproving its salary recommendation. The commission may submit a report of its findings and submit a new salary recommendation to the legislature at the next regular session. The commission's reconvening following a legislative disapproval shall not toll the six-year cycle. [L 2006, c 299, §1]

#### Note

Salary reduction for public officials until June 30, 2011. L 2009, c 85.

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**PART III. SALARIES, CERTAIN STATE OFFICERS**

**§26-51 Governor; lieutenant governor.** Effective at noon on December 4, 2006, the salaries of the governor and the lieutenant governor shall be as last recommended by the executive salary commission. Effective July 1, 2007, and every six years thereafter, the salaries of the governor and lieutenant governor shall be as last recommended by the commission on salaries pursuant to section 26-56, unless rejected by the legislature. [L 1959, c 273, §3; am L 1962, c 28, §23; am L 1965, c 223, pt of §5; Supp, §4A-1; HRS §26-51; am L 1969, c 127, §1; am L 1975, c 58, §5; am L 1982, c 129, §1(1); am L 1986, c 128, §1(1); am L 1989, c 329, §1(1); am L 2003, c 122, §2; am L 2006, c 299, §2]

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**§26-52 Department heads and executive officers.** The salaries of the following state officers shall be as follows:

- (1) The salary of the superintendent of education shall be set by the board of education at a rate no greater than \$150,000 a year;
- (2) The salary of the president of the University of Hawaii shall be set by the board of regents;
- (3) Effective July 1, 2004, the salaries of all department heads or executive officers of the departments of accounting and general services, agriculture, attorney general, budget and finance, business, economic development, and tourism, commerce and consumer affairs, Hawaiian home lands, health, human resources development, human services, labor and industrial relations, land and natural resources, public safety, taxation, and transportation shall be as last recommended by the executive salary commission. Effective July 1, 2007, and every six years thereafter, the salaries shall be as last recommended by the commission on salaries pursuant to section 26-56, unless rejected by the legislature; and
- (4) The salary of the adjutant general shall be \$85,302 a year. Effective July 1, 2007, and every six years thereafter, the salary of the adjutant general shall be as last recommended by the commission on salaries pursuant to section 26-56, unless rejected by the legislature, except that if the state salary is in conflict with the pay and allowance fixed by the tables of the regular army or air force of the United States, the latter shall prevail. [L 1965, c 223, pt of §5; Supp, §4A-2; HRS §26-52; am L 1969, c 127, §2; am L 1970, c 105, §5; am L 1975, c 58, §6; am L 1982, c 129, §1(2) and c 204, §8; am L 1984, c 282, §1; am L 1986, c 128, §1(2); am L 1987, c 336, §3(3), c 338, §1(4), and c 339, §2(3); am L 1989, c 211, §5 and c 329, §1(2); am L 1990, c 293, §8; am L 1991, c 310, §2; am L 1992, c 203, §1; am L 1994, c 56, §3; am L 1996, c 219, §1; am L 1998, c 115, §4; am L 2000, c 183, §1; am L 2003, c 122, §3; am L 2006, c 299, §3]

#### **Attorney General Opinions**

Salary of superintendent of education should not be payable after removal from office. Att. Gen. Op. 75-20.

"Salary" does not mean "compensation"; fringe benefits are not "salary"; salary of university president is exception to norm, but unclear whether fringe benefits can be paid from private donations. Att. Gen. Op. 85-1.

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**§26-53 Deputies or assistants to department heads.** Effective July 1, 2004, the salaries of deputies or assistants to the head of any department of the State, other than the department of education, shall be within the range or ranges for the specific positions as last recommended by the executive salary commission. Effective July 1, 2007, and every six years thereafter, the salaries shall be as last recommended by the commission on salaries and specified by the appointing official, if appropriate, pursuant to section 26-56, unless rejected by the legislature. [L 1965, c 223, pt of §5; Supp, §4A-3; HRS §26-53; am L 1975, c 58, §7; am L 1982, c 129, §1(3); am L 1986, c 128, §1(3); am L 1989, c 329, §1(3); am L 2003, c 122, §4 and c 187, §2; am L 2006, c 299, §4]

#### **Cross References**

Nonapplicability to:

Administrative services manager of department of attorney general, see §28-7.5.

Special assistant to attorney general, see §28-8.5.

Special assistant to state librarian, see §312-2.2.

Salary of various department of education deputies and assistants, see §302A-621.

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**§26-54 Administrative director of the State.** Effective—July 1, 2004, the salary of the administrative director of the State shall be as last recommended by the executive salary commission. Effective July 1, 2007, and every six years thereafter, the salary of the administrative director of the State shall be as last recommended by the commission on salaries pursuant to section 26-56, unless rejected by the legislature. [L 1965, c 223, pt of §5; Supp, §4A-4; HRS §26-54; am L 1969, c 127, §3; am L 1975, c 58, §8; am L 1982, c 129, §1(4); am L 1986, c 128, §1(4); am L 1989, c 329, §1(4); am L 2003, c 122, §5; am L 2006, c 299, §5]

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**§601-3 Administrative director.** (a) The chief justice, with the approval of the supreme court, shall appoint an administrative director of the courts to assist the chief justice in directing the administration of the judiciary. The administrative director shall be a resident of the State for a continuous period of three years prior to the administrative director's appointment, and shall be appointed without regard to chapter 76 and shall serve at the pleasure of the chief justice. The administrative director shall hold no other office or employment. Effective July 1, 2004, the salary of the administrative director shall be as last recommended by the judicial salary commission. Effective July 1, 2007, and every six years thereafter, the salary shall be as last recommended by the commission on salaries pursuant to section 26-56, unless disapproved by the legislature.

(b) The administrative director shall, subject to the direction of the chief justice, perform the following functions:

- (1) Examine the administrative methods of the courts and make recommendations to the chief justice for their improvement;
- (2) Examine the state of the dockets of the courts, secure information as to their needs of assistance, if any, prepare statistical data and reports of the business of the courts and advise the chief justice to the end that proper action may be taken;
- (3) Examine the estimates of the courts for appropriations and present to the chief justice the administrative director's recommendations concerning them;
- (4) Examine the statistical systems of the courts and make recommendations to the chief justice for a uniform system of judicial statistics;
- (5) Collect, analyze, and report to the chief justice statistical and other data concerning the business of the courts;
- (6) Assist the chief justice in the preparation of the budget, the six-year program and financial plan, the variance report and any other reports requested by the legislature;
- (7) Carry out all duties and responsibilities that are specified in title 7 as it pertains to employees of the judiciary; and
- (8) Attend to such other matters as may be assigned by the chief justice.

(c) The administrative director, with the approval of the chief justice, shall appoint a deputy administrative director of the courts without regard to chapter 76 and such assistants as may be necessary. The assistants shall be appointed without regard to chapter 76. Effective July 1, 2000, the salary of the deputy administrative director shall be no greater than provided in section 26-52(3) and shall be determined by the chief justice based upon merit and other relevant factors. Effective July 1, 2004, the salary of the deputy administrative director shall be as last recommended by the judicial salary commission. The administrative director shall be provided with necessary office facilities.



(d) The judges, clerks, officers, and employees of the courts shall comply with all requests of the administrative director for information and statistical data relating to the business of the courts and expenditure of public funds for their maintenance and operation.

(e) The salary levels of the administrative director and deputy administrative director shall be disclosed in the judiciary's annual budget submission to the legislature. [L 1959, c 259, pt of §1(b); am imp L 1965, c 97, §24; am L 1965, c 223, §11; Supp, §213-1.6; HRS §601-3; am L 1969, c 127, §9; am L 1974, c 159, §16; am L 1975, c 58, §25; am L 1976, c 82, §1; am L 1977, c 159, §18; am L 1982, c 129, §24 (1); gen ch 1985; am L 1986, c 128, §21; am L 1990, c 72, §7; am L 1991, c 130, §2; am L 2000, c 142, §2 and c 253, §150; am L 2003, c 123, §1; am L 2006, c 299, §6]

#### **Cross References**

See Const. Art. VI, §6.

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**§602-2 Salary, supreme court justices.** Effective July 1, 2004, the salary of the chief justice of the supreme court and the salary of each associate justice of the supreme court shall be as last recommended by the judicial salary commission. Effective July 1, 2007, and every six years thereafter, the salary of the chief justice of the supreme court and the salary of each associate justice of the supreme court shall be as last recommended by the commission on salaries pursuant to section 26-56, unless disapproved by the legislature. [L Sp 1959 1st, c 4, §1; am L 1962, c 28, §30a; am L 1965, c 223, §12; Supp, §214-1.5; HRS §602-2; am L 1969, c 127, §10; am L 1975, c 58, §26; ree L 1979, c 111, pt of §2; am L 1982, c 129, §25(1); am L 1986, c 128, §22; am L 1990, c 72, §3; am L 1999, c 65, §4; am L 2000, c 2, §2; am L 2003, c 123, §2; am L 2006, c 299, §7]

#### Case Notes

Cited: 57 H. 348, 555 P.2d 1329.

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**§602-52 Salary.** Effective July 1, 2004, the salary of the chief judge of the intermediate appellate court and the salary of each associate judge shall be as last recommended by the judicial salary commission. Effective July 1, 2007, and every six years thereafter, the salary of the chief judge of the intermediate appellate court and the salary of each associate judge shall be as last recommended by the commission on salaries pursuant to section 26-56, unless disapproved by the legislature. [L 1979, c 111, pt of §3; am L 1982, c 129, §25 (2); am L 1986, c 128, §23; am L 1990, c 72, §4; am L 1999, c 65, §5; am L 2000, c 2, §3; am L 2003, c 123, §3; am L 2006, c 299, §8]

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**§603-5 Salary of circuit court judges.** Effective July 1, 2004, the salary of a circuit court judge shall be as last recommended by the judicial salary commission. Effective July 1, 2007, and every six years thereafter, the salary of each circuit court judge of the various circuit courts of the State shall be as last recommended by the commission on salaries pursuant to section 26-56, unless disapproved by the legislature. [L Sp 1959 1st, c 4, §2; am L 1962, c 28, §30b; am L 1965, c 223, §13; Supp, §215-4.5; HRS §603-5; am L 1969, c 127, §11; am L 1975, c 58, §27; am L 1982, c 129, §26; am L 1986, c 128, §24; am L 1990, c 72, §5; am L 1999, c 65, §6; am L 2000, c 2, §4; am L 2003, c 123, §4; am L 2006, c 299, §9]

#### **Cross References**

Appointment, tenure, removal, retirement, see Const. Art. VI, §§3, 5.

Retirement allowance, see §88-74.

#### **Case Notes**

Cited: 57 H. 348, 555 P.2d 1329.

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**§604-2.5 Salary of district judges.** Effective July 1, 2004, the salary of a district court judge shall be as last recommended by the judicial salary commission. Effective July 1, 2007, and every six years thereafter, the salary of each district court judge of the various district courts of the State shall be as last recommended by the commission on salaries pursuant to section 26-56, unless disapproved by the legislature.

Whenever the chief justice appoints a district court judge of any of the various district courts of the State to serve temporarily as a circuit court judge of any of the various circuit courts of the State, the judge shall receive per diem compensation for the days on which actual service is rendered based on the monthly rate of compensation paid to a circuit court judge. For the purpose of determining per diem compensation in this section, a month shall be deemed to consist of twenty-one days. [L 1970, c 188, §12; am L 1975, c 58, §28; am L 1982, c 129, §27; am L 1986, c 128, §25; am L 1988, c 396, §2; am L 1990, c 72, §6; am L 1999, c 65, §7; am L 2000, c 2, §5; am L 2003, c 123, §5; am L 2006, c 299, §10]

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**[§78-18.3] Prohibition on certain increases in salaries for certain state and county officers or employees.** Any law to the contrary notwithstanding, neither the State nor any of the counties shall provide or pay to the following state or county officers or employees any adjustment or increase in the officer's or employee's respective salary or compensation where such adjustment or increase constitutes a mandatory adjustment or increase which is, directly or indirectly, dependent upon and related to negotiated salary adjustments or increases received under collective bargaining agreements by civil service or other public employees covered by collective bargaining: any elected or appointed officer or employee in the executive and judicial branches of state government and the executive branch of any county government (1) whose salary or compensation is fixed, limited, or otherwise specified by statute, ordinance, or other legislative enactment whether or not in express dollar amounts or express dollar amount ceilings; (2) who is not subject to chapter 76; and (3) who is excluded from collective bargaining and not subject to chapter 89C. [L 1982, c 129, pt of §34A; gen ch 1985; am L 2000, c 253, §150]

#### Case Notes

Power of legislature to enact laws of statewide concern not limited by article VIII, §2 of state constitution; §46-21.5 and this section not unconstitutional under article VIII, §2 of state constitution as provisions intended to allow for integrated, equitable, and reasonable salaries among top-level officers of all jurisdictions was a matter of statewide concern and thus was a matter within the powers of the legislature. 67 H. 412, 689 P.2d 757.

Constitutional. 67 H. 412, 689 P.2d 757.

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HST-VI-VI/ UN:USAM FROM-SPEAKER CALVIN SAY OFFICE

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LINDA LINGLE  
GOVERNORMARK J. BENNETT  
ATTORNEY GENERAL

RECEIVED

LISA M. SINOZA  
FIRST DEPUTY ATTORNEY GENERAL

07 2 24 13:51

STATE OF HAWAII  
DEPARTMENT OF THE ATTORNEY GENERAL  
425 CLEGG STREET  
HONOLULU, HAWAII 96813  
(808) 588-1600

2007 FEB 27 A 10:49

SPEAKER'S OFFICE

February 26, 2007

The Honorable Calvin K.Y. Say  
Speaker of the House of Representatives  
The Twenty-Fourth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

J CKYS

2 Jan

Dear Speaker Say:

Re: Act 299, SLH 2006

By letters dated February 6 and February 13, 2007, you requested advice regarding the 2006 constitutional amendment providing for a salary commission and Act 299, Session Laws of Hawaii 2006 (SLH 2006), the statute that implements the constitutional amendment. Your questions are:

1. Is the provision in section 26-\_\_\_(d), Hawaii Revised Statutes (HRS), allowing a salary commission to reconvene following the disapproval of its recommendation, legally valid?
2. If the Legislature rejects the salary recommendations of the 2006-2007 Commission on Salaries that are submitted during the 2007 Regular Session, what will be the salaries on July 1, 2007 of the state officers subject to Act 299?

We advise that although statutes enacted by the Legislature are presumptively valid, given the clear and unambiguous language in the constitutional amendment that "[n]ot later than the fortieth legislative day of the 2007 regular legislative session and every six years thereafter, the commission shall submit to the legislature its recommendations and then dissolve," we believe that section 26-\_\_\_(d) of Act 299, SLH 2006, that allows a salary commission to reconvene following the disapproval of its recommendation, is invalid because it conflicts with the constitutional provision.

The new section added to article XVI of the State

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The Honorable Calvin K.Y. Say  
February 26, 2007  
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Constitution, as proposed by the Legislature by H.B. No. 1917 and ratified by the electorate at the 2006 November General Election, provides as follows:

There shall be a commission on salaries as provided by law, which shall review and recommend salaries for the justices and judges of all state courts, members of the legislature, department heads or executive officers of the executive departments and the deputies or assistants to department heads of executive departments as provided by law, excluding the University of Hawaii and the department of education. The commission shall also review and make recommendations for the salary of the administrative director of the State or equivalent position and salary of the governor and lieutenant governor.

Any salary established pursuant to this section shall not be decreased during a term of office, unless by general law applying to all salaried officers of the State.

Not later than the fortieth legislative day of the 2007 regular legislative session and every six years thereafter, the commission shall submit to the legislature its recommendations and then dissolve.

The recommended salaries submitted shall become effective as provided in the recommendation, unless the legislature disapproves the entire recommendation as a whole by adoption of a concurrent resolution prior to adjournment sine die of the legislative session in which the recommendation is submitted; provided that any change in salary which becomes effective shall not apply to the legislature to which the recommendation for the change in salary was submitted. [Emphasis added.]

The wording of the constitutional amendment is clear and unambiguous in providing that once the commission submits its recommendations to the Legislature it must then dissolve. It does not provide for a second recommendation upon disapproval. When the words used in a constitutional provision "are clear and unambiguous, they are to be construed as they are written."



The Honorable Calvin K.Y. Say  
February 26, 2007  
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Spears v. Honda, 51 Haw. 1, 6, 449 P.2d 130, 134 (1968). The provision of the constitutional amendment that says that "the commission shall submit to the legislature its recommendations and then dissolve," we believe, precludes the commission from reconvening should its recommendations be disapproved by the Legislature.

The legislative history clearly shows that the Legislature intended a six-year cycle. The Senate Committee on Ways and Means, in Standing Committee Report No. 3485, dated April 7, 2006, stated, "[t]his measure requires the commission to make salary recommendations to the legislature every six years."

In enacting Act 299, SLH 2006, the Legislature provided that "[i]f the salary amounts recommended by the commission are disapproved by the legislature, the commission shall reconvene in the November next following the legislative disapproval to review the legislature's reasons for disapproving its salary recommendation. The commission may submit a report of its findings and submit a new salary recommendation to the legislature at the next regular session." The constitutional amendment is clear in requiring the commission to submit its salary recommendations to the "2007 regular legislative session and every six years thereafter." The constitutional amendment does not contemplate submissions outside of this six-year cycle.

As to your second question, we believe that, if the Legislature rejects the salary recommendations of the 2006-2007 Commission on Salaries, the salaries of state officers of the executive, judicial, and legislative branches, who are subject to Act 299, would, on July 1, 2007, continue to be the salaries determined pursuant to the last recommendations of the Executive Salary Commission, the Judicial Salary Commission, and the Commission on Legislative Salary, including percentage increases as described in the recommendations. Act 299 amended several sections pertaining to state officers' salaries to expressly state that the salaries shall be as last recommended by the Executive Salary Commission or the Judicial Salary Commission and that, effective July 1, 2007, and every six years thereafter, the salaries shall be as last recommended by the Commission on Salaries, "unless rejected by the legislature" or "unless disapproved by the legislature." If the recommendations of the Commission on Salaries are "rejected" or "disapproved" by the Legislature, then, on July 1, 2007, the last recommendations of the Executive Salary Commission or the Judicial Salary Commission

The Honorable Calvin K.Y. Say  
February 26, 2007  
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would remain in effect.

For the Legislature, the constitutional amendment and Act 299 provide that "any change in salary which becomes effective shall not apply to the legislature to which the recommendation for the change in salary was submitted." Consequently, whether the recommendations of the Commission on Salaries for the legislators' salaries are approved or disapproved by the Twenty-Fourth Legislature, there would be no change in salary on July 1, 2007, and the salaries of legislators would remain the same, including percentage increases, as last recommended by the Commission on Legislative Salaries.

We hope that we have adequately responded to your inquiry. Please let us know if we can be of further assistance.

Very truly yours,

*Russell A. Suzuki*

Russell A. Suzuki  
Deputy Attorney General

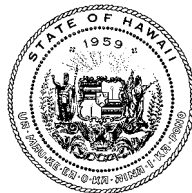
APPROVED:

*Mark J. Bennett*

Mark J. Bennett  
Attorney General

**NEIL ABERCROMBIE**  
GOVERNOR

**BRIAN SCHATZ**  
LT. GOVERNOR



**RICHARD F. KAHLE, JR.**  
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**JACK P. SUYDERHOUD**  
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## **COUNCIL ON REVENUES**

STATE OF HAWAII  
P.O. BOX 259  
HONOLULU, HAWAII 96809-0259

September 10, 2012

The Honorable Neil Abercrombie  
Governor, State of Hawaii  
Executive Chambers  
State Capitol, Fifth Floor  
Honolulu, HI 96813

Dear Governor Abercrombie:

At its meeting on September 6, 2012 the Council on Revenues lowered its forecast for State General Fund tax revenue growth in fiscal year (FY) 2013 from 5.3 percent to 4.9 percent. The Council also lowered its revenue growth forecast for FY 2014 from 4.0 percent to 3.9 percent. The growth rates for FY 2015 through FY 2019 were revised slightly downward. The Council is now forecasting revenue growth of 5.0% in 2015, 1.2% in 2016, 4.2% in 2017, 5.1% in 2018, and 4.6% in 2019.

The declines in the forecasts for tax revenue growth in FY's 2013 and 2014 were mostly due to a reassessment of the cost of the renewable energy tax credits. According to a new estimate by the Department of Business, Economic Development & Tourism (DBEDT), the tax credit is predicted to grow from \$34.4 million in tax year 2010 to \$82.9 million in tax year 2011 and to \$173.8 million in tax year 2012. DBEDT also provided a range of forecasts for tax year 2013. Accordingly, the Council assumed the cost of the credit will be \$90 million higher in FY2013 than it was in FY2012, that it will be \$150 million higher in FY 2014 than it was in FY2012, and that it will be higher than FY2012 in each of FY's 2015 through 2019 by \$170 million.

The Council also believes that there is much uncertainty about the economies in Europe and is concerned that events there could have important effects on the economies of the United States and Hawaii. The Council also expressed uncertainty about the future of the Honolulu rail project and its effect on the construction industry.

The Council accepted other revenue estimates provided by the Hawaii Department of Budget & Finance.

The revised forecasts of State General Fund tax revenues for FY 2013 through FY 2019 are listed in the table below:

Fiscal Year	General Fund Tax Revenues	
	Amount (in Thousands of Dollars)	Growth From Previous Year
2013	\$5,223,061	4.9%
2014	\$5,427,175	3.9%
2015	\$5,698,229	5.0%
2016	\$5,767,221	1.2%
2017	\$6,010,377	4.2%
2018	\$6,315,874	5.1%
2019	\$6,608,519	4.6%

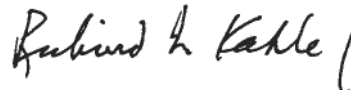
In producing its forecasts, the Council adopted specific adjustments recommended by the Hawaii Department of Taxation reflecting the effects on General Fund tax revenues of recent tax law changes.

The Department of Taxation has prepared a report for submission with this transmittal correspondence, detailing line-item forecasts for various components of the General Fund, reconciled to the Council's forecast growth rate for total General Fund Tax revenues. These line-item component estimates typically include, for example, General Excise Tax and Income Tax revenues that the Council on Revenues does not forecast individually.

Also, the Department of Budget and Finance has prepared the attached report to update its projections for non-tax and special tax revenues Significant Changes from May 2012 Report.

Please advise us if we can be of further assistance or if we can answer any questions you may have.

Sincerely,



RICHARD F. KAHLE, JR.  
Chair, Council on Revenues

Attachments

# ESTIMATES OF GENERAL FUND TAX REVENUE FROM THE MEETING OF SEPTEMBER 6, 2012: FY 2013 TO FY 2019

Line item projections generated by Tax Research and Planning Office to be consistent with the Council's total growth forecast

(in thousands of dollars)

TYPE OF TAX	BASE		ESTIMATED						
	FY 2011	FY 2012*	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
General Excise and Use Tax	\$2,495,807	\$2,697,951	\$2,916,219	\$3,044,151	\$3,223,223	\$3,396,983	\$3,578,678	\$3,764,740	\$3,940,021
Individual Income Tax	1,246,672	1,540,730	1,571,441	1,607,785	1,692,270	1,741,871	1,787,768	1,879,624	1,971,631
Corporate Income Tax	34,573	73,027	55,898	58,182	55,442	58,605	58,541	62,828	63,792
Public Service Company Tax	117,940	150,528	155,740	161,133	167,299	173,702	180,349	187,251	194,417
Tax on Insurance Premiums	140,456	116,777	122,777	128,671	134,813	140,634	146,885	153,215	159,707
Cigarette and Tobacco Tax	106,137	102,853	102,810	106,501	90,482	93,931	97,456	101,053	104,776
Liquor Tax	48,054	48,852	50,057	50,867	51,690	52,525	53,359	54,207	55,069
Tax on Banks and Other Financial Corps.	31,677	5,229	27,848	25,963	28,595	28,718	30,004	30,670	31,716
Inheritance and Estate Tax 1/	6,899	14,152	19,972	20,352	20,779	21,216	21,661	22,116	22,580
Conveyance Tax	21,527	18,394	15,492	16,695	13,083	14,031	15,061	16,116	17,211
Miscellaneous Taxes 2/	19,812	83,249	19,147	19,135	14,124	906	889	871	871
Transient Accommodations Tax	59,757	126,303	165,660	187,740	206,429	44,099	39,726	43,183	46,728
<b>GENERAL FUND TOTAL</b>	<b>\$4,329,311</b>	<b>\$4,978,045</b>	<b>\$5,223,061</b>	<b>\$5,427,175</b>	<b>\$5,698,229</b>	<b>\$5,767,221</b>	<b>\$6,010,377</b>	<b>\$6,315,874</b>	<b>\$6,608,519</b>
<b>GROWTH RATE</b>	<b>-0.8%</b>	<b>15.0%</b>	<b>4.9%</b>	<b>3.9%</b>	<b>5.0%</b>	<b>1.2%</b>	<b>4.2%</b>	<b>5.1%</b>	<b>4.6%</b>

Notes:

\* Data for fiscal year 2012 are preliminary.

1/ Act 74, SLH 2010, reinstates Hawaii's estate tax for persons who die after April 30, 2010.

2/ The figures on this line include penalty and interest charges, fees and license charges from various taxes, and allocations to the General Fund from the environmental response, energy and food security tax and from the rental motor vehicle surcharge.

## Significant Changes from May 2012 Report

### General Fund Non-Tax Revenues

For FY 12, the significant differences between actual and estimated revenues reflect:

**Use of Money and Property** - lower interest earnings (Department of Budget and Finance (B&F)).

**Federal Grants** - federal interest subsidy on Build America Bonds (B&F).

**Charges for Current Services** - higher than expected reimbursements from the federal government for Department of Human Services (DHS) programs.

**Non-Revenue Receipts** - premiums on bonds sold (B&F), higher pension accumulation reimbursements from non-general fund programs (B&F) and lower transfers of excess unclaimed property trust funds (B&F).

For FYs 13-19, there are no significant changes to the general fund non-tax revenue estimates.

### Special Tax Revenues

**Liquid Fuel, Highways** - decreases in FYs 12-19 reflect lower liquid fuel tax collection estimates due to persistently high fuel prices and lower anticipated growth (Department of Transportation (DOT)-Highways Division).

**Transfer of Transient Accommodations Tax** - increases in FYs 13-15 reflect a \$2 million increase in revenues to be deposited to the Tourism Special Fund pursuant to Act 171, SLH 2012. The increases in FYs 16-19 reflect current economic conditions and visitor trends, as well as, expanded air service to Hawaii.

### Special Fund Non-Tax Revenues

**Federal Grants** - the increases in FYs 12-19 reflect an increase in unemployment compensation benefits to federal employees and ex-servicemen in FY 12 (Department of Labor and Industrial Relations) and increases in highway research, planning and construction funds in FYs 12-19 (DOT-Highways Division).

**Charges for Current Services, Other** - the increases in FYs 12-19 are attributed to tuition rate increases and an enrollment increase at the University of Hawaii (UH) Hilo, and the change of certain revolving funds to special funds pursuant to Act 124, SLH 2011, for UH.

**Charges for Current Services, Utilities** - the increases in FYs 13-19 reflect projected increases in duty free and parking revenues for DOT-Airports Division and projected increases in cargo activity which will increase revenues generated by wharf tariffs (DOT-Harbors Division).

**Non-Revenue Receipts** - the increase in FY 12 reflects the actual transfers that were made to the Department of Education's State Educational Facilities Improvement Special Fund.

**Other than Special Fund Non-Tax Revenues**

**Federal Grants** - the net decreases in FYs 12-19 reflect decreases in federal funds for the lower income housing assistance program (DHS), the Defense Center for Research in Ocean Science (Department of Business, Economic Development and Tourism) and revision of estimated Pell Grant expenditures (UH).

**American Reinvestment and Recovery Funds** - the decrease in FY 12 reflects the lower than projected actual expenditures for funds for Hawaii State Highway projects (DOT-Highways Division); and the Drinking Water Treatment Program (Department of Health).

**Charges for Current Services** - the net increases in FY 12 and FY 13 reflect increases in projected revenue collections in drug rebates for Medicaid managed care organization clients in the Medical Assistance Program (DHS). The net decreases in FY 14 and FY 15 reflect the change of certain revolving funds to special funds in accordance with Act 124, SLH 2011, for UH.

**Repayments of Loans and Advances** - the net decreases in FY 12, FY 15 and FY 17 and net increases in FY 13, FY 16 and FY 18 are attributed to anticipated delays in loan repayments for several projects under development for affordable housing (Hawaii Housing Finance and Development Corporation (HHFDC)).

**Transfers** - the decrease in FY 12 and increase in FY 13 is attributed to a delay in the project bond issuances for projects under development for affordable housing (HHFDC).

**STATE OF HAWAII**  
**CONSOLIDATED MULTI-YEAR GENERAL FUND REVENUES FROM SOURCES OTHER THAN TAX,**  
**AND SPECIAL REVENUES FROM TAX & SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Actual/Est*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
REVENUES - TAX								
Special Revenue Fund	718,277	754,970	756,031	710,277	757,965	771,645	788,094	793,373
REVENUES - OTHER THAN TAX								
License & Permits / Use of Money & Prop./ Other Agencies / Fines, Forfeits & Penalties / Repayment of Loans & Adv.	323,543	361,441	328,043	382,031	355,310	321,842	345,155	338,974
Federal	2,782,251	2,627,849	2,656,769	2,729,374	2,781,246	2,937,495	2,937,495	2,937,495
Federal-American Reinvestment & Recovery Act	119,239	46,615	23,140	22,063	0	0	0	0
Charges for Current Services	1,791,597	1,901,412	1,906,432	1,946,271	1,991,483	2,009,932	2,031,411	2,049,116
Non-Revenue Receipts	1,680,605	1,407,738	1,333,215	1,336,839	1,343,576	1,346,714	1,345,831	1,346,824
Office of Hawaiian Affairs	20,214	19,207	15,100	15,100	15,100	15,100	15,100	15,100
Judiciary	<u>48,285</u>	<u>50,779</u>	<u>51,888</u>	<u>53,016</u>	<u>53,924</u>	<u>54,850</u>	<u>55,051</u>	<u>55,051</u>
Subtotal Revenues - Other Than Tax	<u>6,765,734</u>	<u>6,415,040</u>	<u>6,314,587</u>	<u>6,484,693</u>	<u>6,540,639</u>	<u>6,685,933</u>	<u>6,730,043</u>	<u>6,742,560</u>
TOTAL REVENUES	7,484,011	7,170,010	7,070,618	7,194,970	7,298,604	7,457,578	7,518,137	7,535,933
ADJUSTMENTS - Revenue Transfers	<u>234,702</u>	<u>117,193</u>	<u>95,206</u>	<u>95,203</u>	<u>99,809</u>	<u>99,960</u>	<u>99,959</u>	<u>99,965</u>
TOTAL ADJUSTED REVENUES	<u>7,249,309</u>	<u>7,052,817</u>	<u>6,975,412</u>	<u>7,099,767</u>	<u>7,198,795</u>	<u>7,357,618</u>	<u>7,418,178</u>	<u>7,435,968</u>

Prepared by: Department of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary revenues.

Table 1

September 6, 2012

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**STATE OF HAWAII**  
**GENERAL FUND**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Actual*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Licenses & Permits	6,003	5,813	5,813	1,013	1,013	1,013	1,013	1,013
Revenues from Use of Money and Property	22,638	26,999	26,131	25,168	24,227	24,227	24,227	24,227
Federal	13,457	4,488	4,488	4,488	4,488	4,488	4,488	4,488
Revenues from Other Agencies	25,354	27,682	16,180	16,180	2,538	2,538	2,538	2,538
Charges for Current Services	272,039	261,841	265,401	268,458	271,498	273,853	275,735	275,731
Fines, Forfeits & Penalties	650	445	435	445	435	435	435	435
Repayment of Loans & Advances	23,045	19,638	19,662	20,319	19,738	19,738	19,738	19,738
Non-Revenue Receipts	287,791	167,620	174,233	176,196	178,177	180,182	180,182	180,182
Judiciary	<u>37,175</u>	<u>38,965</u>	<u>39,651</u>	<u>40,351</u>	<u>41,065</u>	<u>41,793</u>	<u>41,793</u>	<u>41,793</u>
Total	<u>688,153</u>	<u>553,490</u>	<u>551,994</u>	<u>552,618</u>	<u>543,179</u>	<u>548,267</u>	<u>550,149</u>	<u>550,145</u>

Prepared by: Department of Budget & Finance  
Note: Due to rounding, details may not add to totals.  
\* Unaudited

September 6, 2012

**STATE OF HAWAII  
SPECIAL REVENUE FUND  
MULTI-YEAR TAX REVENUES  
FISCAL YEARS 2011 - 2018  
(in thousands of dollars)**

<u>Sources</u>	<u>Actual*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Transfer of Gen. Excise Tax	-	-	-	-	-	-	-	-
Transfer of Tobacco Tax	19,117	19,317	35,684	35,684	35,674	35,674	35,674	35,674
Liquid Fuel:								
Highway	87,230	87,230	87,665	88,102	88,542	88,983	89,427	89,873
Aviation	4,353	3,549	3,549	3,549	3,549	3,549	3,549	3,549
Small Boats	<u>1,611</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
Subtotal	93,194	92,379	92,814	93,251	93,691	94,132	94,576	95,022
Transfer of Transient Accom Tax	104,637	105,000	105,000	105,000	146,373	148,732	153,705	158,538
Motor Vehicle Weight Tax	58,679	66,846	67,681	68,527	69,384	70,251	71,129	71,129
Vehicle Registration Fee Tax	39,508	46,880	47,297	47,718	48,143	48,572	49,006	49,006
Vehicle Surcharge:								
Rental /Tour	44,987	45,632	46,315	47,007	47,710	48,419	49,139	49,139
Environmental Response Tax	9,203	8,940	8,940	8,940	1,340	1,340	1,340	1,340
Unemployment Comp Tax	320,669	342,000	326,000	277,000	288,000	296,000	305,000	305,000
Employment & Training	1,223	150	800	800	800	800	800	800
Election Campaign Contrib T.F.	16	200	150	100	100	100	100	100
Transfer of Banks & Fin. Corp Tax	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer of Conveyance Tax	23,189	23,775	21,500	22,400	22,900	23,775	23,775	23,775
Transfer of Tax on Ins. Premiums	<u>1,855</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>
<b>Total</b>	<b><u>718,278</u></b>	<b><u>754,970</u></b>	<b><u>756,031</u></b>	<b><u>710,277</u></b>	<b><u>757,965</u></b>	<b><u>771,645</u></b>	<b><u>788,094</u></b>	<b><u>793,373</u></b>

Prepared by: Department of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited

Table 3

**STATE OF HAWAII**  
**SPECIAL REVENUE FUND - SPECIAL FUNDS**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2011 - 2018**  
(in thousands of dollars)

<u>Sources</u>	<u>Estimated *</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Licenses & Permits	20,410	21,229	20,093	20,895	20,050	20,560	20,181	19,994
Revenues from Use of Money and Property	51,114	51,694	59,614	62,546	64,677	66,231	66,542	66,718
Federal	508,719	304,743	300,604	300,603	300,603	300,603	300,603	300,603
Revenue from Other Agencies	31,433	41,610	40,362	40,361	54,003	54,003	54,003	54,003
Charges for Current Services:								
Utils & Other Enterprises	425,956	493,146	513,974	542,466	576,168	592,516	612,921	625,817
Others	981,212	1,026,969	1,034,368	1,041,585	1,047,657	1,052,447	1,053,037	1,058,113
Fines, Forfeits & Penalties	6,590	4,021	4,168	4,316	4,472	4,583	4,699	4,821
Non-Revenue Receipts	235,845	102,021	113,165	113,163	118,775	118,926	118,925	118,931
Judiciary	<u>11,110</u>	<u>11,814</u>	<u>12,237</u>	<u>12,665</u>	<u>12,859</u>	<u>13,057</u>	<u>13,258</u>	<u>13,258</u>
Total	<u>2,272,391</u>	<u>2,057,247</u>	<u>2,098,585</u>	<u>2,138,600</u>	<u>2,199,264</u>	<u>2,222,926</u>	<u>2,244,169</u>	<u>2,262,258</u>
Adjustments:								
Revenue Transfers	200,102	66,857	76,001	75,999	80,605	80,756	80,755	80,761
Adjusted Total	<u>2,072,289</u>	<u>1,990,390</u>	<u>2,022,584</u>	<u>2,062,601</u>	<u>2,118,659</u>	<u>2,142,170</u>	<u>2,163,414</u>	<u>2,181,497</u>

Prepared by: Department of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary

September 6, 2012

**STATE OF HAWAII**  
**SPECIAL REVENUE FUND - OTHER THAN SPECIAL FUNDS**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Estimated*</u> <u>FY2012</u>	<u>Estimated</u> <u>FY2013</u>	<u>Estimated</u> <u>FY2014</u>	<u>Estimated</u> <u>FY2015</u>	<u>Estimated</u> <u>FY2016</u>	<u>Estimated</u> <u>FY2017</u>	<u>Estimated</u> <u>FY2018</u>	<u>Estimated</u> <u>FY2019</u>
Licenses & Permits	488	600	600	599	599	599	599	599
Revenues from Use of Money and Property	74,316	68,724	68,327	68,220	68,854	68,888	68,459	68,227
Federal	2,260,075	2,318,618	2,351,677	2,424,283	2,476,155	2,632,404	2,632,404	2,632,404
Federal-American Recovery & Reinvestment Act	119,239	46,615	23,140	22,063	0	0	0	0
Revenues from Other Agencies	19,311	19,832	19,283	19,283	19,283	19,083	19,083	19,083
Charges for Current Services	112,389	119,456	92,689	93,762	96,160	91,116	89,718	89,455
Fines, Forfeits & Penalties	1,038	868	868	868	868	868	868	868
Repayment of Loans & Advances	41,153	72,286	46,507	101,817	74,553	39,076	62,770	56,710
Non-Revenue Receipts	1,156,968	1,138,097	1,045,817	1,047,480	1,046,624	1,047,606	1,046,724	1,047,711
Office of Hawaiian Affairs	<u>20,214</u>	<u>19,207</u>	<u>15,100</u>	<u>15,100</u>	<u>15,100</u>	<u>15,100</u>	<u>15,100</u>	<u>15,100</u>
<b>TOTAL</b>	<u><b>3,805,191</b></u>	<u><b>3,804,303</b></u>	<u><b>3,664,008</b></u>	<u><b>3,793,475</b></u>	<u><b>3,798,196</b></u>	<u><b>3,914,740</b></u>	<u><b>3,935,725</b></u>	<u><b>3,930,157</b></u>
Adjustments:								
Revenue Transfers	15,025	33,232	2,181	2,181	2,181	2,181	2,181	2,181
<b>Adjusted Total</b>	<u><b>3,790,166</b></u>	<u><b>3,771,071</b></u>	<u><b>3,661,827</b></u>	<u><b>3,791,294</b></u>	<u><b>3,796,015</b></u>	<u><b>3,912,559</b></u>	<u><b>3,933,544</b></u>	<u><b>3,927,976</b></u>

Prepared by: Dept. of Budget & Finance

September 6, 2012

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary

# Consumer Price Index - All Urban Consumers

## Original Data Value

**Series Id:** CUURA426SA0,CUUSA426SA0

**Not Seasonally Adjusted**

**Area:** Honolulu, HI

**Item:** All items

**Base Period:** 1982-84=100

**Years:** 2001 to 2012

Year	Annual	Change	HALF1	Change	HALF2	Change
2001	178.4		178.1		178.7	
2002	180.3	1.1%	180.1	1.1%	180.4	1.0%
2003	184.5	2.3%	183.2	1.7%	185.7	2.9%
2004	190.6	3.3%	189.2	3.3%	191.9	3.3%
2005	197.8	3.8%	195.0	3.1%	200.6	4.5%
2006	209.4	5.9%	206.4	5.8%	212.3	5.8%
2007	219.5	4.8%	216.6	5.0%	222.4	4.8%
2008	228.9	4.3%	227.3	4.9%	230.4	3.6%
2009	230.0	0.5%	228.1	0.3%	232.0	0.7%
2010	234.9	2.1%	233.8	2.5%	235.9	1.7%
2011	243.6	3.7%	241.9	3.5%	245.3	4.0%
2012			248.6	2.8%		



State of Hawaii Department of Budget and Finance

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# **OVERVIEW OF THE STATE'S GENERAL FUND FISCAL CONDITION**

**For Presentation to the Salary Commission  
December 11, 2012**



## State of Hawaii Department of Budget and Finance

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# **1. Council on Revenue**

## **2. Financial Plan**

### **A. FYB 14-15 Budget**

### **B. Risks & Issues**

## **3. Unfunded Liabilities**



**State of Hawaii Department of Budget and Finance**

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# **Council on Revenues' Projections**



# COR's Tax Projections

## Applicable to FY 13 & FB 14-15

(\$ Millions)

	<u>FY 12*</u>	<u>FY 13 P</u>	<u>FY 14 P</u>	<u>FY 15 P</u>	<u>Total FY 13-15</u>	<u>FY 16 P</u>	<u>FY 17 P</u>	<u>TOTAL FY12 - FY17</u>
<b><u>March 9, 2012</u></b>								
Growth Rate	12.0% P	7.5%	4.0%	6.2%		4.0%	5.0%	
\$ Amount	4,848.8	5,212.5	5,421.0	5,757.1	16,390.6	5,987.4	6,286.7	33,513.5
<b><u>May 30, 2012</u></b>								
Growth Rate	12.0% P	5.3%	4.0%	6.2%		4.0%	5.0%	
\$ Amount	4,848.8	5,105.8	5,310.0	5,639.3	16,055.1	5,864.8	6,158.1	32,926.9
<b><u>August 6, 2012</u></b>								
Growth Rate	14.9% A	5.3%	4.0%	6.2%		4.0%	5.0%	
\$ Amount	4,975.8	5,239.5	5,449.1	5,787.0	16,475.6	6,018.4	6,319.4	33,789.3
<b><u>September 10, 2012</u></b>								
Growth Rate	15.0% A	4.9%	3.9%	5.0%		1.2%	4.2%	
\$ Amount	4,978.0	5,223.1	5,427.2	5,698.2	16,348.5	5,767.2	6,010.4	33,104.1
Aug to Sept. 2012 Difference	0.1% 2.2	-0.4% (16.5)	-0.1% (21.9)	-1.2% (88.7)	(127.2)	-2.8% (251.2)	-0.8% (309.0)	(687.4)

\* P = Projected    A = Actual



## State of Hawaii Department of Budget and Finance

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# General Fund Financial Plan

# Updated GF Financial Plan Based on March 2012 COR Projections

(\$ millions)

	<u>Actual FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>
<b>REVENUES:</b>					
Council on Revenues 03/09/12 projections:					
Growth Rate	-0.8%	12.0%	7.5%	4.0%	6.2%
Tax revenues	4,329.3	4,848.8	5,212.5	5,421.0	5,757.1
Nontax revenues	793.1	558.8	554.9	553.2	553.8
	5,122.5	5,407.7	5,767.4	5,974.2	6,310.8
HHRF - repayment from GET				(55.5)	(55.5)
Other revenues & adjustments	(5.5)	117.5	7.3	7.2	7.2
2012 Legislature - revenue measures		5.0	(3.8)	(4.7)	(4.7)
<b>TOTAL - REVENUES</b>	<b>5,116.9</b>	<b>5,530.2</b>	<b>5,770.9</b>	<b>5,921.2</b>	<b>6,257.8</b>

# Updated GF Financial Plan – 2012 Legislation

(\$ millions)

	<u>Actual FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>
<b>EXPENDITURES:</b>					
<b>Executive Branch:</b>					
Executive budget - Act 106 (out-yrs Ex req)	4,943.3	5,443.5	5,598.8	5,890.7	6,077.7
Debt service based on Act 106				3.9	3.9
FY 12 reprojections		(81.6)			
Specific appropriations (prior sessions)	95.2				
Claims Against the State (Act 8/12, HB2476, CD1)		11.3	5.0	5.0	5.0
2012 Legislature - expenditure measures		19.2	38.4	6.1	4.4
Other FY 12 expenditure adjustments		(17.7)			
Sub-total - Specific apprns & other items	95.2	12.8	43.4	11.1	9.4
EXECUTIVE BRANCH EXP	5,038.5	5,374.7	5,642.2	5,905.7	6,091.0
Legislative Branch	31.7	32.2	32.2	32.2	32.2
Judicial Branch (Act 190/12)	130.7	132.7	134.5	134.5	134.5
OHA	2.5	2.4	2.4	2.4	2.4
Lapses	(234.7)	(65.0)	(65.0)	(65.0)	(65.0)
TOTAL EXPENDITURES	4,968.7	5,476.9	5,746.3	6,009.8	6,195.1
REV OVER EXPEND	148.2	53.3	24.6	(88.7)	62.7
CARRY-OVER BEGIN BALANCE	(22.2)	126.0	179.3	203.9	115.2
ENDING BALANCE	126.0	179.3	203.9	115.2	178.0

# Updated GF Financial Plan – May 2012 COR Revisions

(\$ millions)

	<u>Actual FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>
<b>COR 05/30/12 updates:</b>					
<b>Tax revenues:</b>					
	-0.8%	12.0%	5.3%	4.0%	6.2%
05-30-12	4,329.3	4,848.8	5,105.8	5,310.0	5,639.3
	-0.8%	12.0%	7.5%	4.0%	6.2%
03-09-12	4,329.3	4,848.8	5,212.5	5,421.0	5,757.1
Difference	0.0	0.0	(106.7)	(110.9)	(117.8)
<b>Non-tax revenues:</b>					
05-30-12	793.1	555.2	555.2	553.7	554.4
03-09-12	793.1	558.8	554.9	553.2	553.8
Difference	0.0	(3.6)	0.3	0.5	0.7
<b>Total - COR update difference</b>	<b>0.0</b>	<b>(3.6)</b>	<b>(106.4)</b>	<b>(110.4)</b>	<b>(117.1)</b>
<b>REV OVER EXPEND</b>	<b>148.2</b>	<b>49.6</b>	<b>(81.8)</b>	<b>(199.1)</b>	<b>(54.4)</b>
<b>CARRY-OVER BEGIN BALANCE</b>	<b>(22.2)</b>	<b>126.0</b>	<b>175.6</b>	<b>93.9</b>	<b>(105.2)</b>
<b>ENDING BALANCE</b>	<b>126.0</b>	<b>175.6</b>	<b>93.9</b>	<b>(105.2)</b>	<b>(159.6)</b>

# Updated GF Financial Plan – Aug 2012 COR Revisions

(\$ millions)

	<u>Actual FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>	<u>Estimated FY 16</u>	<u>Estimated FY 17</u>
COR 08/06/12 updates:							
Tax revenues:	-0.8%	14.9%	5.3%	4.0%	6.2%	4.0%	5.0%
08-06-12	4,329.3	4,975.8	5,239.5	5,449.1	5,787.0	6,018.4	6,319.4
	-0.8%	12.0%	5.3%	4.0%	6.2%	4.0%	5.0%
05-30-12	4,329.3	4,848.8	5,105.8	5,310.0	5,639.3	5,864.8	6,158.1
Difference	0.0	127.0	133.7	139.1	147.7	153.6	161.3
REV OVER EXPEND	148.2	176.6	52.0	(60.0)	93.3	199.4	330.9
CARRY-OVER BEGIN BALANCE	(22.2)	126.0	302.6	354.6	294.6	387.9	587.3
ENDING BALANCE	126.0	302.6	354.6	294.6	387.9	587.3	918.2

# Updated GF Financial Plan – Sep 2012 COR Revisions

(\$ millions)

		Actual <u>FY 11</u>	Estimated <u>FY 12</u>	Estimated <u>FY 13</u>	Estimated <u>FY 14</u>	Estimated <u>FY 15</u>	Estimated <u>FY 16</u>	Estimated <u>FY 17</u>
<b>COR 09/10/12 updates:</b>								
Tax revenues:		-0.8%	15.0%	4.9%	3.9%	5.0%	1.2%	4.2%
09-10-12		4,329.3	4,978.0	5,223.1	5,427.2	5,698.2	5,767.2	6,010.4
		-0.8%	14.9%	5.3%	4.0%	6.2%	4.0%	5.0%
08-06-12		4,329.3	4,975.8	5,239.5	5,449.1	5,787.0	6,018.4	6,319.4
Difference		0.0	2.2	(16.5)	(21.9)	(88.7)	(251.2)	(309.0)
<b>Non-tax revenues:</b>								
09-10-12		793.1	688.2	553.5	552.0	552.6	543.2	548.3
08-06-12		793.1	555.2	555.2	553.7	554.4	544.9	550.0
Difference		0.0	133.0	(1.7)	(1.7)	(1.8)	(1.7)	(1.7)
Total - COR update difference		0.0	135.2	(18.2)	(23.7)	(90.6)	(252.9)	(310.7)
<b>Adjustment to FAMIS:</b>								
Revenues			(128.1)					
Expenditures			34.4					
<b>Other adjustments:</b>								
Revenues - vetoed bill				2.1	2.1	2.1		
Expenditures - vetoed bill; Act 106 out-yrs				(0.2)	(9.9)	(22.2)	(43.1)	(80.2)
REV OVER EXPEND		148.2	149.3	36.1	(71.7)	27.0	(10.4)	100.4
CARRY-OVER BEGIN BALANCE		(22.2)	126.0	275.3	311.4	239.7	266.8	256.4
ENDING BALANCE		126.0	275.3	311.4	239.7	266.8	256.4	356.8

# Other Expenditure Adjustments & Other Considerations

(\$ millions)							
	Actual FY 11	Estimated FY 12	Estimated FY 13	Estimated FY 14	Estimated FY 15	Estimated FY 16	Estimated FY 17
Other considerations:							
OPEB actuarially required contributions (@20%)				100.0	105.5	111.3	117.4
Anti-spiking bill (Act 153/12)				13.0	13.0	13.0	13.0
Reprojections of fixed costs:							
Medicaid				#	#		
EUTF			(17.2)	(24.6)	(36.7)	(53.7)	(75.1)
Pension accumulation/social security				#	#	#	#
DHHL funding commitment beginning FY15					#	#	#
Federal Sequestration				25.0	25.0	#	#
Areas in budget that may have problems			#	#	#	#	#
IT initiative				#	#	#	#
Early childhood initiative				#	#	#	#
Collective bargaining costs for FB 14-15				#	#	#	#
Sub-total - Expenditure adj		0.0	(17.2)	113.4	106.8	70.6	55.3
REV OVER EXPEND	148.2	149.3	53.2	(185.1)	(79.7)	(81.0)	45.1
CARRY-OVER BEGIN BALANCE	(22.2)	126.0	275.3	328.6	143.5	63.7	(17.3)
ENDING BALANCE	126.0	275.3	328.6	143.5	63.7	(17.3)	27.8



# External Risk Factors

- **Europe's economic uncertainty**
- **Uncertain impact of cuts in federal spending on Hawaii's economy & funding of State programs**
- **Possibility of high oil prices due to continuing tensions in the Middle East**
- **Tourism at near record levels – limited carrying capacity for continuous expansion**
- **Future years sustainability – are near term funding increases sustainable over long term?**

# **Budget Issues for Next Biennium & Beyond**

- **Collective bargaining in FB 14-15**
- **Federal fund cutbacks**
- **OPEB pre-funding**
- **DHHL funding commitment beginning FY 15**
- **Trouble areas in budget (e.g., school bus, etc.)**
- **Information technology initiative**
- **Early childhood initiative**



## State of Hawaii Department of Budget and Finance

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# Unfunded Liabilities

# State's Unfunded Pension Liabilities

- **Unfunded actuarial accrued liabilities (UAAL) for FY 11 is \$8.2 billion, up from \$7.1 billion for FY 10<sup>1</sup>**
- **Hawaii's UAAL per capita (\$5,236) for FY10 is 5<sup>th</sup> highest among states<sup>2</sup> (highest means most UAAL per capita)**
- **Funded ratio for FY 11 is 59.4%, down from 61.4% for FY 10**
- **Hawaii's funded ratio for FY 10 is 41<sup>st</sup> highest among states<sup>2</sup> (highest means largest percentage funded)**
- **Hawaii's debt per capita (\$3,606) plus UAAL per capita for FY 10 is 3<sup>rd</sup> highest among states<sup>2</sup> (highest means most debt & UAAL per capita)**

1 Employees' Retirement System of the State of Hawaii, 86<sup>th</sup> Annual Actuarial Valuation for FY 2011

2 Standard & Poor's, June 21, 2012

# State's Unfunded OPEB Liabilities

- **State is currently paying for retiree health benefits on a pay-as-you-go basis – no prefunding**
- **Other Post-Employment Benefits (OPEB) UAAL as of July 1, 2011 is \$13.6 billion,<sup>1</sup> down<sup>2</sup> from \$14.0 billion as of July 1, 2009 (includes Employers Union Trust Fund (EUTF) & Hawaii State Teachers Association VEBA; on January 1, 2011, HSTA VEBA was merged into EUTF)**
- **Hawaii's OPEB UAAL per capita (\$9,973) for FY 10 ranked 2<sup>nd</sup> highest among 48 reporting states<sup>3</sup> (highest means most UAAL per capita)**
- **Annual Required Contribution (ARC) for FY 13 is \$994.9 million, of which \$474.5 million is normal cost & \$520.4 million is amortization of UAAL**

1 State of Hawaii Employer-Union Trust Fund Postemployment Benefits Other Than Pensions Actuarial Valuation Study as of July 1, 2011

2 OPEB liabilities are lower than prior valuation amounts because: recognition of changes in the prescription drug plan decreased plan costs; overall healthcare costs experience was favorable compared to assumed trend; future healthcare trend was revised for updated expectations & employer caps are anticipated to have a greater impact as Medicare B premium index used to adjust these levels decreased from 2011 to 2012

3 Bloomberg Rankings, State Unfunded OPEB Per Capita, 2010 & 2009 & Dept. of Budget & Finance 109 of 253 calculation based on EUTF OPEB valuation as of 7/1/11 & 2010 census population data

# Why Pension & OPEB Unfunded Liabilities Matter?

- **These liabilities total \$21.8 billion – over 4 times the FY 12 Executive operating budget (\$5.4 billion) & about \$15,209 per capita**
- **A growing percentage of the operating budget will have to be devoted to satisfying these obligations in the future – meaning less money for improving schools & other priority programs, even future wage increases**
- **The State is a frequent borrower in the bond market & rating agencies, as well as bond buyers, are placing increasing focus on pension & OPEB liabilities in their evaluation of an entity's credit**
- **Hawaii's metrics in this area are very poor & in the future there is a fair possibility of ratings downgrades if the State doesn't take corrective action relative to its peers – this could lead to increased borrowing costs, meaning less money for schools, etc.**

NEIL ABERCROMBIE  
GOVERNOR



DAVID M. LOUIE  
ATTORNEY GENERAL

RUSSELL A. SUZUKI  
FIRST DEPUTY ATTORNEY GENERAL

**STATE OF HAWAII**  
**DEPARTMENT OF THE ATTORNEY GENERAL**  
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December 24, 2012

The Honorable Barbara A. Krieg  
Director of Human Resources Development  
State of Hawaii  
235 S. Beretania Street, Suite 1400  
Honolulu, Hawai'i 96813

Attention Ms. Joy H. Inouye

Dear Ms. Krieg:

Re: Section 26-56, Hawaii Revised Statutes

By an e-mail message dated November 30, 2012, Ms. Joy H. Inouye, as staff to the Commission on Salaries, asked the following questions from the 2012-2013 Commission on Salaries ("Commission"), as applied to the provision in section 26-56, Hawaii Revised Statutes (HRS), which states that "[t]he commission shall not recommend salaries lower than salary amounts recommended by prior commissions replaced by this section." Your questions are as follows:

1. Does the [phrase] "prior commissions replaced by this section" refer to the Commission on Salaries in its current form as authorized by Article XVI, section 3.5 of the State of Hawaii Constitution; or the Executive Salary Commission, Judicial Salary Commission, and Legislative Salary Commission that [were] abolished in 2006?
2. If it is the former, e.g., the 2012-2013 [Commission] cannot make recommendations that are lower than the 2006-2007 Commission on Salaries recommendations, is the 2012-2013 Commission restricted from recommending salaries lower than what [were] recommended\* (even if not actually implemented) by the 2006-2007 Commission, or restricted from recommending salaries that are lower than the actual salaries (e.g., 6/30/2009 salaries reduced by 5%)[?]
3. If it is the latter, e.g., the 2012-2013 Commission cannot recommend salaries that are lower than the salaries recommended by the commissions that were abolished in 2006, is this Commission restricted from recommending salaries lower than what was

recommended\* by the commissions that were abolished?

\* Some recommendations are effected prospectively (e.g., 1/1/2013, 7/1/2013, 1/1/2014).

4. What effective date should be used to determine the minimum salary?

Short Answers:

1. The phrase “prior commissions replaced by this section” refers to the abolished salary commissions replaced by the Commission on Salaries established by Act 299, Session Laws of Hawaii 2006. The constitutional amendment that provided for a single “commission on salaries as provided by law” also repealed the constitutional provisions providing for the separate commissions for the legislative and judicial salaries and Act 299 also repealed the statutes pertaining to the separate commissions on executive and on judicial salaries. We believe that the “prior commissions” referred to are those separate commissions that were abolished and replaced by the single Commission on Salaries.
2. In view of our answer to question 1, we need not answer this question.
3. In view of our answer to question 1 that the phrase “prior commissions replaced by this section” refers to the abolished separate salary commissions, we believe that the restriction, “[t]he commission shall not recommend salaries lower than salary amounts recommended by prior commissions replaced by this section,” refers to the recommendations of the abolished commissions, so our answer is literally, yes, the 2012-2013 Commission is restricted from recommending salaries lower than what was recommended, including those salaries recommended prospectively, by the commissions that were abolished.
4. If by “minimum salary” you mean the salary to be considered the existing salary prior to July 1, 2013, then for the purpose of reviewing salaries for the period from July 1, 2013, onward, the anticipated existing salaries are the July 1, 2012, executive and judicial salary rates and the January 1, 2013, legislative salary rates established by the 2006-2007 Commission, which salary rates will be restored on July 1, 2013, pursuant to section 4 of Act 48, Session Laws of Hawaii 2012.

Discussion:

In 2006, House Bill No. 1917 was passed by the Legislature and ratified by the electorate on November 7, 2006, to amend the Hawai‘i Constitution to establish a single salary commission to review and make recommendations for the salary of the Governor, Lieutenant Governor, other officers in the executive branch, the members of the Legislature, and justices and judges. Previously, this task was performed by separate salary commissions.



Article XVI, section 3.5, of the Hawai'i Constitution provides in part as follows:

There shall be a commission on salaries **as provided by law**, which shall review and recommend salaries for the justices and judges of all state courts, members of the legislature, department heads or executive officers of the executive departments and the deputies or assistants to department heads of the executive departments **as provided by law**, excluding the University of Hawaii and the department of education. The commission shall also review and make recommendations for the salary of the administrative director of the State or equivalent position and the salary of the governor and the lieutenant governor. [Emphases added.]

House Bill No. 1917 also amended article III, section 9, and article VI, section 3, of the Hawai'i Constitution to repeal provisions establishing the separate commissions on legislative and on judicial salaries.

Article XVI, section 3.5, contains the phrase "as provided by law," which means that the constitutional provisions are not self executing and legislation to implement them is required to make them operative. See Board of Education v. Waihee, 70 Haw. 253 (1989) (The phrase "as provided by law" in the context of state constitutional provisions is a directive to the legislature to enact implementing legislation). In order to implement the constitutional amendment, House Bill No. 1918 was introduced to statutorily establish the Commission on Salaries, contingent on the ratification of the constitutional amendment. House Bill No. 1918 was enacted as Act 299, Session Laws of Hawaii 2006, effective upon the ratification of the constitutional amendment on November 6, 2006. The new statutory section establishing the single Commission on Salaries has been codified as section 26-56, Hawaii Revised Statutes. Act 299 also repealed section 26-55, Hawaii Revised Statutes, that provided for the Executive Salary Commission and section 608-1.5, Hawaii Revised Statutes, that provided for the Judicial Salary Commission. Act 299 clearly was enacted to implement the constitutional amendment to replace the separate salary commissions with the single Commission on Salaries.

The House Committee on Judiciary in House Standing Committee Report No. 615-06 (2006) made amendments to H.B. No. 1918 to add the wording referencing "prior commissions," by "[p]rohibiting the Commission from recommending salaries lower than salary amounts recommended by prior commissions replaced by the bill." The bill not only established the Commission on Salaries, but also repealed the statutes that established the separate commissions for executive and judicial salaries. House Bill No. 1918 was enacted as Act 299, Session Laws of Hawaii 2006, and the prohibition is codified in section 26-56(b), Hawaii Revised Statutes, and provides in relevant part that "[t]he commission shall not recommend salaries lower than salary amounts recommended by prior commissions replaced by this section." We believe that the "prior commissions" referred to are the separate salary commissions that were replaced by the Commission on Salaries. Consequently, the 2012-2013 Commission on Salaries should be aware of the recommendations of the separate salary commissions to avoid violating the restriction.

Although the Commission on Salaries submitted its recommendations to the Legislature for consideration during the regular session of 2007 and those recommendations were not disapproved, Act 85, Session Laws of Hawaii 2009, reduced the salaries and leaves of absence of certain members of the executive, legislative, and judicial branches of the State in recognition of Hawai'i's poor fiscal condition. In 2011, because of the continued economic crisis, the recommendations of the 2006 Commission that were to take effect under the provisions of Act 85 were again postponed by Act 57, Session Laws of Hawaii 2011.

In 2012, the Legislature enacted Act 48, which made further amendments to the law. Section 1 of the Act provides as follows:

The commission on salaries was established by constitutional amendment that was ratified by Hawaii voters in 2006. The commission is charged with reviewing and recommending salaries for state justices and judges, legislators, the governor, the lieutenant governor, and specified appointed officials within the executive branch. The commission convened in 2006 and submitted its report and recommendations to the legislature in 2007 with a schedule of salary recommendations. By constitutional law, the salaries recommended and submitted by the commission become effective as provided in the recommendation, unless the legislature disapproves the recommendation in its entirety. The legislature did not disapprove the recommendations of the commission convened in 2006.

Section 4 of Act 48 repeals and froze those salary reductions previously imposed by Acts 85 and 57 at 11:59 p.m. on June 30, 2013, and paragraph (3) provides as follows:

**On July 1, 2013, and thereafter, unless modified by the adoption of the recommendations of the commission on salaries scheduled to convene in 2012, all salaries reduced by Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011, as amended by this Act, and notwithstanding section 26-56(d), Hawaii Revised Statutes, shall be at the rates provided for by the recommendations, dated March 14, 2007, of the commission on salaries convened in 2006. [Emphases added.]**

Based on those 2007 recommendations, the salary rates specified for July 1, 2012, for the executive and judicial salaries and the salary rates specified for January 1, 2013, for the legislative salaries would be the last salary rates that would have become effective by July 1, 2013.

In our previous advice to you dated November 2, 2012, we provided advice on the question of whether the 2006 Commission's recommendation for incremental increases for

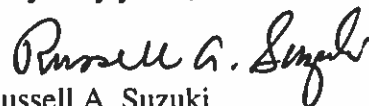
legislators that are to take effect after the convening of the 2012 Commission, was in conflict with the provisions of HRS § 26-56(d), which provides in part that:

The commission shall convene in the month of November 2006, and every six years thereafter. Not later than the fortieth legislative day of the regular session of 2007, and every six years thereafter, the commission shall submit a report of its findings and its salary recommendations to the legislature, through the governor. The commission may include incremental increases that take effect **prior** to the convening of the next salary commission. [Emphasis added.]

We advised that the prior commission did not correctly apply section 26-56(d) when it set incremental increases for legislators that were to take effect beyond the convening of the next commission. Upon further review of that advice, we believe that by the enactment of Act 48, Session Laws of Hawaii 2012, the Legislature modified the provisions of section 26-56(d) by providing in Act 48 that "On July 1, 2013, and thereafter, unless modified by the adoption of the recommendations of the commission on salaries scheduled to convene in 2012, all salaries reduced by Act 85, Sessions Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011, as amended by this Act, **and notwithstanding section 26-56(d), Hawaii Revised Statutes**, shall be at the rates provided for by the recommendations, dated March 14, 2007, of the commission on salaries convened in 2006." (Emphasis added.) Therefore, we must modify our November 2, 2012, legal advice, because we now believe that, while the salary recommendations for legislators that were made by the 2006 Commission on Salaries were inconsistent with the provisions of 26-56(d), subsequent legislation, Act 48, Session Laws of Hawaii 2012, trumped section 26-56(d) and validated the Commission's recommendation.

Should you have questions, please feel free to contact us further.

Very truly yours,



Russell A. Suzuki  
First Deputy Attorney General

APPROVED:



David M. Louie  
Attorney General



STATE OF HAWAII  
DEPARTMENT OF THE ATTORNEY GENERAL  
425 QUEEN STREET  
HONOLULU, HAWAII 96813  
(808) 586-1500

November 2, 2012

TO: The Honorable Barbara A. Krieg  
Director  
Department of Human Resources and Development

FROM: Russell A. Suzuki  
First Deputy Attorney General

SUBJECT: Salary Commission

This responds to your question emailed on October 31, 2012.

Q. Can the Commission on Salaries set an incremental increase for legislators to take effect after November 2018 or does the Commission instead have to schedule the last increase for a date before November 2018 (when the next Commission is expected to convene)?

A. We believe that Section 26-56(d), Hawaii Revised Statutes clearly requires that the last incremental increase for legislators must be scheduled for a date prior to **November 2018**.

Section 26-56(d), Hawaii Revised Statutes, provides in part that:

The commission shall convene in the month of November 2006, and every six years thereafter. Not later than the fortieth legislative day of the regular session of 2007, and every six years thereafter, the commission shall submit a report of its findings and its salary recommendations to the legislature, through the governor. The commission may include incremental increases that take effect **prior** to the convening of the next salary commission. (Emphasis added).

We believe that the prior commission did not correctly apply section 26-56(d) when it set an incremental increase for legislators that was to take effect beyond the convening of the next commission. We do not agree that the same six-year measure is required for legislators.

Paragraph 2 of Section 26-56(d) provides that:

The recommended salaries submitted by the commission shall become effective July 1 of the next fiscal year unless the legislature disapproves the recommended salaries submitted by the commission through the adoption of a concurrent resolution, which shall be approved by a simple majority of each house of the legislature, prior to adjournment sine die of the legislative session in which the recommended salaries are submitted; **provided that any change in salary which becomes effective shall not apply to the legislature to which the recommendation for the change in salary was submitted.** (Emphasis added).

If you are asking whether the incremental increases for legislators must be identical amongst the categories of public officers who are within the purview of the Commission, we advise that they do not. The Commission could take into consideration the fact that for legislators any recommendation would not be applicable to the Twenty-seventh State Legislature and would be applied to legislators of the Twenty-eighth State Legislature until November 2018. The standard by which the Commission's adjustments would be tested is generally whether the differences amongst the categories of officers bear a reasonable relationship to a legitimate state interest. See Eielson v. Parker, 179 Conn. 552, 427 A.2d 814 (1980); New York City Managerial Employees Ass'n. v. Dinkins, 807 F.Supp. 958 (U.S.D.C., S.D.N.Y. 1992) (Equal protection challenge based upon economic classification must be judged under a rational basis standard.) We believe that the incremental increases could be adjusted for legislators by taking into consideration the fact that the effective period for them would not include increases for the first two years that other public officers would receive.

**For release 10:00 a.m. (EDT) Wednesday, May 25, 2011**

USDL-11-0761

Technical information: (202) 691-6199 • NCSinfo@bls.gov • www.bls.gov/ncs

Media contact: (202) 691-5902 • PressOffice@bls.gov

## OCCUPATIONAL PAY COMPARISONS AMONG METROPOLITAN AREAS, 2010

Average pay for civilian workers in the San Jose-San Francisco-Oakland, CA metropolitan area was 20 percent above the national average in 2010, one of 77 metropolitan areas studied by the National Compensation Survey (NCS), the U.S. Bureau of Labor Statistics reported today. The Brownsville-Harlingen, TX metropolitan area had a pay relative of 80, meaning workers earned an average of 80 cents for every dollar earned by workers nationwide. Using data from the NCS, pay relatives—a means of assessing pay differences—are available for each of the nine major occupational groups within surveyed metropolitan areas, as well as averaged across all occupations for each area. The average pay relative nationally for all occupations and for each occupational group equals 100. (See table 1.)

A pay relative is a calculation of pay—wages, salaries, commissions, and production bonuses—for a given metropolitan area relative to the nation as a whole. The calculation controls for differences among areas in occupational composition, establishment and occupational characteristics, and the fact that data are collected for areas at different times during the year. Simple pay comparisons calculating the ratio of the average pay for an area to the entire United States in percentage terms would not control for interarea differences in occupational composition and other factors, which may impact pay relatives.

**Chart 1. Pay relatives in selected metropolitan areas, National Compensation Survey, July 2010**

Pay Relative (United States = 100)



Chart 1 above lists selected metropolitan area pay relatives compared to average pay nationally among those studied in the NCS. Table A provides selected metropolitan area pay relatives for each of five major occupational groups. In addition, area-to-area comparisons have been calculated for all 77 metropolitan areas and are available on the BLS website at <http://www.bls.gov/ncs/ocs/payrel.htm>.

**Table A. Selected metropolitan area-to-national pay relatives and major occupational groups, July 2010 (of 77 metropolitan areas surveyed)**

Major Occupational Group	Metropolitan Area	Pay Relative
Management, business, and financial	New York-Newark-Bridgeport, NY-NJ-CT-PA	120
	Los Angeles-Long Beach-Riverside, CA	108
	Reno-Sparks, NV	108
	Salinas, CA	108
	San Jose-San Francisco-Oakland, CA	108
Office and administrative support	San Jose-San Francisco-Oakland, CA	120
	New York-Newark-Bridgeport, NY-NJ-CT-PA	115
	Boston-Worcester-Manchester, MA-NH	114
	Hartford-West Hartford-Willimantic, CT	114
	Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	112
Service	San Jose-San Francisco-Oakland, CA	126
	Salinas, CA	123
	Seattle-Tacoma-Olympia, WA	123
	Hartford-West Hartford-Willimantic, CT	119
	Minneapolis-St. Paul-St. Cloud, MN-WI	115
	San Diego-Carlsbad-San Marcos, CA	115
Production	Detroit-Warren-Flint, MI	117
	Sacramento-Arden-Arcade-Truckee, CA-NV	117
	Bloomington-Normal, IL	116
	Seattle-Tacoma-Olympia, WA	115
	Providence-New Bedford-Fall River, RI-MA	113
Transportation and material moving	Seattle-Tacoma-Olympia, WA	117
	Minneapolis-St. Paul-St. Cloud, MN-WI	114
	Boston-Worcester-Manchester, MA-NH	111
	Kansas City, MO-KS	110
	Salinas, CA	109
	San Jose-San Francisco-Oakland, CA	109

The pay relative for production occupations in the Detroit-Warren-Flint, MI and Sacramento-Arden-Arcade-Truckee, CA-NV areas was 117, meaning the pay in these two metropolitan areas averaged 17 percent more than the national average pay for that occupational group. By contrast, the pay relative for production workers in the Brownsville-Harlingen, Texas area was 80, meaning pay for workers in those occupations averaged 20 percent less than the national average. (See table 1.)

Statistical significance measures are not available for news release and area-to-area comparison tables.

#### **NOTICE OF FINAL NEWS RELEASE**

This is the final Occupational Pay Comparisons Among Metropolitan Areas news release. Funding for the Locality Pay Survey program is ending. However, the other programs of the National Compensation Survey, such as the Employment Cost Index, Employer Costs for Employee Compensation, and benefit publications will continue to be produced.

## TECHNICAL NOTE

### Pay relative controls and calculations

Pay relatives control for differences among areas in occupational composition as well as establishment and occupational characteristics. Metropolitan areas often differ greatly in the composition of establishments and occupations that are available to the local workforce. For example, in Brownsville-Harlingen, Texas, the ratio of workers in the high-paying management, business, and financial occupational group to the number of workers in all occupations is under 6 percent, whereas nationally this ratio is nearly 10 percent.<sup>1</sup> In addition to these factors, the NCS collects compensation data for metropolitan areas at different times during the year. Payroll reference dates differ between areas, which makes direct comparisons between areas difficult.

The pay relative approach controls for these differences to isolate the geographic effect on wages. To illustrate the importance of controlling for these effects, consider the following example. The average pay for construction and extraction workers in the New York-Newark-Bridgeport, NY-NJ-CT-PA metropolitan area in 2010 was \$32.54 and in the United States, \$21.18.<sup>2</sup> A simple pay comparison can be calculated from the ratio of the two average pay levels, multiplied by 100 to express the comparison as a percentage. The pay comparison in the example is calculated as:

$$(\$32.54 \div \$21.18) * 100 \cong 154$$

This comparison does not control for differences between New York and the nation in the mix of occupations, industries, and other factors. A more accurate estimate of the geographic effect of wages in New York can be obtained by taking these differences into account. Controlling for differences in occupational composition, establishment and occupational characteristics, and the payroll reference date in New York relative to the nation as a whole, the pay relative for construction and extraction occupations in New York is 129.

### Survey methodology

Pay relatives were estimated using a multivariate regression technique designed to control for interarea differences. This technique controls for the following ten characteristics:

- Occupational type
- Industry type
- Work level
- Full-time / part-time status
- Time / incentive status
- Union / nonunion status
- Ownership type
- Profit / non-profit status
- Establishment employment
- Payroll reference date

Even accounting for the characteristics used in the current regression analysis, there is still wage variation across the areas. The variation is due to differences in wage determinants that were not included in the model. Examples of these determinants include price levels, environmental amenities such as a pleasant climate, and cultural amenities.



Historical pay relatives data are available for the survey years 1992-1996, 1998, 2002, 2004-2009. There are several differences between the recent pay relatives and the pay relatives for earlier years, including different industry and occupation classification systems, varying methodology, and different survey designs. These differences limit comparability. The pay relatives since 2004 have been calculated using the same industry and occupation classification systems, methodology, and survey design. Nonetheless, comparisons between the estimates for these years should be made only with caution.

For more details on survey design, methodology, classification systems, recent changes in the survey, and appropriate uses and limitations of the data, see *BLS Handbook of Methods*, Chapter 8, “National Compensation Measures,” available on the Internet at [http://www.bls.gov/opub/hom/homch8\\_a.htm](http://www.bls.gov/opub/hom/homch8_a.htm), especially the major section “Area-to-Nation and Area-to-Area Pay Comparisons.”

### Obtaining information

Articles, bulletins, and other information from the National Compensation Survey may be obtained by calling (202) 691-6199, sending email to [NCSinfo@bls.gov](mailto:NCSinfo@bls.gov), or visiting the Internet site <http://www.bls.gov/ncs>. Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service Number: 1-800-877-8339.

<sup>1</sup>Data for this example are based on the May 2010 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, on the Internet at <http://www.bls.gov/oes/current/oessrcma.htm>.

<sup>2</sup> Average pay for construction and extraction workers in New York and for the United States are based on wage estimates published in *New York-Newark-Bridgeport, NY-NJ-CT-PA National Compensation Survey, May 2010* and *National Compensation Survey: Occupational Earnings in the United States, 2010*, on the Internet at <http://www.bls.gov/ncs/ocs/compub.htm>.

Table 1. Pay relatives for major occupational groups in metropolitan areas, National Compensation Survey, July 2010

(Average pay nationally for all occupations and for each occupational group shown = 100.)

Metropolitan Area <sup>1</sup>	All occupations	Management, business, and financial	Professional and related	Service	Sales and related	Office and administrative support	Construction and extraction	Installation, maintenance, and repair	Production	Transportation and material moving
United States .....	100	100	100	100	100	100	100	100	100	100
Amarillo, TX .....	88	94	79	90	96	90	88	97	88	92
Atlanta-Sandy Springs-Gainesville, GA-AL .....	98	101	101	94	95	101	86	94	97	105
Austin-Round Rock-San Marcos, TX .....	94	92	92	91	102	95	84	108	90	97
Birmingham-Hoover, AL .....	94	93	98	98	89	97	80	97	94	99
Bloomington, IN .....	91	94	88	86	86	92	83	93	104	100
Bloomington-Normal, IL .....	100	91	103	99	103	97	118	86	116	100
Boston-Worcester-Manchester, MA-NH .....	111	102	111	112	107	114	115	113	108	111
Brownsville-Harlingen, TX .....	80	84	88	88	71	80	68	79	80	77
Buffalo-Niagara-Cattaraugus, NY .....	97	95	90	101	92	94	107	97	110	101
Charleston-North Charleston-Summerville, SC .....	94	91	98	88	105	92	83	95	108	98
Charlotte-Gastonia-Rock Hill, NC-SC .....	99	101	97	98	103	101	87	104	100	95
Chicago-Naperville-Michigan City, IL-IN-WI .....	106	105	107	106	103	107	129	109	103	104
Cincinnati-Middletown-Wilmington, OH-KY-IN .....	100	103	97	99	110	100	80	100	102	105
Cleveland-Akron-Elyria, OH .....	100	102	98	99	98	102	109	112	101	101
Columbus-Marion-Chillicothe, OH .....	100	96	96	102	104	102	108	102	104	99
Corpus Christi, TX .....	90	80	91	88	90	87	96	108	96	91
Dallas-Fort Worth, TX .....	98	98	100	93	102	99	89	98	93	100
Dayton-Springfield-Greenville, OH .....	96	99	92	101	95	92	92	98	99	99
Denver-Aurora-Boulder, CO .....	102	97	101	106	106	104	94	111	100	101
Detroit-Warren-Flint, MI .....	102	98	105	95	99	100	103	98	117	104
Elkhart-Goshen, IN .....	93	97	90	100	95	94	103	86	93	100
Fort Collins-Loveland, CO .....	101	96	98	102	98	97	100	133	107	107
Grand Rapids-Wyoming, MI .....	100	90	98	101	114	101	104	91	102	96
Great Falls, MT .....	91	96	77	103	92	83	96	95	83	100
Greensboro-High Point, NC .....	95	100	98	92	93	96	87	91	99	103
Greenville-Mauldin-Easley, SC .....	95	99	93	96	93	95	77	82	110	98
Hartford-West Hartford-Willimantic, CT .....	111	107	109	119	107	114	112	112	109	107
Hickory-Lenoir-Morganton, NC .....	95	93	84	94	91	91	95	93	104	102
Honolulu, HI .....	105	104	101	114	104	98	115	109	112	95
Houston-Baytown-Huntsville, TX .....	99	101	105	91	102	101	90	97	98	95
Huntsville-Decatur, AL .....	98	104	102	93	99	95	91	94	99	96
Indianapolis-Anderson-Columbus, IN .....	95	86	96	94	82	97	98	103	104	97
Iowa City, IA .....	98	98	94	99	98	103	118	93	98	105
Johnstown, PA .....	88	86	85	94	91	90	95	78	88	86
Kansas City, MO-KS .....	99	93	100	96	101	97	95	101	106	110
Kennewick-Pasco-Richland, WA .....	105	103	99	109	107	104	107	102	96	108
Knoxville, TN .....	90	97	98	78	94	90	86	92	91	94
Lincoln, NE .....	87	78	84	91	82	90	82	88	92	94
Los Angeles-Long Beach-Riverside, CA .....	108	108	107	111	108	107	108	109	100	105
Louisville/Jefferson County-Elizabethtown-Scottsburg, KY-IN .....	96	89	96	99	101	98	100	92	103	89

See footnotes at end of table.

Table 1. **Pay relatives for major occupational groups in metropolitan areas, National Compensation Survey, July 2010 — Continued**

(Average pay nationally for all occupations and for each occupational group shown = 100.)

Metropolitan Area <sup>1</sup>	All occupations	Management, business, and financial	Professional and related	Service	Sales and related	Office and administrative support	Construction and extraction	Installation, maintenance, and repair	Production	Transportation and material moving
Memphis, TN-MS-AR .....	95	96	95	88	99	97	92	96	93	92
Miami-Fort Lauderdale-Pompano Beach, FL ...	97	104	89	98	99	99	96	98	96	100
Milwaukee-Racine-Waukesha, WI .....	102	99	96	99	109	100	115	100	108	104
Minneapolis-St. Paul-St. Cloud, MN-WI .....	107	102	102	115	107	105	111	108	109	114
Mobile, AL .....	90	98	91	90	87	92	102	82	96	103
New Orleans-Metairie-Kenner, LA .....	98	94	103	90	102	99	90	106	111	104
New York-Newark-Bridgeport, NY-NJ-CT-PA ..	114	120	114	114	108	115	129	110	106	103
Ocala, FL .....	87	84	85	88	89	95	81	91	85	93
Oklahoma City, OK .....	92	97	90	95	99	87	115	84	81	104
Orlando-Kissimmee-Sanford, FL .....	91	89	84	93	94	92	95	95	100	105
Palm Bay-Melbourne-Titusville, FL .....	92	81	87	94	96	89	97	95	98	102
Philadelphia-Camden-Vineland, PA-NJ-DE-MD .....	104	103	104	101	98	109	108	107	99	105
Phoenix-Mesa-Glendale, AZ .....	99	105	103	98	101	99	86	98	95	99
Pittsburgh-New Castle, PA .....	95	88	95	93	94	95	95	96	101	97
Portland-Vancouver-Hillsboro, OR-WA .....	105	101	103	110	106	106	106	114	104	101
Providence-New Bedford-Fall River, RI-MA .....	104	95	105	105	103	107	114	110	113	104
Reading, PA .....	101	104	106	97	102	102	101	96	102	100
Reno-Sparks, NV .....	101	108	98	99	103	102	98	104	102	101
Richmond, VA .....	98	96	96	94	97	102	90	102	100	98
Rochester, NY .....	101	103	101	103	105	100	101	96	106	107
Rockford, IL .....	98	88	93	101	100	97	116	95	99	104
Sacramento-Arden-Arcade-Truckee, CA-NV ...	108	104	110	111	109	103	117	110	117	108
Salinas, CA .....	113	108	115	123	124	107	116	119	93	109
San Antonio-New Braunfels, TX .....	92	91	96	92	90	94	97	97	90	91
San Diego-Carlsbad-San Marcos, CA .....	107	105	106	115	108	104	106	107	101	102
San Jose-San Francisco-Oakland, CA .....	120	108	120	126	124	120	128	124	109	109
Seattle-Tacoma-Olympia, WA .....	112	105	109	123	109	108	115	103	115	117
Springfield, MA .....	107	97	110	111	99	106	114	97	105	106
Springfield, MO .....	89	93	85	89	92	88	83	86	97	92
St. Louis, MO-IL .....	100	96	101	97	99	102	107	111	98	97
Tallahassee, FL .....	88	78	82	92	92	90	97	90	85	92
Tampa-St. Petersburg-Clearwater, FL .....	93	95	88	96	92	96	93	90	89	93
Virginia Beach-Norfolk-Newport News, VA-NC .....	92	88	92	90	93	95	87	97	91	89
Visalia-Porterville, CA .....	99	87	105	107	102	93	95	99	103	99
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV .....	109	105	111	106	109	112	106	112	107	105
York-Hanover, PA .....	97	101	100	96	98	95	101	93	103	102
Youngstown-Warren-Boardman, OH-PA .....	91	98	89	90	92	92	90	96	100	87

<sup>1</sup> A metropolitan area can be a Metropolitan Statistical Area (MSA) or Combined Statistical Area (CSA) as defined by the Office of Management and Budget, December 2003.

NEIL ABERCROMBIE  
GOVERNOR



A-11

NEIL DIETZ  
CHIEF NEGOTIATOR

**STATE OF HAWAII**  
**OFFICE OF COLLECTIVE BARGAINING**  
**EXECUTIVE OFFICE OF THE GOVERNOR**  
235 S. BERETANIA STREET, SUITE 1201  
HONOLULU, HAWAII 96813-2437

Chairman Michael P. Irish and  
Members of the Commission on Salaries  
c/o Department of Human Resources Development  
235 S. Beretania Street, Room 1202  
Honolulu, HI 96813

January 21, 2013

Dear Chairman Irish and Members of the Salary Commission,

I would like to take this opportunity to thank you for the work you are doing developing the recommendations you are about to make to the Legislature. As you finalize that recommendation, please take into account your recommendation will also be considered a factor in current collective bargaining negotiations as well as any interest arbitrations that may arise from these negotiations.

When we consider a wage position in collective bargaining, one of the considerations we look at is the impact on the State if that wage position is applied to all State employees. We must look at such application as a matter of simple fairness and equity. This is especially important as we begin to transition from a time when labor cost savings from public employees was critical to the State's budget and into a time that we begin to examine restoration of those labor cost savings and the possibility of wage increases.

Clearly we have to balance revenue and budgetary requirements to not create a negative impact on our State's economic recovery efforts.

Your recommendation will be examined and quoted in discussions far beyond the realm that recommendation is intended to impact. That is a reality. Please keep that reality in mind as you draft not only an amount but the reasoning for making your recommendation.

Please accept my personal best wishes as you complete the complex task before you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil Dietz".

Neil Dietz, Chief Negotiator

NEIL ABERCROMBIE  
GOVERNOR



BARBARA A. KRIEG  
DIRECTOR

LEILA A. KAGAWA  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT**  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

January 18, 2013

Chairman Michael P. Irish and  
Members of the Commission on Salaries  
c/o Department of Human Resources Development  
235 S. Beretania Street, Room 1202  
Honolulu, HI 96813

Aloha Chairman Irish and Members of the  
Commission on Salaries:

We appreciate the complexity of the Commission's work and the numerous factors for consideration when formulating salary recommendations to the Legislature. As the Commission proceeds with its deliberations, we ask that among the factors for consideration, you include the State's budget challenges and the effect of fiscal constraints on our public employees.

As a reminder, our State employees are currently experiencing wage freezes and, in most cases, lower effective wages than several years ago. It is apparent that future wage increases, if any, will necessarily be modest. Notwithstanding these challenges, we appreciate that our employees remain dedicated to working hard and serving the public.

We respectfully request that you remain mindful of the above as you proceed with your deliberations.

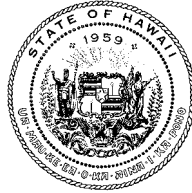
Mahalo nui loa,

A handwritten signature in cursive script, appearing to read "Barbara A. Krieg".

Barbara A. Krieg  
Director

**NEIL ABERCROMBIE**  
GOVERNOR

**SHAN TSUTSUI**  
LT. GOVERNOR



**RICHARD F. KAHLE, JR.**  
CHAIR

**JACK P. SUYDERHOUD**  
VICE-CHAIR

**MEMBERS:**

Avery K. Aoki  
Carl S. Bonham  
Christopher Grandy  
Kristi L. Maynard  
Marilyn M. Niwao

## **COUNCIL ON REVENUES**

STATE OF HAWAII  
P.O. BOX 259  
HONOLULU, HAWAII 96809-0259

January 7, 2013

The Honorable Neil Abercrombie  
Governor, State of Hawaii  
Executive Chambers  
State Capitol, Fifth Floor  
Honolulu, HI 96813

Dear Governor Abercrombie:

At its meeting on January 3, 2013, the Council on Revenues increased its forecast for growth in General Fund tax revenues in fiscal year 2013 slightly, from 4.9% to 5.1%. The Council cited a strong visitor industry along with expected expansion in the rest of the economy for the fiscal year 2013 revision. The growth forecast for fiscal year 2014 was increased from 3.9% to 6.8%. The 2014 revision reflected the reduction in the cost of the renewable energy income tax credit that is expected to result from the new Administrative Rules recently issued by the Department of Taxation, and stronger economic growth compared with expectations in the Council's earlier forecast. Revisions for later years also came partly as a result of a reduction in the estimated future revenue costs of the renewable energy credit. The following are important sources of uncertainty over the future growth path of tax collections.

Firstly, the Council is uncertain about the size of future claims for the renewable energy credit. The credit has grown rapidly in recent years. Preliminary data from Department of Taxation indicate that the credit grew from \$3.1 million in tax year 2004 to \$30.9 million in tax year 2010, and there are indications that the growth in claims for the credit have accelerated in recent years. The Department of Business, Economic Development and Tourism estimated that claims for the credit in tax year 2012 may reach \$173.8 million, which would show up mostly in reduced net income tax collections in fiscal year 2013. The Department of Taxation has issued new Administrative Rules that may curb the revenue cost of the credit, but the new rules are not expected to have much influence on tax collections before fiscal year 2014.

Secondly, the Council is also still uncertain about the revenue that will be provided by the tax changes made by the Legislature in 2011, particularly the revenue gains that will come from Act 105, Session Laws of Hawaii 2011. An important question is the extent to which the revenue gains from the Act may be changing over time. The Act eliminated certain exemptions from the General Excise Tax (GET), but allowed the

exemptions to continue for some transactions that were “grandfathered.” The uncertainty arises partly because data on the GET exemptions are poor, but also because it is hard to know how taxpayers are responding. There are ways taxpayers can work around some of the lost GET exemptions to avoid the additional tax. The Tax Department agreed that the revenue gain from the Act in fiscal year 2012 could be as small as \$50 million. The Council decided to accept \$50 million as the revenue consequences of Act 105 for fiscal year 2012, which was about \$120 million lower than the Tax Department's original revenue estimate. The Council also adopted an estimate of \$70 million for the expected revenue gain in fiscal year 2013, which is considerably below the Department's original estimate of \$216 million.

Among other resources, the Council relies on an econometric model to translate the members' forecasts of economic variables into forecasts of tax collections. The model is a multi-year model for fiscal year 2013 through fiscal year 2019. The model anticipates that in most years, the growth rate for General Fund tax collections is greater than the growth rate for the economy as a whole. However, the relationship between income growth and revenue growth is variable and other factors, such as income tax credits and changes in tax laws, including changes in the allocation of certain taxes among the various funds, also play important roles in determining the General Fund collections.

Finally, I would like to point out that the federal Budget Control Act of 2011 may have important effects on Hawaii's economy. If Congress does not act in time, the so-called “fiscal cliff” may impose \$1.2 trillion in cuts, one-half of which will come from defense.

Revised forecasts of State General Fund tax revenues for fiscal year 2013 through fiscal year 2019 are shown in the table below:

Fiscal Year	General Fund Tax Revenues	
	Amount (in Thousands of Dollars)	Growth From Previous Year
2013	5,233,350	5.1%
2014	5,589,486	6.8%
2015	5,937,865	6.2%
2016	6,021,496	1.4%
2017	6,272,062	4.2%
2018	6,585,608	5.0%
2019	6,893,137	4.7%

In producing its forecasts, the Council adopted specific adjustments recommended by the Department of Taxation reflecting impacts on General Fund tax revenues of tax law changes enacted by the 2011 Legislature, including the following:

- Act 97 (SB 570 SD2 HD1 CD1). Part II repeals state tax deduction for taxpayers with Federal AGI above \$100,000 (for single taxpayers), \$200,000 (for joint filers), and \$150,000 (for heads of households). Part III caps itemized deductions at \$25,000 for a single taxpayer with Federal AGI of \$100,000 and above; \$50,000 for a joint filer with Federal AGI of \$200,000 and above; and \$37,500 for a head of household with Federal AGI of \$150,000 and above. Parts II and III sunset on January 1, 2016. Part IV delays the 10% increase in the standard deduction and the personal exemption by 2 years and makes them permanent.
- Act 103 (SB 1186 SD2 HD1 CD1) establishes a temporary \$10 minimum daily tax on each transient accommodation furnished at no charge. The act also temporarily limits the TAT revenue distribution to the counties to \$93 million per year, and limits the distribution to the Tourism Special Fund to \$69 million per year.
- Act 105 (SB 754 SD1 HD1 CD1) suspends certain GET exemptions and imposes tax at 4 percent on the previously exempt amounts for the period from July 1, 2011 to June 30, 2013.

The Department of Taxation has prepared a report for submission with this transmittal correspondence, detailing line-item forecasts for various components of the General Fund, reconciled to the Council's forecast growth rate for total General Fund Tax revenues. These line-item component estimates typically include, for example, General Excise Tax and Income Tax revenues that the Council on Revenues does not forecast individually. Also, the Department of Budget and Finance has prepared the attached report to update its projections for non-tax and special tax revenues Significant Changes from September 2012 Report.

Please advise us if we can be of further assistance or if we can answer any questions you may have.

Sincerely,



RICHARD F. KAHLE, JR.  
Chair, Council on Revenues

Attachments



**ESTIMATES OF GENERAL FUND TAX REVENUE FROM THE MEETING OF JANUARY 3, 2013: FY 2013 TO FY 2019**  
**Line item projections generated by Tax Research and Planning Office to be consistent with the Council's total growth forecast**  
(in thousands of dollars)

TYPE OF TAX	BASE		ESTIMATED						
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
General Excise and Use Tax	\$2,495,807	\$2,697,951	\$2,929,449	\$3,086,956	\$3,292,214	\$3,481,438	\$3,667,364	\$3,858,029	\$4,041,306
Individual Income Tax	1,246,672	1,540,588	1,571,178	1,708,604	1,832,085	1,885,674	1,936,715	2,031,066	2,129,123
Corporate Income Tax	34,573	73,027	56,295	74,809	82,177	83,043	79,982	84,403	85,098
Public Service Company Tax	117,940	150,528	156,289	162,270	168,480	174,927	181,622	188,573	195,789
Tax on Insurance Premiums	140,456	116,777	122,777	129,723	136,494	142,420	148,804	155,197	161,849
Cigarette and Tobacco Tax	106,137	102,853	103,258	107,478	91,852	95,930	100,241	104,696	109,344
Liquor Tax	48,054	48,854	50,257	51,303	52,174	53,003	53,816	54,642	55,480
Tax on Banks and Other Financial Corps.	31,677	5,229	27,848	26,237	28,903	29,299	30,828	31,525	32,708
Inheritance and Estate Tax 1/	6,899	14,125	14,449	14,753	15,062	15,379	15,702	16,031	16,368
Conveyance Tax	21,527	18,917	15,492	16,909	13,353	14,321	15,377	16,446	17,572
Miscellaneous Taxes 2/	19,812	82,697	19,390	19,396	14,378	1,148	1,118	1,088	1,088
Transient Accommodations Tax	59,757	126,302	166,668	191,048	210,693	44,914	40,493	43,912	47,412
<b>GENERAL FUND TOTAL</b>	<b>\$4,329,311</b>	<b>\$4,977,848</b>	<b>\$5,233,350</b>	<b>\$5,589,486</b>	<b>\$5,937,865</b>	<b>\$6,021,496</b>	<b>\$6,272,062</b>	<b>\$6,585,608</b>	<b>\$6,893,137</b>
<b>GROWTH RATE</b>	<b>-0.8%</b>	<b>15.0%</b>	<b>5.1%</b>	<b>6.8%</b>	<b>6.2%</b>	<b>1.4%</b>	<b>4.2%</b>	<b>5.0%</b>	<b>4.7%</b>

Notes:

1/ Act 74, SLH 2010, reinstates Hawaii's estate tax for persons who die after April 30, 2010.

2/ The figures on this line include penalty and interest charges, fees and license charges from various taxes, and allocations to the General Fund from the environmental response, energy and food security tax and from the rental motor vehicle surcharge.

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January 3, 2013

## **Significant Changes from September 2012 Report**

### **General Fund Non-Tax Revenues**

**Federal Grants** - increases in FYs 13-19 reflect estimates for the federal interest subsidy on Build America Bonds (Department of Budget and Finance (B&F)) that were not previously reported.

**Non-Revenue Receipts** - increase in FY 13 reflects the premiums on bonds that were sold in November 2012 (B&F). The increases in FYs 16-19 reflect increases in the estimates for the reimbursement of pension accumulation payments from non-general funds (B&F).

### **Special Tax Revenues**

**Liquid Fuel, Aviation** - increase in FY 12 reflects unaudited actual revenues collected. FYs 13-19 have been adjusted according to FY 12 actual collections (Department of Transportation (DOT) - Airports Division).

**Environmental Response Tax** - increases in FYs 14-19 reflect an increase in a proposed increase to the barrel tax. The increases reported are for the Energy Security Fund (Department of Business, Economic Development and Tourism (DBEDT)).

**Conveyance Tax** - increases in FYs 13-19 reflect revised revenue projections that were previously not updated. The revised projections are more consistent with actual FY 12 revenue collections that are deposited to the Land Conservation Fund (Department of Land and Natural Resources).

### **Special Fund Non-Tax Revenues**

**Federal Grants** - the increase in FY 12 reflects an increase in federal grants for airport construction (DOT-Airports Division).

**Revenues from Other Agencies** - the changes in FYs 13 and 14 reflect revisions to the University of Hawaii's (UH) Kapolei land sale strategy.

**Charges for Current Services** - the net increases in FYs 12-19 are reflective of increases in HMSA (Hawaii Medical Service Association) reimbursement rates and Medicaid payment rates for the Hawaii Health Systems Corporation.

**Charges for Current Services, Utilities** - the decreases in FYs 12-16 reflect projected decreases in airline terminal rental and landing fees for DOT-Airports Division.

**Fines** - the increase in FY 13 is attributed to the multi-state pharmaceutical settlement (Department of Commerce and Consumer Affairs).

### **Other than Special Fund Non-Tax Revenues**

**Federal Grants** - the net decrease in FY 12 reflects decreases in federal funds for the Temporary Assistance to Needy Families program (Department of Human Services (DHS)) and lower than projected reimbursements for the Childcare and Development Fund (DHS) and the First to Work Program (DHS). The net increases in FYs 14-16 are due to increases in federal funds for the Hawaii Electric Vehicle Demonstration Project (DBEDT).

**Charges for Current Services** - the net increase in FY 12 is attributed to an increase in rebates received from InformedRx. The net increase in FY 13 is reflective of the return of deposits made on self-funded plans with HMSA, HMA, and InformedRx (B&F).

**Non-Revenue Receipts** - net increases in FYs 12 and 13 are reflective of increases in employer/employee contributions for Other Post Employment Benefit Plans from the County of Kauai, Honolulu Board of Water Supply, Hawaii Department of Water, Kauai Department of Water, and City and County of Honolulu. The net decreases in FYs 14-19 are reflective of recalculated projections in employer/employee contributions into the Employer-Union Health Benefits Trust Fund health benefits plan based on actual contributions made in FY 13.

**Repayments of Loans and Advances** - the net decreases in FY 15 and FY 16 and net increase in FY 17 are attributed to anticipated delays in loan repayments for several projects under development for affordable housing (Hawaii Housing Finance and Development Corporation).

**STATE OF HAWAII**  
**CONSOLIDATED MULTI-YEAR GENERAL FUND REVENUES FROM SOURCES OTHER THAN TAX,**  
**AND SPECIAL REVENUES FROM TAX & SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Actual/Est*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
<b>REVENUES - TAX</b>								
Special Revenue Fund	718,277	757,629	765,297	719,543	771,140	784,820	801,269	806,548
<b>REVENUES - OTHER THAN TAX</b>								
License & Permits / Use of Money & Prop./ Other Agencies / Fines, Forfeits & Penalties / Repayment of Loans & Adv.	321,981	355,588	333,355	364,429	344,357	337,831	340,994	334,726
Federal	2,748,499	2,634,980	2,694,056	2,759,760	2,801,834	2,957,365	2,957,053	2,956,699
Federal-American Reinvestment & Recovery Act	118,542	49,911	24,702	22,700	0	0	0	0
Charges for Current Services	1,825,965	1,950,645	1,944,850	1,977,413	2,024,012	2,051,245	2,073,061	2,094,871
Non-Revenue Receipts	1,703,192	1,547,706	1,328,316	1,338,369	1,348,677	1,353,140	1,355,266	1,359,715
Office of Hawaiian Affairs	21,751	21,207	21,207	15,207	15,207	15,207	15,207	15,207
Judiciary	<u>47,870</u>	<u>48,941</u>	<u>49,769</u>	<u>50,620</u>	<u>51,485</u>	<u>52,375</u>	<u>53,277</u>	<u>54,195</u>
Subtotal Revenues - Other Than Tax	<u>6,787,801</u>	<u>6,608,979</u>	<u>6,396,255</u>	<u>6,528,498</u>	<u>6,585,572</u>	<u>6,767,163</u>	<u>6,794,858</u>	<u>6,815,413</u>
<b>TOTAL REVENUES</b>	7,506,078	7,366,608	7,161,552	7,248,041	7,356,712	7,551,983	7,596,127	7,621,961
<b>ADJUSTMENTS - Revenue Transfers</b>	<u>234,698</u>	<u>117,192</u>	<u>95,206</u>	<u>95,203</u>	<u>99,809</u>	<u>99,960</u>	<u>99,959</u>	<u>99,965</u>
<b>TOTAL ADJUSTED REVENUES</b>	<u>7,271,380</u>	<u>7,249,416</u>	<u>7,066,346</u>	<u>7,152,838</u>	<u>7,256,903</u>	<u>7,452,023</u>	<u>7,496,168</u>	<u>7,521,996</u>

Prepared by: Department of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary revenues.

Table 1

January 3, 2013

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**STATE OF HAWAII**  
**GENERAL FUND**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Actual*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Licenses & Permits	6,003	5,812	5,812	1,012	1,013	1,013	1,013	1,013
Revenues from Use of Money and Property	22,638	26,993	26,125	25,162	24,221	24,221	24,221	24,221
Federal	13,457	12,880	12,880	12,880	12,645	12,372	12,060	11,706
Revenues from Other Agencies	25,354	27,682	16,180	16,180	2,538	2,538	2,538	2,538
Charges for Current Services	272,039	264,039	265,550	268,454	271,239	273,951	275,978	277,803
Fines, Forfeits & Penalties	650	450	435	445	435	435	435	435
Repayment of Loans & Advances	23,045	19,638	19,662	20,319	19,738	19,738	19,738	19,738
Non-Revenue Receipts	287,791	262,072	171,056	178,883	184,629	187,951	191,339	194,795
Judiciary	<u>37,175</u>	<u>38,024</u>	<u>38,661</u>	<u>39,316</u>	<u>39,985</u>	<u>40,668</u>	<u>41,364</u>	<u>42,073</u>
Total	<u>688,153</u>	<u>657,589</u>	<u>556,361</u>	<u>562,652</u>	<u>556,443</u>	<u>562,887</u>	<u>568,686</u>	<u>574,322</u>

Prepared by: Department of Budget & Finance  
Note: Due to rounding, details may not add to totals.  
\* Unaudited

January 3, 2013

**STATE OF HAWAII  
SPECIAL REVENUE FUND  
MULTI-YEAR TAX REVENUES  
FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Actual*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Transfer of Gen. Excise Tax	-	-	-	-	-	-	-	-
Transfer of Tobacco Tax	19,117	19,114	35,237	35,237	35,237	35,237	35,237	35,237
Liquid Fuel:								
Highway	87,230	87,230	87,665	88,102	88,542	88,983	89,427	89,873
Aviation	4,353	4,338	4,338	4,338	4,338	4,338	4,338	4,338
Small Boats	<u>1,611</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
Subtotal	93,194	93,168	93,603	94,040	94,480	94,921	95,365	95,811
Transfer of Transient Accom Tax	104,637	105,000	105,000	105,000	146,373	148,732	153,705	158,538
Motor Vehicle Weight Tax	58,679	66,846	67,681	68,527	69,384	70,251	71,129	71,129
Vehicle Registration Fee Tax	39,508	47,303	47,720	48,142	48,566	48,995	49,429	49,429
Vehicle Surcharge:								
Rental /Tour	44,987	45,632	46,315	47,007	47,710	48,419	49,139	49,139
Environmental Response Tax	9,203	8,940	16,090	16,090	12,390	12,390	12,390	12,390
Unemployment Comp Tax	320,669	342,000	326,000	277,000	288,000	296,000	305,000	305,000
Employment & Training	1,223	100	450	450	450	450	450	450
Election Campaign Contrib T.F.	16	180	150	100	100	100	100	100
Transfer of Banks & Fin. Corp Tax	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer of Conveyance Tax	23,189	25,475	23,200	24,100	24,600	25,475	25,475	25,475
Transfer of Tax on Ins. Premiums	<u>1,855</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>
<b>Total</b>	<b><u>718,278</u></b>	<b><u>757,609</u></b>	<b><u>765,297</u></b>	<b><u>719,543</u></b>	<b><u>771,140</u></b>	<b><u>784,820</u></b>	<b><u>801,269</u></b>	<b><u>806,548</u></b>

Prepared by: Department of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited

Table 3

January 3, 2013  
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**STATE OF HAWAII**  
**SPECIAL REVENUE FUND - SPECIAL FUNDS**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Estimated *</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Licenses & Permits	20,249	20,365	20,170	20,922	20,129	20,585	20,260	20,021
Revenues from Use of Money and Property	48,051	49,242	57,154	59,685	61,878	63,322	63,662	63,788
Federal	526,904	302,361	302,557	302,557	302,557	302,557	302,557	302,557
Revenue from Other Agencies	31,433	32,710	49,362	40,361	54,003	54,003	54,003	54,003
Charges for Current Services:								
Utils & Other Enterprises	419,981	486,849	513,270	539,227	571,044	594,018	614,484	629,421
Others	1,014,144	1,054,448	1,067,194	1,077,137	1,084,701	1,091,342	1,092,063	1,097,074
Fines, Forfeits & Penalties	6,632	8,706	4,198	4,346	4,502	4,613	4,729	4,851
Non-Revenue Receipts	235,841	102,020	113,165	113,163	118,775	118,926	118,925	118,931
Judiciary	<u>10,695</u>	<u>10,917</u>	<u>11,108</u>	<u>11,304</u>	<u>11,500</u>	<u>11,707</u>	<u>11,913</u>	<u>12,122</u>
Total	<u>2,313,930</u>	<u>2,067,618</u>	<u>2,138,178</u>	<u>2,168,702</u>	<u>2,229,089</u>	<u>2,261,073</u>	<u>2,282,596</u>	<u>2,302,768</u>
Adjustments:								
Revenue Transfers	200,098	66,856	76,001	75,999	80,605	80,756	80,755	80,761
Adjusted Total	<u>2,113,832</u>	<u>2,000,762</u>	<u>2,062,177</u>	<u>2,092,703</u>	<u>2,148,484</u>	<u>2,180,317</u>	<u>2,201,841</u>	<u>2,222,007</u>

Prepared by: Department of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary

January 3, 2013

**STATE OF HAWAII**  
**SPECIAL REVENUE FUND - OTHER THAN SPECIAL FUNDS**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	Estimated* <u>FY2012</u>	Estimated <u>FY2013</u>	Estimated <u>FY2014</u>	Estimated <u>FY2015</u>	Estimated <u>FY2016</u>	Estimated <u>FY2017</u>	Estimated <u>FY2018</u>	Estimated <u>FY2019</u>
Licenses & Permits	488	570	600	599	599	599	599	599
Revenues from Use of Money and Property	75,936	69,711	66,721	66,613	67,233	67,267	66,838	66,606
Federal	2,208,138	2,319,739	2,378,619	2,444,323	2,486,632	2,642,436	2,642,436	2,642,436
Federal-American Recovery & Reinvestment Act	118,542	49,911	24,702	22,700	0	0	0	0
Revenues from Other Agencies	19,311	20,010	19,496	19,319	19,283	19,083	19,083	19,083
Charges for Current Services	119,801	145,310	98,836	92,595	97,028	91,934	90,536	90,573
Fines, Forfeits & Penalties	1,038	859	859	860	862	862	862	862
Repayment of Loans & Advances	41,153	72,840	46,581	88,605	67,923	59,552	63,013	56,968
Non-Revenue Receipts	1,179,560	1,183,615	1,044,095	1,046,323	1,045,273	1,046,263	1,045,002	1,045,989
Office of Hawaiian Affairs	<u>21,751</u>	<u>21,207</u>	<u>21,207</u>	<u>15,207</u>	<u>15,207</u>	<u>15,207</u>	<u>15,207</u>	<u>15,207</u>
<b>TOTAL</b>	<b><u>3,785,718</u></b>	<b><u>3,883,772</u></b>	<b><u>3,701,716</u></b>	<b><u>3,797,144</u></b>	<b><u>3,800,040</u></b>	<b><u>3,943,203</u></b>	<b><u>3,943,576</u></b>	<b><u>3,938,323</u></b>
Adjustments:								
Revenue Transfers	15,025	33,232	2,181	2,181	2,181	2,181	2,181	2,181
<b>Adjusted Total</b>	<b><u>3,770,693</u></b>	<b><u>3,850,540</u></b>	<b><u>3,699,535</u></b>	<b><u>3,794,963</u></b>	<b><u>3,797,859</u></b>	<b><u>3,941,022</u></b>	<b><u>3,941,395</u></b>	<b><u>3,936,142</u></b>

Prepared by: Dept. of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary

January 3, 2013



2007 Commission on Salaries  
Recommended vs. Actual Salary Increases

**Executive Salaries**

	<u>Recommend</u>	<u>Actual</u>	
7/1/2007	5.0%	5.0%	*Lt. Governor, Admin Director received a 14.7% increase; Tier 4 Dept. Heads, Tier 4 Deputy Dept. Heads received a 10.8% increase; all others received a 5% increase.
7/1/2008	6.8%*	6.8%*	
7/1/2009	7.4%**	-5.0%	
7/1/2010	3.5%	0.0%	
7/1/2011	3.5%	0.0%	
7/1/2012	3.5%	0.0%	**Tier 3 and 4 Dept. Heads, Tier 3 and 4 Deputy Dept. Heads received a 10.5% increase; all others received a 5% increase.
Total Compounded Increase	33.5%	6.5%	

**Judicial Salaries**

	<u>Recommend</u>	<u>Actual</u>
7/1/2007	10.0%	10.0%
7/1/2008	3.5%	3.5%
7/1/2009	10.0%	-5.0%
7/1/2010	3.5%	0.0%
7/1/2011	10.0%	0.0%
7/1/2012	3.5%	0.0%
Total Compounded Increase	47.6%	8.2%

**Legislative Salaries**

	<u>Recommend</u>	<u>Actual</u>
1/1/2009	35.5%	35.5%
7/1/2009		-5.0%
1/1/2010	3.5%	0.0%
1/1/2011	3.5%	0.0%
1/1/2012	3.5%	0.0%
1/1/2013	3.5%	0.0%
7/1/2013		20.7%
1/1/2014	3.5%	3.5%
Total Compounded Increase	60.9%	60.8%

## Executive Branch

## 2007 Commission on Salaries Recommendation vs. Actual Salaries Received

Position		No. of Empl.	Total Salaries 7/1/2007 to	Total Difference	Difference per Position	Percent Less than 2007 Commission Recommendation
Governor	Recommend	1	787,572			
	Actual	1	710,328	-77,244	-77,244	-9.8%
Lieutenant Governor	Recommend	1	758,508			
	Actual	1	683,124	-75,384	-75,384	-9.9%
Tier 1 Admin. Dir. of the State	Recommend	1	758,508			
	Actual	1	683,124	-75,384	-75,384	-9.9%
Tier 1 Dept. Head Attorney General	Recommend	1	768,216			
	Actual	1	692,832	-75,384	-75,384	-9.8%
Tier 2 Dept. Heads DOH, DOT, DAGS, DCCA, TAX, B&F	Recommend	6	4,389,696			
	Actual	6	3,959,064	-430,632	-71,772	-9.8%
Tier 3 Dept. Heads DHS, DLIR, DLNR, DBEDT	Recommend	4	2,881,584			
	Actual	4	2,507,136	-374,448	-93,612	-13.0%
Tier 4 Dept. Heads DOA, DHHL, PSD, DHRD	Recommend	4	2,859,744			
	Actual	4	2,485,296	-374,448	-93,612	-13.1%
Tier 1 Deputy Dept. Head Attorney General	Recommend	1	706,740			
	Rec Range					
	Actual	1	637,392			
	Actual Range			-69,348	-69,348	-9.8%
Tier 2 Deputy Dept. Heads DOH, DOT, DAGS, DCCA, TAX, B&F	Recommend	12	7,960,896			
	Rec Range					
	Actual	12	7,186,176			
	Actual Range			-774,720	-64,560	-9.7%
Tier 3 Deputy Dept. Heads DHS, DLIR, DLNR, DBEDT	Recommend	5	3,265,500			
	Rec Range					
	Actual	5	2,844,540			
	Actual Range			-420,960	-84,192	-12.9%
Tier 4 Deputy Dept. Heads DOA, DHHL, PSD, DHRD	Recommend	6	3,888,504			
	Rec Range					
	Actual	6	3,383,352			
	Actual Range			-505,152	-84,192	-13.0%
Total Recommended Salaries		42	29,025,468			
Total Actual Salaries Received		42	25,772,364	-3,253,104		-11.2%

Tier 2, 3, 4 deputy dept. head salaries for 7/1/2007 to 6/30/2010 based on range maximum, 7/1/2010 to 6/30/2013 based on range midpoint

## Judicial Branch

### 2007 Commission on Salaries Recommendation vs. Actual Salaries Received

Position		No. of Empl.	Total Salaries 7/1/2007 to 6/30/2013	Total Difference	Difference per Position	Percent Less than 2007 Commission Recommendation
Chief Justice, Supreme	Recommend	1	1,114,116			
	Actual	1	951,280	-162,836	-162,836	-14.6%
Associate Justice, Supreme	Recommend	4	4,297,008			
	Actual	4	3,668,960	-628,048	-157,012	-14.6%
Chief Judge, Intermediate	Recommend	1	1,034,592			
	Actual	1	883,328	-151,264	-151,264	-14.6%
Associate Judge, Intermediate	Recommend	5	4,973,280			
	Actual	5	4,246,460	-726,820	-145,364	-14.6%
Circuit Court Judge	Recommend	33	31,933,836			
	Actual	33	27,266,052	-4,667,784	-141,448	-14.6%
District/Family/Per Diem Court Judge	Recommend	48	43,774,272			
	Actual	48	37,377,984	-6,396,288	-133,256	-14.6%
Total Recommended Salaries		92	87,127,104			
Total Actual Salaries Received		92	74,394,064	-12,733,040		-14.6%

## Legislative Branch

### 2007 Commission on Salaries Recommendation vs. Actual Salaries Received

Position		No. of Empl.	Total Salaries 1/1/2009 to 12/31/2014	Total Difference	Difference per Position	Percent Less than 2007 Commission Recommendation
House Speaker/Senate President	Recommend	2	728,088			
	Actual	2	677,489	-50,599	-25,300	-6.9%
Representative/Senator	Recommend	74	23,609,256			
	Actual	74	21,848,086	-1,761,170	-23,800	-7.5%
Total Recommended Salaries		76	24,337,344			
Total Actual Salaries Received		76	22,525,574	-1,811,770		-7.4%

2007 Commission on Salaries Recommendation  
vs. Actual Salaries Received

Branch	No. of Empl.	Total Salaries Recommended by the 2007 Commission	Total Actual Salaries Received	Difference	Percent Difference
Executive	42	29,025,468	25,772,364	-3,253,104	-11%
Judicial	92	87,127,104	74,394,064	-12,733,040	-15%
Legislative	76	24,337,344	22,525,574	-1,811,770	-7%
Total	210	140,489,916	122,692,002	-17,797,914	-13%

**2012 - 2013 Commission on Salaries  
Cost for the Period 7/1/2013 to 6/30/2019**

Assumes Executive and Judicial annual salary increases from 7/1/2013 to 7/1/2018; assumes Legislative salary increases for 7/1/2013 (20.7%) and 1/1/2014 (3.5%) per recommendations from the 2007 Commission on Salaries, and annual increases on 1/1/2015, 1/1/2016, 1/1/2017, and 1/1/2018.

**Cost of 2006 abolished Commission's Recommendation (Minimum Increase)**

Branch	No. of Ees	Current Salaries (no increases) for 7/1/2013 - 6/30/2019	Cost of 2007 Recommendations (without additional increases) 7/1/2013 - 6/30/2019			Cost of 2006 Abolished Commissions' Recommendations (minimum increase) 7/1/2013 - 6/30/2019		
			Salaries	Difference with Current Salaries	Increase	Salaries	Difference with Current Salaries	Increase
Executive	42	25,425,072	31,872,312	6,447,240	25%	26,123,616	698,544	3%
Judicial	92	73,540,500	100,335,168	26,794,668	36%	80,755,560	7,215,060	10%
Legislative*	76	21,185,806	26,396,184	5,210,378	25%	26,396,184	5,210,378	25%
	210	120,151,378	158,603,664	38,452,286	32%	133,275,360	13,123,982	11%

**1% increase to 2007 Commission Recommendation**

Branch	No. of Ees	Current Salaries (no increases) for 7/1/2013 - 6/30/2019	Cost of 2007 Recommendations (without additional increases) 7/1/2013 - 6/30/2019			Cost of 2007 Recommendations + 1% increase 7/1/2013 - 6/30/2019				
			Salaries	Difference with Current Salaries	Increase	Cost of 1% Increase	Increase	Total Salaries	Difference with Current Salaries	Increase
Executive	42	25,425,072	31,872,312	6,447,240	25%	809,076	3%	32,681,388	7,256,316	29%
Judicial	92	73,540,500	100,335,168	26,794,668	36%	2,541,672	3%	102,876,840	29,336,340	40%
Legislative*	76	21,185,806	26,396,184	5,210,378	25%	535,308	2%	26,931,492	5,745,686	27%
	210	120,151,378	158,603,664	38,452,286	32%	3,886,056	2%	162,489,720	42,338,342	35%

**2% increase to 2007 Commission Recommendations**

Branch	No. of Ees	Current Salaries (no increases) for 7/1/2013 - 6/30/2019	Cost of 2007 Recommendations (without additional increases) 7/1/2013 - 6/30/2019			Cost of 2007 Recommendations + 2% increase 7/1/2013 - 6/30/2019				
			Salaries	Difference with Current Salaries	Increase	Cost of 2% Increase	Increase	Total Salaries	Difference with Current Salaries	Increase
Executive	42	25,425,072	31,872,312	6,447,240	25%	1,636,584	5%	33,508,896	8,083,824	32%
Judicial	92	73,540,500	100,335,168	26,794,668	36%	5,157,768	5%	105,492,936	31,952,436	43%
Legislative*	76	21,185,806	26,396,184	5,210,378	25%	1,078,116	4%	27,474,300	6,288,494	30%
	210	120,151,378	158,603,664	38,452,286	32%	7,872,468	5%	166,476,132	46,324,754	39%

### 3% increase to 2007 Commission Recommendations

			Cost of 2007 Recommendations (without additional increases) 7/1/2013 - 6/30/2019			Cost of 2007 Recommendations + 3% increase 7/1/2013 - 6/30/2019				
Branch	No. of Ees	Current Salaries (no increases) for 7/1/2013 - 6/30/2019	Salaries	Difference with Current Salaries	Increase	Cost of 3% Increase	Increase	Total Salaries	Difference with Current Salaries	Increase
Executive	42	25,425,072	31,872,312	6,447,240	25%	2,488,848	8%	34,361,160	8,936,088	35%
Judicial	92	73,540,500	100,335,168	26,794,668	36%	7,833,672	8%	108,168,840	34,628,340	47%
Legislative*	76	21,185,806	26,396,184	5,210,378	25%	1,641,168	6%	28,037,352	6,851,546	32%
	210	120,151,378	158,603,664	38,452,286	32%	11,963,688	8%	170,567,352	50,415,974	42%

### 4% increase to 2007 Commission Recommendations

			Cost of 2007 Recommendations (without additional increases) 7/1/2013 - 6/30/2019			Cost of 2007 Recommendations + 4% increase 7/1/2013 - 6/30/2019				
Branch	No. of Ees	Current Salaries (no increases) for 7/1/2013 - 6/30/2019	Salaries	Difference with Current Salaries	Increase	Cost of 4% Increase	Increase	Total Salaries	Difference with Current Salaries	Increase
Executive	42	25,425,072	31,872,312	6,447,240	25%	3,361,524	11%	35,233,836	9,808,764	39%
Judicial	92	73,540,500	100,335,168	26,794,668	36%	10,583,748	11%	110,918,916	37,378,416	51%
Legislative*	76	21,185,806	26,396,184	5,210,378	25%	2,214,552	8%	28,610,736	7,424,930	35%
	210	120,151,378	158,603,664	38,452,286	32%	16,159,824	10%	174,763,488	54,612,110	45%

### 5% increase to 2007 Commission Recommendations

			Cost of 2007 Recommendations (without additional increases) 7/1/2013 - 6/30/2019			Cost of 2007 Recommendations + 5% increase 7/1/2013 - 6/30/2019				
Branch	No. of Ees	Current Salaries (no increases) for 7/1/2013 - 6/30/2019	Salaries	Difference with Current Salaries	Increase	Cost of 5% Increase	Increase	Total Salaries	Difference with Current Salaries	Increase
Executive	42	25,425,072	31,872,312	6,447,240	25%	4,258,824	13%	36,131,136	10,706,064	42%
Judicial	92	73,540,500	100,335,168	26,794,668	36%	13,409,616	13%	113,744,784	40,204,284	55%
Legislative*	76	21,185,806	26,396,184	5,210,378	25%	2,794,248	11%	29,190,432	8,004,626	38%
	210	120,151,378	158,603,664	38,452,286	32%	20,462,688	13%	179,066,352	58,914,974	49%

% Increase	Total Cost	Difference	
1%	162,489,720		
2%	166,476,132	3,986,412	2.5%
3%	170,567,352	4,091,220	2.5%
4%	174,763,488	4,196,136	2.5%
5%	179,066,352	4,302,864	2.5%

# **Costing Scenarios** **For the Period 7/1/2013 to 6/30/2019**

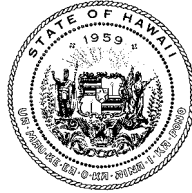
Assumes Executive and Judicial annual salary increases from 7/1/2013 to 7/1/2018; assumes Legislative salary increases for 7/1/2013 (20.7%) and 1/1/2014 (3.5%) per recommendations from the 2007 Commission on Salaries, and annual increases on 1/1/2015, 1/1/2016, 1/1/2017, and 1/1/2018.

% Increase	Cost of 2007 Commission Rec	Cost of Additional % Increase	Total Salaries	
0%	158,603,664		158,603,664	
1%	158,603,664	3,886,056	162,489,720	2.5%
2%	158,603,664	7,872,468	166,476,132	5.0%
3%	158,603,664	11,963,688	170,567,352	7.5%
4%	158,603,664	16,159,824	174,763,488	10.2%
5%	158,603,664	20,462,688	179,066,352	12.9%



**NEIL ABERCROMBIE**  
GOVERNOR

**SHAN TSUTSUI**  
LT. GOVERNOR



**RICHARD F. KAHLE, JR.**  
CHAIR

**JACK P. SUYDERHOUD**  
VICE-CHAIR

**MEMBERS:**

Avery K. Aoki  
Carl S. Bonham  
Christopher Grandy  
Kristi L. Maynard  
Marilyn M. Niwao

## **COUNCIL ON REVENUES**

STATE OF HAWAII  
P.O. BOX 259  
HONOLULU, HAWAII 96809-0259

March 15, 2013

The Honorable Neil Abercrombie  
Governor, State of Hawaii  
Executive Chambers  
State Capitol, Fifth Floor  
Honolulu, HI 96813

Dear Governor Abercrombie:

At its meeting on March 13, 2013, the Council on Revenues increased its forecast for growth in General Fund tax revenues from 5.1% to 6.7% for fiscal year 2013, from 6.8% to 7.3% for fiscal year 2014, and from 6.2% to 6.8% for fiscal year 2015.

Although the state tax collections are up 12 percent through the first eight months of the fiscal year 2013, the refunds for this period are substantially lower than in the same period for fiscal year 2012. The processing of the Modernized E-Filing returns has slowed the refunds, but the Department of Taxation expects to fully catch up with processing its refunds by the end of this fiscal year.

The Council cited the expected continuation of the strong visitor industry along with expected expansion in the rest of the economy for the revisions.

Among other resources, the Council relies on an econometric model to translate the members' forecasts of economic variables into forecasts of tax collections. The model is a multi-year model for fiscal year 2013 through fiscal year 2019. The model anticipates that in most years, the growth rate for General Fund tax collections is greater than the growth rate for the economy as a whole. However, the relationship between income growth and revenue growth is variable and other factors, such as income tax credits, changes in tax laws, and changes in the allocation of certain taxes among the various funds, also play important roles in determining the General Fund collections.

The Council raised its forecast despite possible adverse effects of the federal Budget Act of 2011, as the growing strength of the economy appears to outweigh the potential adverse effects of the sequestration.

Revised forecasts of State General Fund tax revenues for fiscal year 2013 through fiscal year 2019 are shown in the table below:

Fiscal Year	General Fund Tax Revenues	
	Amount (in Thousands of Dollars)	Growth From Previous Year
2013	5,309,520	6.7%
2014	5,699,206	7.3%
2015	6,084,232	6.8%
2016	6,170,549	1.4%
2017	6,428,277	4.2%
2018	6,749,326	5.0%
2019	7,064,223	4.7%

In producing its forecasts, the Council adopted specific adjustments recommended by the Department of Taxation reflecting impacts on General Fund tax revenues of tax law changes enacted by the 2011 Legislature, including the following:

- Act 97 (SB 570 SD2 HD1 CD1). Part II repeals state tax deduction for taxpayers with Federal AGI above \$100,000 (for single taxpayers), \$200,000 (for joint filers), and \$150,000 (for heads of households). Part III caps itemized deductions at \$25,000 for a single taxpayer with Federal AGI of \$100,000 and above; \$50,000 for a joint filer with Federal AGI of \$200,000 and above; and \$37,500 for a head of household with Federal AGI of \$150,000 and above. Parts II and III sunset on January 1, 2016. Part IV delays the 10% increase in the standard deduction and the personal exemption by 2 years and makes them permanent.
- Act 103 (SB 1186 SD2 HD1 CD1) establishes a temporary \$10 minimum daily tax on each transient accommodation furnished at no charge. The act also temporarily limits the TAT revenue distribution to the counties to \$93 million per year, and limits the distribution to the Tourism Special Fund to \$69 million per year.
- Act 105 (SB 754 SD1 HD1 CD1) suspends certain GET exemptions and imposes tax at 4 percent on the previously exempt amounts for the period from July 1, 2011 to June 30, 2013.

The Department of Taxation has prepared a report for submission with this transmittal correspondence, detailing line-item forecasts for various components of the General Fund, reconciled to the Council's forecast growth rate for total General Fund Tax revenues. The line-item forecasts include components, such as General Excise Tax and Income Tax revenues, that the Council on Revenues does not forecast individually. Also, the Department of Budget and Finance has prepared the attached report to update its

The Honorable Neil Abercrombie

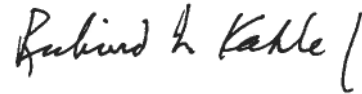
March 15, 2013

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projections for non-tax and special tax revenues Significant Changes from January 2013 Report.

Please advise us if we can be of further assistance or if we can answer any questions you may have.

Sincerely,

A handwritten signature in black ink, reading "Richard F. Kahle, Jr." with a stylized flourish at the end.

RICHARD F. KAHLE, JR.  
Chair, Council on Revenues

Attachments

**ESTIMATES OF GENERAL FUND TAX REVENUE FROM THE MEETING OF MARCH 13, 2013: FY 2013 TO FY 2019**  
**Line item projections generated by Tax Research and Planning Office to be consistent with the Council's forecast for the total General Fund revenues**  
(in thousands of dollars)

TYPE OF TAX	BASE		ESTIMATED						
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
General Excise and Use Tax	\$2,495,807	\$2,697,951	\$2,962,446	\$3,127,378	\$3,350,858	\$3,552,348	\$3,746,565	\$3,933,974	\$4,116,212
Individual Income Tax	1,246,672	1,540,588	1,612,070	1,767,013	1,911,672	1,958,067	2,011,770	2,115,158	2,220,640
Corporate Income Tax	34,573	73,027	56,647	81,896	85,293	86,836	79,554	85,288	86,877
Public Service Company Tax	117,940	150,528	155,740	161,416	167,300	174,007	180,983	188,239	195,786
Tax on Insurance Premiums	140,456	116,777	123,954	131,367	138,688	144,421	150,868	157,497	164,343
Cigarette and Tobacco Tax	106,137	102,853	103,034	107,104	91,420	95,414	99,482	103,656	107,939
Liquor Tax	48,054	48,854	50,219	51,271	52,094	52,985	53,862	54,754	55,660
Tax on Banks and Other Financial Corps.	31,677	5,229	27,848	26,420	28,849	29,572	31,397	32,096	33,050
Inheritance and Estate Tax	6,899	14,125	14,421	14,709	15,003	15,334	15,671	16,016	16,368
Conveyance Tax	21,527	18,917	15,729	17,245	13,707	14,648	15,717	16,830	17,994
Miscellaneous Taxes*	19,812	82,697	19,449	19,474	14,442	1,199	1,156	1,113	1,113
Transient Accommodations Tax	59,757	126,302	167,963	193,913	214,906	45,718	41,252	44,705	48,241
<b>GENERAL FUND TOTAL</b>	<b>\$4,329,311</b>	<b>\$4,977,848</b>	<b>\$5,309,520</b>	<b>\$5,699,206</b>	<b>\$6,084,232</b>	<b>\$6,170,549</b>	<b>\$6,428,277</b>	<b>\$6,749,326</b>	<b>\$7,064,223</b>
<b>GROWTH RATE</b>	<b>-0.8%</b>	<b>15.0%</b>	<b>6.7%</b>	<b>7.3%</b>	<b>6.8%</b>	<b>1.4%</b>	<b>4.2%</b>	<b>5.0%</b>	<b>4.7%</b>

\* The figures on this line include penalty and interest charges, fees and license charges from various taxes, and allocations to the General Fund from the environmental response, energy and food security tax and from the rental motor vehicle surcharge.

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March 13, 2013

## **Significant Changes from January 2013 Report**

### **General Fund Non-Tax Revenues**

The only significant change is due to moving the reporting of the estimates for the tobacco settlement moneys that are allocated to the general fund from the category, "Revenues from Other Agencies" to the category, "Non-Revenue Receipts" where it is being reported as a transfer from the Hawaii tobacco settlement special fund.

### **Special Tax Revenues**

There are no significant changes to the special fund tax revenue estimates.

### **Special Fund Non-Tax Revenues**

**Federal Grants** - the increase in FY 12 actuals reflect higher than anticipated amount in federal grants for Medicare payments (Hawaii Health Systems Corporation).

**Revenues from Other Agencies** - the changes in FYs 13-19 reflect revisions to the method in which Department of Health records the receipt of the Tobacco Settlement revenues from the Master Settlement Agreement, as well as revised projections of the anticipated distribution.

**Charges for Current Services** - the net decreases in FYs 12-19 are attributed to a correction in the revenue projections for the University of Hawaii tuition fees for resident and non-resident students. Adjustments included correction of a computational error and utilizing updated student enrollment projections.

**Revenue Transfers** - the increases in FYs 13-15 are attributed to increased transfers to the Department of Education (DOE) State Educational Facilities Improvement Special Fund to meet construction project funding needs.

### **Other than Special Fund Non-Tax Revenues**

**Federal Grants** - the net decreases in FYs 14 and 15 reflect decreases in federal funds for the Temporary Assistance to Needy Families program (Department of Human Services) and lower than projected reimbursements for the School Lunch Program (DOE).

**Charges for Current Services** - the decrease in FY 15 is attributed to a correction in the revenue projections for the Medicaid Investigations Fund (Department of the Attorney General).

**Non-Revenue Receipts** - the net increase in FY 13 is reflective of increases in contributions for Other Post Employment Benefit Plans from the City and County of Honolulu, County of Kauai, Honolulu Board of Water Supply, and Kauai Department of Water. The net increases in FYs 14-19 are reflective of recalculated projections for employer/employee contributions into the Employer-Union Health Benefits Trust Fund health benefits plan based on actual contributions made in FY 13 (Department of Budget and Finance).

**STATE OF HAWAII**  
**CONSOLIDATED MULTI-YEAR GENERAL FUND REVENUES FROM SOURCES OTHER THAN TAX,**  
**AND SPECIAL REVENUES FROM TAX & SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Actual/Est*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
<b>REVENUES - TAX</b>								
Special Revenue Fund	718,277	757,481	765,214	719,523	771,123	784,810	801,266	806,553
<b>REVENUES - OTHER THAN TAX</b>								
License & Permits / Use of Money & Prop./ Other Agencies / Fines, Forfeits & Penalties / Repayment of Loans & Adv.	322,003	354,736	328,424	360,435	339,297	331,842	333,950	328,588
Federal	2,753,192	2,614,569	2,688,608	2,755,941	2,798,264	2,953,975	2,953,663	2,953,309
Federal-American Reinvestment & Recovery Act	117,352	48,576	24,712	22,700	0	0	0	0
Charges for Current Services	1,816,999	1,943,337	1,936,519	1,986,580	2,037,657	2,079,830	2,101,954	2,123,276
Non-Revenue Receipts	1,703,192	1,666,612	1,420,487	1,397,250	1,362,038	1,369,824	1,371,678	1,376,394
Office of Hawaiian Affairs	21,751	21,207	21,207	15,207	15,207	15,207	15,207	15,207
Judiciary	<u>47,870</u>	<u>48,941</u>	<u>49,769</u>	<u>50,620</u>	<u>51,485</u>	<u>52,375</u>	<u>53,277</u>	<u>54,195</u>
Subtotal Revenues - Other Than Tax	<u>6,782,360</u>	<u>6,697,978</u>	<u>6,469,725</u>	<u>6,588,733</u>	<u>6,603,948</u>	<u>6,803,053</u>	<u>6,829,729</u>	<u>6,850,969</u>
<b>TOTAL REVENUES</b>	7,500,637	7,455,459	7,234,939	7,308,256	7,375,071	7,587,863	7,630,995	7,657,522
<b>ADJUSTMENTS - Revenue Transfers</b>	<u>234,698</u>	<u>177,192</u>	<u>155,206</u>	<u>125,203</u>	<u>99,809</u>	<u>99,960</u>	<u>99,959</u>	<u>99,965</u>
<b>TOTAL ADJUSTED REVENUES</b>	<u>7,265,939</u>	<u>7,278,267</u>	<u>7,079,733</u>	<u>7,183,053</u>	<u>7,275,262</u>	<u>7,487,903</u>	<u>7,531,036</u>	<u>7,557,557</u>

Prepared by: Department of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary revenues.

Table 1

March 13, 2013

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**STATE OF HAWAII**  
**GENERAL FUND**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Actual*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Licenses & Permits	6,003	5,812	5,812	1,012	1,013	1,013	1,013	1,013
Revenues from Use of Money and Property	22,638	27,138	26,125	25,162	24,221	24,221	24,221	24,221
Federal	13,457	12,880	12,880	12,880	12,645	12,372	12,060	11,706
Revenues from Other Agencies	25,354	2,538	2,538	2,538	2,538	2,538	2,538	2,538
Charges for Current Services	272,039	265,850	267,533	270,656	273,515	276,233	278,273	280,150
Fines, Forfeits & Penalties	650	460	435	445	435	445	435	445
Repayment of Loans & Advances	23,045	19,638	19,662	20,319	19,738	19,738	19,738	19,738
Non-Revenue Receipts	287,791	287,377	188,353	193,175	183,487	189,860	193,248	196,704
Judiciary	<u>37,175</u>	<u>38,024</u>	<u>38,661</u>	<u>39,316</u>	<u>39,985</u>	<u>40,668</u>	<u>41,364</u>	<u>42,073</u>
Total	<u>688,153</u>	<u>659,717</u>	<u>561,998</u>	<u>565,503</u>	<u>557,577</u>	<u>567,088</u>	<u>572,890</u>	<u>578,588</u>

Prepared by: Department of Budget & Finance  
Note: Due to rounding, details may not add to totals.  
\* Unaudited

March 13, 2013

**STATE OF HAWAII  
SPECIAL REVENUE FUND  
MULTI-YEAR TAX REVENUES  
FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Actual*</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Transfer of Gen. Excise Tax	-	-	-	-	-	-	-	-
Transfer of Tobacco Tax	19,117	19,125	35,261	35,261	35,260	35,260	35,260	35,260
Liquid Fuel:								
Highway	87,230	87,230	87,665	88,122	88,562	89,003	89,447	89,893
Aviation	4,353	4,338	4,338	4,338	4,338	4,338	4,338	4,338
Small Boats	<u>1,611</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
Subtotal	93,194	93,168	93,603	94,060	94,500	94,941	95,385	95,831
Transfer of Transient Accom Tax	104,637	105,000	105,000	105,000	146,373	148,732	153,705	158,538
Motor Vehicle Weight Tax	58,679	66,846	67,681	68,527	69,384	70,251	71,129	71,129
Vehicle Registration Fee Tax	39,508	47,061	47,478	47,899	48,324	48,753	49,187	49,187
Vehicle Surcharge:								
Rental /Tour	44,987	45,675	46,361	47,056	47,762	48,478	49,205	49,213
Environmental Response Tax	9,203	8,940	16,090	16,090	12,390	12,390	12,390	12,390
Unemployment Comp Tax	320,669	342,000	326,000	277,000	288,000	296,000	305,000	305,000
Employment & Training	1,223	100	450	450	450	450	450	450
Election Campaign Contrib T.F.	16	190	190	180	180	180	180	180
Transfer of Banks & Fin. Corp Tax	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer of Conveyance Tax	23,189	25,475	23,200	24,100	24,600	25,475	25,475	25,475
Transfer of Tax on Ins. Premiums	<u>1,855</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>
<b>Total</b>	<b><u>718,278</u></b>	<b><u>757,481</u></b>	<b><u>765,214</u></b>	<b><u>719,523</u></b>	<b><u>771,123</u></b>	<b><u>784,810</u></b>	<b><u>801,266</u></b>	<b><u>806,553</u></b>

Prepared by: Department of Budget & Finance  
Note: Due to rounding, details may not add to totals.  
\* Unaudited

Table 3



**STATE OF HAWAII**  
**SPECIAL REVENUE FUND - SPECIAL FUNDS**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Estimated *</u> <u>FY 2012</u>	<u>Estimated</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Estimated</u> <u>FY 2015</u>	<u>Estimated</u> <u>FY 2016</u>	<u>Estimated</u> <u>FY 2017</u>	<u>Estimated</u> <u>FY 2018</u>	<u>Estimated</u> <u>FY 2019</u>
Licenses & Permits	20,249	19,165	18,568	20,178	19,417	19,795	19,575	19,231
Revenues from Use of Money and Property	48,049	48,043	56,520	59,049	61,222	62,666	63,005	63,132
Federal	531,821	302,079	302,610	302,563	302,563	302,563	302,563	302,563
Revenue from Other Agencies	31,433	54,656	59,806	50,806	50,806	50,806	50,806	50,806
Charges for Current Services:								
Utils & Other Enterprises	419,981	486,849	513,270	539,227	571,044	594,018	614,484	629,421
Others	1,005,417	1,041,696	1,062,348	1,084,171	1,096,064	1,117,639	1,118,655	1,123,126
Fines, Forfeits & Penalties	6,632	9,748	4,206	4,357	4,513	4,624	4,740	4,862
Non-Revenue Receipts	235,841	162,020	173,165	143,163	118,775	118,926	118,925	118,931
Judiciary	<u>10,695</u>	<u>10,917</u>	<u>11,108</u>	<u>11,304</u>	<u>11,500</u>	<u>11,707</u>	<u>11,913</u>	<u>12,122</u>
Total	<u>2,310,118</u>	<u>2,135,173</u>	<u>2,201,601</u>	<u>2,214,818</u>	<u>2,235,904</u>	<u>2,282,744</u>	<u>2,304,666</u>	<u>2,324,194</u>
Adjustments:								
Revenue Transfers	200,098	126,856	136,001	105,999	80,605	80,756	80,755	80,761
Adjusted Total	<u>2,110,020</u>	<u>2,008,317</u>	<u>2,065,600</u>	<u>2,108,819</u>	<u>2,155,299</u>	<u>2,201,988</u>	<u>2,223,911</u>	<u>2,243,433</u>

Prepared by: Department of Budget & Finance

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary

March 13, 2013

**STATE OF HAWAII**  
**SPECIAL REVENUE FUND - OTHER THAN SPECIAL FUNDS**  
**MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAX**  
**FISCAL YEARS 2012 - 2019**  
(in thousands of dollars)

<u>Sources</u>	<u>Estimated*</u> <u>FY2012</u>	<u>Estimated</u> <u>FY2013</u>	<u>Estimated</u> <u>FY2014</u>	<u>Estimated</u> <u>FY2015</u>	<u>Estimated</u> <u>FY2016</u>	<u>Estimated</u> <u>FY2017</u>	<u>Estimated</u> <u>FY2018</u>	<u>Estimated</u> <u>FY2019</u>
Licenses & Permits	488	560	590	619	619	619	619	619
Revenues from Use of Money and Property	75,948	73,257	67,214	67,154	67,595	67,668	67,090	66,858
Federal	2,207,914	2,299,610	2,373,118	2,440,498	2,483,056	2,639,040	2,639,040	2,639,040
Federal-American Recovery & Reinvestment Act	117,352	48,576	24,712	22,700	0	0	0	0
Revenues from Other Agencies	19,323	20,022	19,508	19,331	19,295	19,095	19,095	19,095
Charges for Current Services	119,562	148,942	93,368	92,526	97,034	91,940	90,542	90,579
Fines, Forfeits & Penalties	1,038	859	859	860	862	862	862	862
Repayment of Loans & Advances	41,153	72,840	46,581	88,605	67,023	57,752	60,213	55,168
Non-Revenue Receipts	1,179,560	1,217,215	1,058,969	1,060,912	1,059,776	1,061,038	1,059,505	1,060,759
Office of Hawaiian Affairs	<u>21,751</u>	<u>21,207</u>	<u>21,207</u>	<u>15,207</u>	<u>15,207</u>	<u>15,207</u>	<u>15,207</u>	<u>15,207</u>
<b>TOTAL</b>	<b><u>3,784,089</u></b>	<b><u>3,903,088</u></b>	<b><u>3,706,126</u></b>	<b><u>3,808,412</u></b>	<b><u>3,810,467</u></b>	<b><u>3,953,221</u></b>	<b><u>3,952,173</u></b>	<b><u>3,948,187</u></b>
Adjustments:								
Revenue Transfers	15,025	33,232	2,181	2,181	2,181	2,181	2,181	2,181
<b>Adjusted Total</b>	<b><u>3,769,064</u></b>	<b><u>3,869,856</u></b>	<b><u>3,703,945</u></b>	<b><u>3,806,231</u></b>	<b><u>3,808,286</u></b>	<b><u>3,951,040</u></b>	<b><u>3,949,992</u></b>	<b><u>3,946,006</u></b>

Prepared by: Dept. of Budget & Finance

March 13, 2013

Note: Due to rounding, details may not add to totals.

\* Unaudited, preliminary

# Appendix B

## Executive Branch Appendices

## Executive Branch Salaries

						Attorney General						Health, Transportation, Accounting & General Services, Commerce & Consumer Affairs, Taxation, Budget & Finance						Human Services, Labor & Industrial Rel, Land & Natural Resources, Business Economic Development & Tourism						Human Resources Dev, Hawaiian Home Lands, Agriculture, Public Safety						
	Governor		Lt. Governor		Administrative Director of the State		Dept Head		Deputy				Dept Heads (6)		Deputies (11)				Dept Heads (4)		Deputies (5)				Dept Heads (4)		Deputies (6)			
									Min		Max				Min		Max				Min		Max				Min		Max	
1/1/1990	94,780		90,041		90,041		85,302		72,886		77,966		85,302		72,886		77,966		85,302		72,886		77,966		85,302		72,886		77,966	
7/1/1990		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1991		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1992		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1993		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1994		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1995		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1996		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1997		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1998		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/1999		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/2000		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/2001		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/2002		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/2003		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/2004		0%		0%		0%	105,000	23%	91,350	25%	96,600	24%	100,000	17%	87,000	19%	92,000	18%	95,000	11%	82,650	13%	87,400	12%	90,000	6%	78,300	7%	82,800	6%
7/1/2005		0%		0%		0%	107,100	2%	93,177	2%	98,532	2%	102,000	2%	88,740	2%	93,840	2%	96,900	2%	84,303	2%	89,148	2%	91,800	2%	79,866	2%	84,456	2%
7/1/2006	112,000	18%	100,000	11%	100,000	11%	109,242	2%	95,041	2%	100,503	2%	104,040	2%	90,515	2%	95,717	2%	98,838	2%	85,989	2%	90,931	2%	93,636	2%	81,463	2%	86,145	2%
7/1/2007	117,600	5%	105,000	5%	105,000	5%	114,708	5%	99,792	5%	105,528	5%	109,248	5%	95,040	5%	100,500	5%	103,776	5%	90,288	5%	95,472	5%	98,316	5%	85,536	5%	90,456	5%
7/1/2008	123,480	5%	120,444	15%	120,444	15%	120,444	5%	104,784	5%	110,808	5%	114,708	5%	99,792	5%	105,528	5%	108,960	5%	94,800	5%	100,248	5%	108,960	11%	94,800	11%	100,248	11%
7/1/2009	117,312	-5%	114,420	-5%	114,420	-5%	114,420	-5%	99,540	-5%	105,264	-5%	108,972	-5%	94,800	-5%	100,248	-5%	103,512	-5%	90,060	-5%	95,232	-5%	103,512	-5%	90,060	-5%	95,232	-5%
7/1/2010		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/2011		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%
7/1/2012		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%

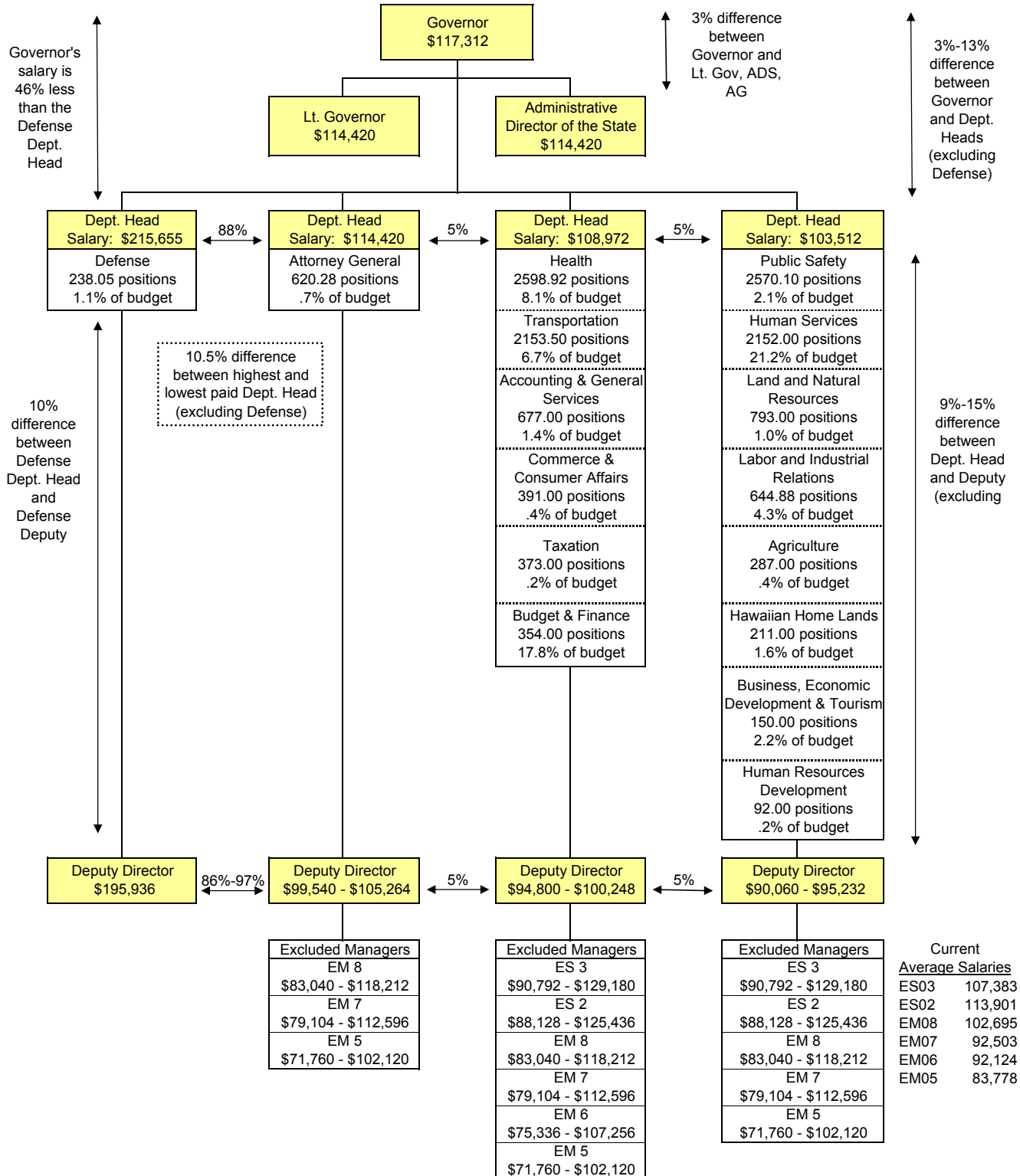
## Executive Salaries Adjusted by Act 57, 2011 Legislative Session

Position	As of 7/1/2006	7/1/2007		7/1/2008		7/1/2009		7/1/2010		7/1/2011		7/1/2012	
	Annual	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
Governor	112,000	117,600	9,800	123,480	10,290	117,312	9,776	117,312	9,776	117,312	9,776	117,312	9,776
Lieutenant Governor	100,000	105,000	8,750	120,444	10,037	114,420	9,535	114,420	9,535	114,420	9,535	114,420	9,535
<b>Tier 1</b>													
Admin. Director of the State	100,000	105,000	8,750	120,444	10,037	114,420	9,535	114,420	9,535	114,420	9,535	114,420	9,535
<b>Tier 1 Dept. Head</b>													
Attorney General	109,242	114,708	9,559	120,444	10,037	114,420	9,535	114,420	9,535	114,420	9,535	114,420	9,535
<b>Tier 2 Dept. Heads</b>													
DOH, DOT, DAGS, DCCA, TAX, B&F	104,040	109,248	9,104	114,708	9,559	108,972	9,081	108,972	9,081	108,972	9,081	108,972	9,081
<b>Tier 3 Dept. Heads <sup>2</sup></b>													
DHS, DLIR, DLNR, DBEDT	98,838	103,776	8,648	108,960	9,080	103,512	8,626	103,512	8,626	103,512	8,626	103,512	8,626
<b>Tier 4 Dept. Heads <sup>1</sup></b>				Move to Tier 3									
DOA, DHHL, PSD, DHRD	93,636	98,316	8,193										
<b>Tier 1 Deputy Dept. Head</b>													
Attorney General	95,040.54 - 100,502.64	99,792 - 105,528	8,316 - 8,794	104,784 - 110,808	8,732 - 9,234	99,540 - 105,264	8,295 - 8,772	99,540 - 105,264	8,295 - 8,772	99,540 - 105,264	8,295 - 8,772	99,540 - 105,264	8,295 - 8,772
<b>Tier 2 Deputy Dept. Heads</b>													
DOH, DOT, DAGS, DCCA, TAX, B&F	90,514.80 - 95,716.80	95,040 - 100,500	7,920 - 8,375	99,792 - 105,528	8,316 - 8,794	94,800 - 100,248	7,900 - 8,354	94,800 - 100,248	7,900 - 8,354	94,800 - 100,248	7,900 - 8,354	94,800 - 100,248	7,900 - 8,354
<b>Tier 3 Deputy Dept. Heads <sup>2</sup></b>													
DHS, DLIR, DLNR, DBEDT	85,989.06 - 90,930.96	90,288 - 95,472	7,524 - 7,956	94,800 - 100,248	7,900 - 8,354	90,060 - 95,232	7,505 - 7,936	90,060 - 95,232	7,505 - 7,936	90,060 - 95,232	7,505 - 7,936	90,060 - 95,232	7,505 - 7,936
<b>Tier 4 Deputy Dept. Heads <sup>1</sup></b>				Move to Tier 3									
DOA, DHHL, PSD, DHRD	81,463.32 - 86,145.12	85,536 - 90,456	7,128 - 7,538										

<sup>1</sup>Effective 7/1/2008, Tier 4 positio□<sup>2</sup>Effective 7/1/2011, Tier 3 positions □

Tier 3 shall be eliminated. Tier 3 positions did not move to Tier 2 effective 7/1/2011 due to Act 57.

## Pay Relationships between Executive Branch Positions



Source: Position count and budget allocation for FY 2013 per Budget and Finance 2011-2013 Operating Budget. Budget total does not equal 100% because DOE, HHSC, and UH not included.

Executive salaries effective 7/1/09.

Salary ranges for EM 5 to EM 8 effective 10/1/08.

**FB 11-13 Operating Budget (New Administration)**  
**Statewide Totals By Department - All Funds**

	FY 2012			FY 2013		
	PFP - Executive Biennium Budget	Budget Adjustments (New Admin)	Revised Total	PFP - Executive Biennium Budget	Budget Adjustments (New Admin)	Revised Total
	656.00	21.00	677.00	656.00	21.00	677.00
Accounting & General Svcs	144,517,816	11,437,037	155,954,853	149,740,074	5,976,235	155,716,309
	281.00	6.00	287.00	281.00	6.00	287.00
Agriculture	42,912,139	554,742	43,466,881	42,912,139	432,262	43,344,401
	618.28	2.00	620.28	618.28	2.00	620.28
Attorney General	75,549,845	1,479,566	77,029,411	73,671,535	1,294,377	74,965,912
	142.00	8.00	150.00	142.00	8.00	150.00
Business, Econ. Dev. & Tourism	245,941,745	-330,631	245,611,114	239,918,075	6,468,486	246,386,561
	317.00	37.00	354.00	317.00	37.00	354.00
Budget and Finance	1,786,406,409	61,409,110	1,847,815,519	1,924,818,546	95,387,628	2,020,206,174
	391.00	0.00	391.00	391.00	0.00	391.00
Commerce & Consumer Affairs	49,789,891	705,600	50,495,491	49,762,805	590,000	50,352,805
	212.25	25.80	238.05	212.25	25.80	238.05
Defense	114,293,282	13,702,237	127,995,519	114,293,282	9,438,478	123,731,760
	20,143.10	0.00	20,143.10	20,143.10	0.00	20,143.10
Education	1,814,601,045	4,196,208	1,818,797,253	1,789,411,977	25,860,169	1,815,272,146
	0.00	0.00	0.00	0.00	0.00	0.00
Charter Schools	60,667,896	37,141	60,705,037	65,308,445	1,251,583	66,560,028
	555.50	0.00	555.50	555.50	0.00	555.50
Public Libraries	33,337,407	0	33,337,407	33,337,407	0	33,337,407
	27.00	0.00	27.00	27.00	0.00	27.00
Governor	1,934,373	1,700,281	3,634,654	1,934,373	1,537,281	3,471,654
	182.00	29.00	211.00	182.00	29.00	211.00
Hawaiian Home Lands	178,630,267	6,833,773	185,464,040	178,630,267	6,833,773	185,464,040
	2,589.92	9.00	2,598.92	2,589.92	9.00	2,598.92
Health	907,754,010	2,686,602	910,440,612	908,726,191	2,675,602	911,401,793
	2,835.25	0.00	2,835.25	2,835.25	0.00	2,835.25
HHSC	604,733,180	1,500,000	606,233,180	604,733,180	1,500,000	606,233,180
	92.00	0.00	92.00	92.00	0.00	92.00
Human Resources Development	20,197,602	0	20,197,602	20,197,602	0	20,197,602
	2,143.50	8.50	2,152.00	2,143.50	8.50	2,152.00
Human Services	2,339,198,434	68,681,754	2,407,880,188	2,413,499,155	-10,433,506	2,403,065,649
	637.88	7.00	644.88	637.88	7.00	644.88
Labor and Industrial Relations	490,161,556	263,270,386	753,431,942	490,161,556	1,070,386	491,231,942
	749.00	44.00	793.00	749.00	44.00	793.00
Land and Natural Resources	102,494,078	12,698,638	115,192,716	102,494,078	11,554,138	114,048,216
	10.50	0.00	10.50	10.50	0.00	10.50
Lieutenant Governor	892,472	312,612	1,205,084	892,472	306,360	1,198,832
	2,540.10	30.00	2,570.10	2,540.10	30.00	2,570.10
Public Safety	238,613,253	4,282,772	242,896,025	238,613,253	4,667,957	243,281,210
	0.00	0.00	0.00	0.00	0.00	0.00
Subsidies	0	0	0	0	0	0
	364.00	9.00	373.00	364.00	9.00	373.00
Taxation	22,556,459	1,075,628	23,632,087	22,556,459	716,458	23,272,917
	2,153.50	0.00	2,153.50	2,153.50	0.00	2,153.50
Transportation	688,118,163	24,550,820	712,668,983	700,327,468	60,655,974	760,983,442
	7,212.75	0.00	7,212.75	7,212.75	0.00	7,212.75
University of Hawaii	903,758,486	10,000,000	913,758,486	916,505,777	10,000,000	926,505,777
	44,853.53	236.30	45,089.83	44,853.53	236.30	45,089.83
TOTAL REQUIREMENTS	10,867,059,808	490,784,276	11,357,844,084	11,082,446,116	237,783,641	11,320,229,757

Source: State Dept. of Budget and Finance website  
The Operating and Capital Budget - Statewide Summaries

Collective Bargaining Adjustments  
1/1/1990 to 6/30/2013

Does not include BU 5 (Department of Education Teachers), BU 6 (Department of Education Educational Officers), BU 7 (University of Hawaii Professional Assembly), BU 8 (University of Hawaii Administrative, Professional, Technical), BU 12 (Police)

**UNITED PUBLIC WORKERS (UPW)**

Effective Date	BU 1 – Blue Collar, Non-supervisory Workers	BU 10 – Institutional, Health and Correctional Workers
7/1/1990	4.35% ATB plus technical adjustment (up to 7% including ATB)	Step movement plus 1.75% ATB increase (up to 6% including ATB)
7/1/1991	4.25% ATB plus technical adjustment (up to 7% including ATB)	Step movement plus 1.5% ATB increase (up to 6% including ATB)
7/1/1992	4.27% ATB plus technical adjustment (up to 7% including ATB)	Step movement plus 1.5% ATB increase (up to 6% including ATB)
7/1/1993		
7/1/1994	2% ATB <sup>1</sup> increase, 2% to health fund in lieu of wages	2.23% ATB increase, 1.77% to health fund in lieu of wages
7/1/1995		
7/1/1996		
7/1/1997		
7/1/1998		
6/30/1999	10.47% increase except BC-01 where a technical adjustment was made, plus lump sum increase 2.7 times monthly salary	Generally 10.77% increase, plus lump sum increase 2.9 times monthly salary
7/1/1999		
7/1/2000		
7/2/2001	2% ATB increase	2% ATB increase
1/1/2002	3% ATB increase	3% ATB increase
7/1/2002	2% ATB increase	2% ATB increase
1/1/2003	4% ATB increase	4% ATB increase
7/1/2003		5% ATB increase plus \$7
7/1/2004	\$7 ATB increase	5% ATB increase
9/3/2004	2.53% ATB increase	
1/1/2005	5% ATB increase	
5/16/2005	\$47.30 ATB increase	\$47.30 ATB increase
8/1/2005		2.50% ATB increase
10/1/2005	3.50% ATB increase	
12/16/2005	1.25% ATB increase	
2/16/2006		2.50% ATB increase
8/1/2006		2.50% ATB increase
10/1/2006	3.50% ATB increase	
12/16/2006	1.17% ATB increase	
2/16/2007		2.50% ATB increase
7/1/2007	4% ATB increase, except BC-01 where a technical adjustment was made	4.00% ATB increase
2/1/2008		1.16% ATB increase
3/1/2008	1.16% ATB increase; plus technical	

<sup>1</sup> ATB – across-the-board



Effective Date	BU 1 – Blue Collar, Non-supervisory Workers	BU 10 – Institutional, Health and Correctional Workers
	adjustments to BC-09 and above, and WS-01 and above	
7/1/2008	4.00% ATB increase	4.00% ATB increase
1/1/2009		1.14% ATB increase
3/1/2009	1.14% ATB increase; plus technical adjustments to BC-09 and above, and WS-01 and above	
1/1/2010 – 6/30/2011		5.45% pay reduction for Department of Public Safety (Corrections), Department of Human Services (Hawaii Youth Correctional Facility), Department of Health (Hawaii State Hospital)
2/16/2010 – 6/30/2010		14.36% pay reduction (14 days furlough from 1/1/2010 – 6/30/2010) for all other BU 10 employees (excluding Department of Public Safety (Corrections), Department of Human Services (Hawaii Youth Correctional Facility), Department of Health (Hawaii State Hospital))
3/16/2010 – 6/30/2010	17.14% pay reduction (13 days furlough from 1/1/2010 – 6/30/2010)	
7/1/2010 – 6/30/2011	9.23% pay reduction (24 days furlough during the period), except for special or federally funded programs from 3/1/2011 – 6/30/2011	9.23% pay reduction (24 days furlough during the period), except no furlough for special or federally funded programs from 3/1/2011 – 6/30/2011
7/1/2011		Wages restored 100% to rates as of 12/31/2009 for Department of Public Safety (Corrections), Department of Human Services (Hawaii Youth Correctional Facility), Department of Health (Hawaii State Hospital)  <i>Contract still pending</i>
12/1/2011 – 6/30/2012	9.23% pay reduction (14 days DLWOP <sup>2</sup> during the period), except for 100% special, revolving, and federally funded programs	
7/1/2012 – 6/30/2013	5.00% pay reduction (13 days DLWOP during the period), except for 100% special, revolving, and federally funded programs	

<sup>2</sup>DLWOP – directed leave without pay

## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION (HGEA)

Effective Date	BU 2 – Blue Collar, Non-supervisory Workers	BU 3 and 4 – White Collar, Non-Supervisory and Supervisory	BU 9 – Registered Professional Nurse	BU 13 – Professional and Scientific
1/1/1990			3% ATB except step A, plus technical adjustment (up to 7% including ATB); add 2 steps	
7/1/1990	3.9% ATB plus technical adjustment (up to 8% including ATB)	4.5% ATB	5.8% ATB	2% ATB plus new salary schedule (up to 8% including ATB)
7/1/1991	3% ATB plus technical adjustment (up to 12% including ATB)	2.75% ATB	4% ATB	Step movement for employees with > 1 year service plus 2.75% ATB; 4% permanent differential for employees on maximum step June 30, 1989
1/1/1992		Half shred (movement to a higher step) based on years of creditable service (BU 4 effective 1/16/1992)		
7/1/1992	4% ATB plus technical adjust (up to 6% increase including ATB)	3.75% ATB	3.3% ATB	3% ATB
1/1/1993		Half shred (movement to a higher step) based on years of creditable service		Step movement (4% increase)
7/1/1993		Step movement plan 7/1/93 – 6/30/97	Continue step movement plan 7/1/93 – 6/30/1995	\$768 lump sum salary supplement
1/1/1994	2% ATB increase		New salary schedule	

Effective Date	BU 2 – Blue Collar, Non-supervisory Workers	BU 3 and 4 – White Collar, Non-Supervisory and Supervisory	BU 9 – Registered Professional Nurse	BU 13 – Professional and Scientific
5/16/94		2% lump sum salary supplement for employees at or beyond the maximum step; BU 3: \$250 lump sum salary supplement; BU 4: \$300 lump sum salary supplement;		
7/1/1994				Step movement (4% increase)
1/1/1995	2% ATB increase	2% ATB increase	New salary schedule	
4/1/1995	Step A move to step B (5% increase) if employed 6/30/93			
7/1/1995	Step movement effective 7/1/1995 – 6/30/1997 for eligible employees	Add step to salary schedule	Continue step movement plan 7/1/1995 – 6/30/1997	Continue step movement plan 7/1/1995 – 6/30/1997
7/1/1996	2% ATB	2.25% ATB	2% ATB	2.25% ATB; half shred (movement to a higher step) based on years of creditable service
1/1/1997	2.78% ATB	2.25% ATB	2% ATB	
7/1/1997	Step movement plan 7/1/1997 – 6/30/1999 for eligible employees	Continue step movement plan 7/1/1997 – 6/30/1999	Continue step movement plan 7/1/1997 – 6/30/1999, except optional for hospital and institutional nurses on steps A, B and C	Continue step movement plan 7/1/1997 – 6/30/1999
1/1/1998	2.49% ATB	2.23% ATB	2.21% ATB	1.55% ATB
7/1/1998	2.5% ATB		2.2% ATB	1.54% ATB
7/1/1999				
7/1/2000				

Effective Date	BU 2 – Blue Collar, Non-supervisory Workers	BU 3 and 4 – White Collar, Non-Supervisory and Supervisory	BU 9 – Registered Professional Nurse	BU 13 – Professional and Scientific
7/2/2001	4% ATB increase; employees eligible for step movement between 7/1/1999 – 7/1/2001 receive the step movement on 7/2/2001 with no retroactivity; continue step movement plan 7/2/2001 – 6/30/2002	4% ATB increase; employees eligible for step movement between 7/1/1999 – 7/1/2001 receive the step movement on 7/2/2001 with no retroactivity; continue step movement plan 7/2/2001 – 6/30/2002	4% ATB increase; employees eligible for step movement between 7/1/1999 – 7/1/2001 receive the step movement on 7/2/2001 with no retroactivity; continue step movement plan 7/2/2001 – 6/30/2002	4% ATB increase; employees placed on appropriate step based on years of service (shred); employees eligible for step movement between 7/1/1999 – 7/1/2001 receive the step movement on 7/2/2001 with no retroactivity; continue step movement plan for 7/2/2001 – 6/30/2002
7/1/2002	5% ATB increase; continue step movement plan 7/1/2002 – 6/30/2003	5% ATB increase; continue step movement plan 7/1/2002 to 6/30/2003	5% ATB increase; continue step movement plan 7/1/2002 to 6/30/2003	5% ATB increase; continue step movement plan for 7/1/2002 to 6/30/2003
7/1/2003			New salary schedule; new step movement plan	
7/1/2004	New salary schedule; employees on step A move to step B; delete step A; employees placed on appropriate step based on years of service	Employees eligible for step movement between 7/1/2003 – 6/30/2004 receive the step movement on 7/1/2004 with no retroactivity; continue step movement plan 7/1/2004 – 6/30/2005	New salary schedule; continue step movement plan 7/1/2004 – 6/30/2005	Employees eligible for step movement between 7/1/2003 – 7/1/2004 receive the step movement on 7/1/2004 with no retroactivity; continue step movement plan for 7/1/2004 – 6/30/2005
1/1/2005	5% ATB increase	5% ATB increase	3% ATB increase	5% ATB increase
7/1/2005	Increase difference between steps to 2%; add step L3; employees with 20+ years placed on step L3; continue step movement plan 7/1/2005 – 6/30/2006	Continue step movement plan 7/1/2005 – 6/30/2006	2% ATB increase; continue step movement plan 7/1/2005 – 6/30/2006	Continue step movement plan for 7/1/2005 – 6/30/2006
10/1/2005	3.5% ATB increase	3.5% ATB increase		3.5% ATB increase
1/1/2006			2.00% ATB increase	

Effective Date	BU 2 – Blue Collar, Non-supervisory Workers	BU 3 and 4 – White Collar, Non-Supervisory and Supervisory	BU 9 – Registered Professional Nurse	BU 13 – Professional and Scientific
7/1/2006	Continue step movement plan 7/1/2006 – 6/30/2007	Continue step movement plan 7/1/2006 – 6/30/2007	New salary schedule; continue step movement plan 7/1/2006 – 6/30/2007	Continue step movement plan for 7/1/2006 – 6/30/2007
10/1/2006	3.5% ATB increase	3.5% ATB increase	2% ATB increase	3.5% ATB increase
4/1/2007			2% ATB increase	
7/1/2007	4% ATB increase; add steps L4 and L5; employees with 5 < 10 placed on step L1, 10 < 15 years on step L2, 15 < 20 years on step L3, 20 < 25 years on step L4, 25+ years on step L5; continue new step movement plan 7/1/2007 – 6/30/2008	4% ATB increase; continue step movement plan 7/1/2007 – 6/30/2008	5% ATB increase; continue step movement plan 7/1/2007 – 6/30/2008	4% ATB increase; continue step movement plan for 7/1/2007 – 6/30/2008
7/1/2008	4% ATB increase; continue step movement plan 7/1/2008 – 6/30/2009	4% ATB increase; continue step movement plan 7/1/2008 – 6/30/2009	4% ATB increase; continue step movement plan 7/1/2008 – 12/31/2008	Add new step M; move employees with at least 3 years on step L and 27+ years of service in the bargaining unit to step M; continue step movement plan for 7/1/2008 – 6/30/2009
1/1/2009			New salary schedule; add step L3 and L4, modify SR 21 and above; employees placed on appropriate step based on new step movement plan	
10/1/2008				4.00% ATB increase
10/16/2009 – 6/30/2010	9.77% pay reduction (18 days furlough from 10/1/2009 – 6/30/2010)	9.77% pay reduction (18 days furlough from 10/1/2009 – 6/30/2010)	9.77% pay reduction (18 days furlough from 10/1/2009 – 6/30/2010)	9.77% pay reduction (18 days furlough from 10/1/2009 – 6/30/2010)

Effective Date	BU 2 – Blue Collar, Non-supervisory Workers	BU 3 and 4 – White Collar, Non-Supervisory and Supervisory	BU 9 – Registered Professional Nurse	BU 13 – Professional and Scientific
7/1/2010 – 6/30/2011	9.23% pay reduction (24 days furlough from 7/1/2010 – 6/30/2011)	9.23% pay reduction (24 days furlough from 7/1/2010 – 6/30/2011)	9.23% pay reduction (24 days furlough from 7/1/2010 – 6/30/2011)	9.23% pay reduction (24 days furlough from 7/1/2010 – 6/30/2011)
7/1/2011 – 6/30/2013	5% labor cost reduction by means of a mandatory salary waiver, 13 days Supplemental Time Off Without Pay (STOWOP) per year	5% labor cost reduction by means of a mandatory salary waiver, 13 days Supplemental Time Off Without Pay per year	<i>Contract still pending</i>	5% labor cost reduction by means of a mandatory salary waiver, 13 days Supplemental Time Off Without Pay per year

## HAWAII FIREFIGHTERS ASSOCIATION

Effective Date	BU 11 - Firefighters
7/1/1990	1 catch-up step movement <sup>3</sup> , longevity pay
1/1/1991	Step movement (4% increase)
7/1/1991	2 catch-up step movements, longevity pay
7/1/1992	5% ATB
7/1/1993	2% ATB, longevity pay
1/1/1994	2% ATB
7/1/1994	
1/1/1995	2% ATB
7/1/1995	2.5% ATB
7/1/1996	Step movement, longevity pay; or lump sum salary supplement
7/1/1997	
1/1/1998	Step movement, longevity pay; or lump sum salary supplement (effective 1/15/1998)
7/1/1998	Longevity pay on service anniversary date
7/1/1999	
7/1/2000	
7/2/2001	5.00% ATB increase; continue longevity pay based on years of service
1/1/2002	Employees with 25+ years of service moved to maximum step
7/1/2002	5.00% ATB increase; continue longevity pay based on years of service
7/1/2003	1.50% ATB increase; incorporate longevity pay into employee's basic rate of pay; catch-up step movement or service step movement <sup>4</sup> for 7/1/2003 – 6/30/2004; employees below step L3 with 25+ years of service moved to step L3 on 7/1/2003, and to step L4 on the employee's service anniversary date
7/1/2004	1.50% ATB increase; catch-up step movement or service step movement for 7/1/2004 – 6/30/2005; employees with 25+ years of service moved to step L4 on the employee's service anniversary date
7/1/2005	2.00% ATB increase; catch-up step movement or service step movement for 7/1/2005 – 6/30/2006; employees with 23+ years of service moved to step L4 on the employee's service anniversary date
1/1/2006	2.00% ATB increase
7/1/2006	2.00% ATB increase; catch-up step movement or service step movement for 7/1/2006 – 6/30/2007; employees with 23+ years of service moved to step L4 on the employee's service anniversary date
1/1/2007	2.00% ATB increase
7/1/2007	5.00% ATB increase; employees placed on appropriate step based on years of service; catch-up step movement or service step movement for 7/2/2007 – 6/30/2008
7/1/2008	5.00% ATB increase; catch-up step movement or service step movement for 7/1/2008 – 6/30/2009; employees with 22+ years of service move to step L4 on their service anniversary date
7/1/2009	5.00% ATB increase; catch-up step movement or service step movement for 7/1/2009 – 6/30/2010; employees with 22+ years of service move to step L4 on their service anniversary date
7/1/2010	5.00% ATB increase; catch-up step movement or service step movement for 7/1/2010 – 6/30/2011; employees with 22+ years of service move to step L4 on their service anniversary date
7/1/2011 – 6/30/2013	<i>Contract still pending</i>

<sup>3</sup> Catch-up step movement – Employees on a lower step than warranted based on years of service shall move to the next higher step in their salary range on the employee's service anniversary date

<sup>4</sup>Service step movement – Employees who complete the cumulative years of service required for the next higher step in the pay range shall move to such step on the employee's service anniversary date

## EXCLUDED MANAGERIAL COMPENSATION PLAN (EMCP)

Effective Date	Excluded Managerial Compensation Plan Employees
7/1/1990	6% increase not to exceed range maximum
7/1/1991	7% increase not to exceed range maximum
7/1/1992	3.5% increase not to exceed range maximum
1/1/1993	3.5% increase not to exceed range maximum
7/1/1993	\$768 lump sum salary supplement for employees in EMCP as of 4/29/94
7/1/1994	4% ATB increase
7/1/1995	WIRP <sup>5</sup> increase for 7/1/1995 to 6/30/1997 not to exceed range maximum
7/1/1996	2.25% ATB, half shred (increase) based on years of creditable service
7/1/1997	WIRP increase for 7/1/1996 to 6/30/1999 not to exceed range maximum
1/1/1998	1.55% ATB
7/1/1998	1.54% ATB
7/1/1999	
7/1/2000	
7/2/2001	4.00% ATB increase; employees pay adjusted based on years of service (shred); employees eligible for within range progression (WIRP <sup>6</sup> ) increases between 7/1/1999 – 7/1/2001 receive their WIRP on 7/2/2001 with no retroactivity; continue WIRP increase for 7/2/2001 – 6/30/2002
7/1/2002	0% - 9% pay increase based on performance
7/1/2003	No adjustment
7/1/2004	2.00% ATB increase
1/1/2005	0% - 3% discretionary pay increase based on performance
7/1/2005	Continue WIRP increases for 7/1/2005 – 6/30/2006  <b>Excluded from BU 9 and 11:</b> 2.00% ATB increase
10/1/2005	One time lump sum bonus of 1% of 9/30/2005 salary for "exceptional" rating on FY 2005 performance evaluation  <b>Excluded from BU 4 and 13:</b> 3.50% ATB increase
1/1/2006	<b>Excluded from BU 9 and 11:</b> 2.00% ATB increase
7/1/2006	Continue WIRP increases for 7/1/2006 – 6/30/2007  <b>Excluded from BU 9:</b> 4.00% ATB increase <b>Excluded from BU 11:</b> 2.00% ATB increase
10/1/2006	One time lump sum bonus of 1% of 9/30/2005 salary for "exceptional" rating on FY 2006 performance evaluation  <b>Excluded from BU 4 and 13:</b> 3.50% ATB increase <b>Excluded from BU 9:</b> 2.00% ATB increase
1/1/2007	<b>Excluded from BU 11:</b> 2.00% ATB increase
4/1/2007	<b>Excluded from BU 9:</b> 2% ATB increase
7/1/2007	Continue WIRP increases for 7/1/2007 – 6/30/2008  <b>Excluded from BU 4 and 13:</b> 4.00% ATB increase  <b>Excluded from BU 9 and 11:</b> 5.00% ATB increase

<sup>5</sup>WIRP – within range progression, adjustment of an employee's basic rate of pay by adding the flat dollar amount applicable to the Employee's respective pay range in the EMCP as provided in the WIRP Table, in lieu of steps



Effective Date	Excluded Managerial Compensation Plan Employees
10/1/2007	One time lump sum bonus of 1% of 6/30/2007 salary for "exceptional" rating on annual performance evaluation
7/1/2008	Continue WIRP increases for 7/1/2008 – 6/30/2009  <b><u>Excluded from BU 4 and 9:</u></b> 4.00% ATB increase  <b><u>Excluded from BU 11:</u></b> 5.00% ATB increase  <b><u>Excluded from BU 13:</u></b> Increase the salary range maximum by 4%; 4% increase for employees at the maximum of their salary ranges on 6/30/2008 with 27+ years of service in BU 13 or excluded from BU 13 and at least 3 years on the maximum step
10/1/2008	One time lump sum bonus of 1% of 6/30/2008 salary for "exceptional" rating on annual performance evaluation  <b><u>Excluded from BU 13, except those at the salary range maximum:</u></b> 4.00% ATB increase
7/1/2009	<b><u>Excluded from BU 11:</u></b> 5.00% ATB increase; continue WIRP increases for 7/1/2009 – 6/30/2010
10/1/2009	<b><u>Excluded from BU 11:</u></b> One time lump sum bonus of 1% of 6/30/2009 salary for "exceptional" rating on annual performance evaluation
7/1/2010	<b><u>Excluded from BU 11:</u></b> 5.00% ATB increase; continue WIRP increases for 7/1/2010 – 6/30/2011
10/1/2010	<b><u>Excluded from BU 11:</u></b> One time lump sum bonus of 1% of 6/30/2010 salary for "exceptional" rating on annual performance evaluation
10/16/2009 – 6/30/2010	9.77% pay reduction (18 days furlough from 10/1/2009 – 6/30/2010)
7/1/2010 – 6/30/2011	9.23% pay reduction (24 days furlough from 7/1/2010 – 6/30/2011)
7/1/2011 – 6/30/2013	5% labor cost reduction by means of a mandatory salary waiver, 13 days Supplemental Time Off Without Pay per year <i>(BU 9 and 11 contracts not settled, employees not being imposed 5% labor cost reduction)</i>

## COMPARISON OF EXECUTIVE PAY RATES FOR STATE, COUNTIES, AND JUDICIARY (AS OF SEPTEMBER 1, 2012)

	STATE	JUDICIARY	C&C HONOLULU	HAWAII	MAUI	KAUAI
<b>Job Count</b>	<b>14,899<sup>1</sup></b> Positions under the administration of HRD, excludes UH	<b>1,917<sup>2</sup></b>	<b>10,412<sup>3</sup></b>	<b>2,950<sup>4</sup></b>	<b>2,600<sup>4</sup></b>	<b>1,200<sup>4</sup></b>
EFFECTIVE DATES EXCEPT AS NOTED:	7/1/2009 5% reduction included	7/1/2009 5% reduction included	Rates effective 7/1/12 and are shown as awarded by Salary Commission. Some individual employees subject to 5 15% reduction (not reflected)	Rates on the anniversary dates of executives; Salary Commission suspended step movements indefinitely eff 12/10/2009	1/1/2008 7/1/2010* 9/16/2011**	12/1/2009 others deferred to 7/1/2013
<b>POSITION</b>						
<b>GOVERNOR</b>	<b>117,312</b>					
<b>LT. GOVERNOR</b>	<b>114,420</b>					
<b>CHIEF JUSTICE, SUPREME</b>		<b>156,727</b>				
<b>ASSOCIATE JUSTICE, SUPREME</b>		<b>151,118</b>				
<b>CHIEF JUDGE, INTERMEDIATE</b>		<b>145,532</b>				
<b>ASSOCIATE JUDGE, INTERMEDIATE</b>		<b>139,924</b>				
<b>CIRCUIT COURT JUDGE</b>		<b>136,127</b>				
<b>DISTRICT/FAMILY/ PER DIEM COURT JUDGE</b>		<b>128,296</b>				
<b>MAYOR</b>			<b>136,428</b>	<b>109,152</b>	<b>114,030</b>	<b>114,490</b>
<b>MANAGING DIRECTOR/ ADMINISTRATIVE ASSISTANT</b>	<b>114,420</b>		<b>130,534</b>	<b>103,944</b>	<b>109,900</b>	<b>110,197</b> Admin Assistant
<b>DEPUTY MANAGING DIRECTOR</b>			<b>123,724</b>	<b>99,000</b>	<b>90,000</b> 6/1/2012	
<b>ATTORNEY GENERAL PROSECUTING ATTORNEY</b>	<b>114,420</b>		<b>129,312</b>	<b>113,580</b>	<b>110,486</b>	<b>114,848</b>
<b>1ST DEPUTY AG/P.A. 1ST DEPUTY CORP COUNSEL</b>	<b>99-540 - 105,264</b>		<b>122,957</b>	<b>99,000</b>	<b>104,900</b>	<b>105,660</b> <b>98,748</b>
<b>DEPUTIES</b> AG, Pros Atty & Corp Counsel			<b>55,000 - 118,344</b> CORP COUNSEL <b>43,248 - 120,072</b> PROSECUTING ATTORNEY	<b>55,134 - 99,240</b>	<b>53,352 - 104,772</b> 10/1/2008	<b>up to 94,454</b> CORP COUNSEL <b>up to 101,066</b> PROSECUTING ATTORNEY

	STATE	JUDICIARY	C&C HONOLULU	HAWAII	MAUI	KAUAI
<b>DEPT. HEADS</b>	<p><b>108,972</b> 2nd - HEALTH, TRANS, DAGS COMMERCE, TAX, BUDGET</p> <p><b>103,512</b> 3rd - HUMAN SVCS, LABOR, DLNR, DBEDT, DHRD, DHHL, AGRI, ^PUBLIC SAFETY</p>		<p><b>160,000<sup>5</sup></b> WATER</p> <p><b>143,729</b> POLICE</p> <p><b>141,685</b> FIRE</p> <p><b>116,088</b> ROYAL HAWAIIAN BAND</p> <p><b>200,016</b> MEDICAL EXAMINER</p> <p><b>121,894</b> ALL OTHERS</p>	<p><b>117,000</b> WATER (12/31/11)</p> <p><u>TIER 3</u> <b>114,768</b> POLICE, FIRE</p> <p><b>99,000</b> PUBLIC WKS, ENVIRON MGT, HOUSING, CORP COUNSEL, FINANCE, PLANNING, HUMAN RES</p> <p><u>TIER 4</u> <b>94,284</b> INFO TECH, LIQUOR, PARKS, RESEARCH &amp; DEV, COUNTY CLERK, LEGISLATIVE AUDITOR</p>	<p><u>PUBLIC SAFETY</u> <b>135,000</b> POLICE* <b>126,900</b> FIRE** <b>110,486</b> PROS ATTY <b>102,820</b> LIQUOR**</p> <p><u>INFRASTRUCTURE</u> PUBLIC WKS, <b>108,100</b> ENVIRON MGT <b>105,500</b> WATER <b>99,800</b> PARKS <b>101,500</b> PLANNING <b>93,400</b> TRANS <b>99,200</b> HOUSING &amp; HC</p> <p><u>ADMINISTRATION</u> <b>101,800</b> FINANCE <b>110,486</b> CORP COUNSEL <b>99,000</b> PERSONNEL</p>	<p><b>114,848</b> COUNTY AUDITOR</p> <p><b>107,335</b> COUNTY ATTORNEY, PLANNING, FINANCE, PUBLIC WKS, PARKS, WATER, COUNTY CLERK</p> <p><b>103,041</b> PERSONNEL, ECONOMIC DEV, LIQUOR, HOUSING</p> <p><b>114,490</b> POLICE (8/1/2012) FIRE (10/1/2012)</p>
<b>DEPUTIES</b>	<p><b>94,800 - 100,248</b> 2nd - HEALTH, TRANS, DAGS COMMERCE, TAX, BUDGET</p> <p><b>90,060 - 95,232</b> 3rd - HUMAN SVCS, LABOR, DLNR, DBEDT, DHRD, DHHL, AGRI, PUBLIC SAFETY</p>		<p><b>136,136<sup>5</sup></b> WATER</p> <p><b>137,082</b> POLICE</p> <p><b>135,133</b> FIRE</p> <p><b>129,168</b> MEDICAL EXAMINER</p> <p><b>115,677</b> ALL OTHERS</p>	<p><b>90,000</b> WATER (3/9/2012)</p> <p><u>TIER 3</u> <b>109,296</b> POLICE, FIRE</p> <p><b>94,284</b> PUBLIC WKS, FINANCE, ENVIRON MGT, ASST CORP COUNSEL, PLANNING, HUMAN RES</p> <p><u>TIER 4</u> <b>89,796</b> PARKS, RESEARCH &amp; DEV, COUNTY CLERK</p>	<p><u>PUBLIC SAFETY</u> <b>128,250</b> POLICE* <b>120,450</b> FIRE** <b>104,900</b> PROS ATTY <b>95,400</b> LIQUOR**</p> <p><u>INFRASTRUCTURE</u> PUBLIC WKS, <b>102,400</b> ENVIRON MGT <b>98,600</b> WATER <b>94,500</b> PARKS <b>96,100</b> PLANNING <b>88,400</b> TRANS <b>93,900</b> HOUSING &amp; HC</p> <p><u>ADMINISTRATION</u> <b>96,400</b> FINANCE <b>104,900</b> CORP COUNSEL <b>94,000</b> PERSONNEL</p>	<p><b>98,748</b> DEPUTY COUNTY CLERK, PLANNING, FINANCE, PUBLIC WORKS, FIRE, POLICE, WATER</p> <p><b>105,660</b> POLICE (9/7/2012) FIRE (9/9/2012)</p>
<b>SPEAKER/PRESIDENT MEMBERS HOUSE/SENATE</b>	<p>1/1/2009 <b>53,398</b> <b>46,273</b></p>					
<b>CHAIRPERSON COUNCIL MEMBERS</b>			<p><b>58,596</b> <b>52,446</b></p>	<p>7/1/2008 <b>53,220 - 56,544</b> <b>47,928 - 50,928</b></p>	<p>7/1/2007 <b>71,500</b> <b>66,500</b></p>	<p>12/1/2009 <b>63,879</b> <b>56,781</b></p>

<sup>1</sup>State of Hawaii, Department of Budget and Finance, The Operating and Capital Budget - Statewide Summaries, Amendments by the Abercrombie Administration to the Executive Biennium Budget FB 2011-13 Budget in Brief

<sup>2</sup>Authorized position count per Act 107, SLH 2012

<sup>3</sup>City and County of Honolulu, Executive Operating Budget and Program for the Fiscal Year July 1, 2012 to June 30, 2013

<sup>4</sup>Department of Labor and Industrial Relations, Job Count by Industry (CES), 2011 Annual Average

<sup>5</sup>Salary set by Board of Water Supply

## GOVERNORS

**Table 4.3**  
**THE GOVERNORS: COMPENSATION, STAFF, TRAVEL AND RESIDENCE**

State or other jurisdiction	Salary	Governor's office staff (a)	Access to state transportation			Receives travel allowance	Reimbursed for travel expenses	Official residence
			Automobile	Airplane	Helicopter			
Alabama.....	\$112,895	60	★	★	★	...	...	★
Alaska.....	125,000	71	★	★	...	...	★ (b)	★
Arizona.....	95,000	34	★	★	...	...	★ (b)	...
Arkansas.....	87,352	67	★	★	...	...	★	★
California.....	173,987 (c)	185	★	...	...	(b)	(d)	(e)
Colorado.....	90,000	50	★	★	...	★	★	★
Connecticut.....	150,000	37	★	...	...	...	...	(e)
Delaware.....	171,000	32	★	...	...	...	...	★
Florida.....	130,273	325 (f)	★	★	★	...	★ (b)	★
Georgia.....	139,339	56 (f)	★	★	★	...	...	★
Hawaii.....	117,312	67	★	★	★	★	★	★
Idaho.....	115,348	22	★	★	...	★ (b)	★ (b)	(e)
Illinois.....	177,500	130	★	★	★	★	(d)	★
Indiana.....	95,000	34	★	★	★	★ (b)	★ (b)	★
Iowa.....	130,000	32	★	...	...	...	★	★
Kansas.....	110,707	24	★	★	★	...	★	★
Kentucky.....	145,885 (c)	65	★	★	★	...	...	★
Louisiana.....	130,000	93 (f)	★	★	★	...	★	★
Maine.....	70,000	19	★	...	...	...	★	★
Maryland.....	150,000	85 (f)	★	★	★	(b)	(b)	★
Massachusetts.....	140,535	70	...	...	★	★ (b)	★ (b)	...
Michigan.....	177,000 (c)	92	★ (h)	★ (i)	...	(b)	(b)	★ (e)
Minnesota.....	120,303	43	★	★	★	...	★	★
Mississippi.....	122,160	46	★	★	...	...	★	★
Missouri.....	133,821	38	★	★	...	(b)	(d)	★
Montana.....	100,121	65 (f)	★	★	★	...	★ (b)	★
Nebraska.....	105,000	9	★	★	...	...	★	★
Nevada.....	141,000	21 (f)	★	★	...	(b)	...	★
New Hampshire.....	113,834	23	★	...	...	(b)	(d)	★ (e)
New Jersey.....	175,000	125	★	...	...	...	★ (b)	...
New Mexico.....	110,000	39.3	★	★	★	...	...	★
New York.....	179,000	180	★	★	★	...	★	★
North Carolina.....	139,590	68	★	★	★	★ (b)	★ (b)	★
North Dakota.....	105,036	17	★	★	...	...	★	★
Ohio.....	144,269	60	★	★	★	(b)	(d)	★
Oklahoma.....	147,000	30	★	★	...	★ (b)	★ (b)	★
Oregon.....	93,600	65 (f)	★	...	...	★ (b)	★ (b)	★
Pennsylvania.....	174,914	68	★	★	...	...	★ (b)	★
Rhode Island.....	117,817	46	★	...	★	...	★	...
South Carolina.....	106,078	29	★	★	...	...	★	★
South Dakota.....	115,331	21.5	★	★	...	...	★	★
Tennessee.....	170,340 (c)	32	★	★	★	★ (b)	★ (b)	★
Texas.....	150,000	266	★	★	★	...	★	★
Utah.....	109,900	16	★	★	★	...	★	★
Vermont.....	142,542 (c)	12	★	...	...	★	...	...
Virginia.....	175,000	44	★	★	★	...	★	★
Washington.....	166,891	36	★	★	...	(b)	(d)	★
West Virginia.....	95,000	49	★	★	★	(b)	(d)	★
Wisconsin.....	137,092	25	★	★	...	...	(d)	★
Wyoming.....	105,000	22	★	★	...	...	★ (b)	★
American Samoa.....	50,000	23	★	...	...	(b)	...	★
Guam.....	90,000	42	★	...	...	\$218/day	...	★
No. Mariana Islands...	70,000	16	★	...	...	(b)	...	★
Puerto Rico.....	70,000	28	★	(g)	(g)	...	★	★
U.S. Virgin Islands....	80,000	86	★	...	...	...	★	★

See footnotes at end of table.

## GOVERNORS

### THE GOVERNORS: COMPENSATION, STAFF, TRAVEL AND RESIDENCE — Continued

Source: The Council of State Governments' survey, January 2010.

Key:

★ — Yes

... — No

N.A. — Not available.

(a) Definitions of "governor's office staff" vary across the states—from general office support to staffing for various operations within the executive office.

(b) Travel expenses.

Alaska—\$60/day per diem plus actual lodging expenses.

American Samoa—\$105,000. Amount includes travel allowance for entire staff.

Arizona—The rate depends on the location and the date. The default \$34/day for meals and \$60/day lodging.

California—\$145,000 in state; \$36,000 out of state.

Florida—State can reimburse. Reimbursed at same rate as other state officials: in-state, choice between \$80 per diem (\$20/per quarter of a day) or actual hotel expenses, meals, transportation; out-of-state, same as in state. Foreign travel: actual transportation, per diem and meals based on Federal reimbursement rates.

Idaho—Travel allowance included in office budget. The Governor is reimbursed for actual travel expenses, but he must turn in travel vouchers with appropriate receipts.

Indiana—Statute allows \$12,000 but due to budget cuts the amount has been reduced to \$9,800 and reimbursed for actual expenses for travel/lodging.

Maryland—Travel allowance included in office budget.

Massachusetts—As necessary.

Michigan—The Governor is provided a \$60,000 annual expense allowance, as determined by the State Officers Compensation Commission in 2000. "Expense allowance" is for normal, reimbursable personal expenses such as food, lodging, and travel costs incurred by an individual in carrying out the responsibilities of state office.

Montana—Statutory rate applicable to all state employees.

Missouri—Amount includes travel allowance for entire staff. Amount not available.

Nevada—Amount includes travel allowance for entire staff. The following figures include travel expenses for governor and staff, \$45,750 in state; \$32,800 out of state.

New Hampshire—Travel allowance included in office budget.

New Jersey—Reimbursement may be provided for necessary expenses.

North Carolina—Travel allowance—receives \$11,500, expense allowance, not just travel. Reimbursed for actual out-of-state travel expenses.

Northern Mariana Islands—Travel allowance included in office budget. Governor has a "contingency account" that can be used for travel expenses and expenses in other departments or other projects.

Ohio—Set administratively.

Oklahoma—Reimbursed for actual and necessary expenses.

Oregon—\$1,000 a month for expenses, not specific to travel. Reimbursed for actual travel expenses.

Pennsylvania—Reimbursed for reasonable expenses.

Tennessee—Travel allowance included in office budget.

Washington—Travel allowance included in office budget.

West Virginia—Included in general expense account.

Wyoming—\$99/day or actual.

(c) Governor's salary:

California—Governor Schwarzenegger waives his salary.

Michigan—Governor Granholm returns 5 percent of her salary to the general fund.

Kentucky—Reflects a voluntary 10 percent salary reduction.

Tennessee—Governor Bredesen returns his salary to the state. Tennessee statute mandates the governor and the chief justice of the Supreme Court receive the same salary, currently, \$170,340.

(d) Information not provided.

(e) Governor's residence:

California—provided by Governor's Residence Foundation, a non-profit organization which provides a residence for the governor of California. No rent is charged; maintenance and operational costs are provided by California Department of General Services.

Connecticut—maintained by the Department of Public Works.

Idaho—J.R. and Esther Simplot donated their home to the state of Idaho in December 2004 for use as the future Governor's residence. Efforts are underway to raise private monies for renovation.

Michigan—Constitution mandates official residence in Lansing.

New Hampshire—The current governor does not occupy the official residence.

(f) Governor's staff:

Florida—The Governor's office budget includes the following staff for the Executive Office: 116 Drug Control, 7 Office of Tourism, 21 Trade and Economic Dev., 48 System Design, 105 Office of Policy and Budget, 14 Energy Office and 14 the Agency for Enterprise Information Technology (a Cabinet Agency administratively housed in the EOG).

Georgia—Full-time employees—56 and 2 part-time employees.

Louisiana—Full-time employees—93, part-time (non-student)—21, students—25.

Maryland—Full-time employees—85 and 1 part-time employee.

Montana—Including 20 employees in the Office of Budget and Program Planning.

Oregon—Of this total, 45 are true Governor's staff and 20 are on loan for agency staff.

Vermont—Voluntary 5 percent salary reduction.

(g) The Governor's office pays for access to an airplane or helicopter with a corporate credit card and requests a refund of those expenses with the corresponding documentation to the Dept. of Treasury.

(h) Provided for security reasons as determined by the state police.

(i) When not in use by other state agencies.

## EXECUTIVE BRANCH

**Table 4.11**  
**SELECTED STATE ADMINISTRATIVE OFFICIALS: ANNUAL SALARIES**

State or other jurisdiction	Governor	Lieutenant governor	Secretary of state	Attorney general	Treasurer	Adjutant general	Admin.	Agriculture	Auditor	Banking
Alabama.....	\$119,950	\$72,000	\$82,237	\$178,503	\$74,845	\$96,702	\$159,002	\$79,026	\$82,237	\$157,380
Alaska.....	125,000	100,000	(a-1)	135,000	125,928	135,000	135,000	108,960	125,928	113,064
Arizona.....	95,000	(a-2)	70,000	90,000	70,000	134,000	145,000	102,260	128,785	119,000
Arkansas.....	86,890	41,896	54,305	72,408	54,305	105,940	144,435	104,840	54,305	126,078
California.....	173,987	130,490	130,490	151,127	139,189	173,696	...	175,000	175,000	150,112
Colorado.....	90,000	68,500	68,500	80,000	68,500	146,040	146,040	146,040	145,147	N.A.
Connecticut.....	150,000	110,000	110,000	110,000	110,000	162,617	138,624	120,200	(c)	128,935
Delaware.....	171,000	76,250	123,850	140,950	110,050	118,250	...	115,550	105,350	108,150
Florida.....	130,273 (d)	124,851	140,000	128,972	128,972	157,252	140,000	128,972	135,000	(a-4)
Georgia.....	139,339	91,609	123,636	137,791	130,308	164,873	134,000	121,556	152,160	133,204
Hawaii.....	117,312	114,420	...	114,420	108,972	215,655	(e)	103,512	124,656	100,248
Idaho.....	110,734	29,184	90,006	99,825	90,006	134,118	78,956	106,620	...	102,731
Illinois.....	182,100	139,200	160,700	160,700	139,200	118,700	146,100	136,800	147,400	138,700
Indiana.....	95,000	79,192	68,772	82,734	68,772	129,293	99,900	99,001	68,772	104,562
Iowa.....	130,000	103,212	103,212	123,669	103,212	163,538	154,300	103,212	103,212	110,000
Kansas.....	99,636	54,000	86,003	98,901	86,003	106,392	114,000	110,000	...	104,999
Kentucky (f).....	147,798*	110,346*	110,346*	110,346*	110,346*	139,456	...	110,346	110,346	126,000
Louisiana.....	130,000	115,000	115,000	115,000	115,000	180,294	204,400	115,000	132,620	115,024
Maine.....	70,000	(g)	69,264	92,248	69,264	102,689	102,689	102,689	96,782	96,553
Maryland.....	150,000	125,000	87,500	125,000	125,000	103,560 (b)	138,374 (b)	130,050 (b)	...	117,751 (b)
Massachusetts.....	140,535	124,920	130,916	133,644	130,916	151,347	150,000	120,000	137,425	127,323
Michigan.....	159,300 (d)	123,900	124,900	124,900	174,204	139,522	N.A.	135,000	152,274	112,199
Minnesota.....	120,303	78,197	90,227	114,288	(a-24)	164,890	108,388	108,388	102,257	94,795
Mississippi.....	122,160	61,714	85,500	103,512	85,500	124,443	124,000	85,500	85,500	133,721
Missouri.....	133,821	86,484	107,746	116,437	107,746	90,112	123,967	120,000	107,746	...
Montana.....	104,400	83,394	79,129	104,076	(a-6)	109,580	96,967	96,972	82,420	97,000
Nebraska.....	105,000	75,000	85,000	95,000	85,000	95,000	96,067	102,278	85,000	100,693
Nevada.....	141,000 (d)	60,000	97,000	133,000	97,000	117,030	115,847	107,465	...	97,901
New Hampshire.....	113,834	(g)	104,364	110,114	104,364	104,364	116,170	93,812	...	104,364
New Jersey.....	175,000	141,000	(a-1)	141,000	141,000	141,000	...	141,000	139,000	130,625
New Mexico.....	110,000	85,000	85,000	95,000	85,000	163,571	105,000	N.A.	85,000	94,045
New York.....	179,000 (d)	151,500	120,800	151,500	127,000	120,800	...	120,800	151,500	127,000
North Carolina.....	139,590	123,198	123,198	123,198	123,198	103,657	120,363	123,198	123,198	123,198
North Dakota.....	110,283	85,614	87,728	113,266	82,849	167,652	...	90,122	87,728	103,284
Ohio.....	144,269	142,501	109,554	109,554	109,554	108,930	125,008	111,072	109,554	100,984
Oklahoma.....	147,000	114,713	94,500	132,850	114,713	164,872	90,451	87,005	114,713	137,239
Oregon.....	93,600	(a-2)	72,000	77,200	72,000	167,160	182,184	136,320	140,964	...
Pennsylvania (h).....	177,888*	149,424*	128,080*	148,003	148,003	128,080*	144,275	128,080*	148,003	128,080*
Rhode Island (i).....	129,210	108,808	108,808	N.A.	108,808	94,769	149,512	(a-23)	170,543	101,598
South Carolina.....	106,078	100,000	92,007	92,007	92,007	92,007	173,380	92,007	N.A.	101,101
South Dakota.....	98,031	17,699 (j)	78,363	97,928	78,363	93,000	90,000	90,000	98,345	99,740
Tennessee.....	170,340 (k)	57,027 (g)	180,000	165,336	180,000	150,000	180,000	150,000	180,000	150,000
Texas.....	150,000	7,200 (m)	125,880	150,000	(a-14)	139,140	...	137,500	198,000	180,000 (n)
Utah.....	109,470	104,000	(a-1)	98,509	104,000	101,608	116,355	101,608	104,000	113,235
Vermont (l).....	142,542*	60,507*	90,376*	108,202*	90,376*	87,090	115,606	115,606	90,376*	127,254
Virginia.....	175,000	36,321	152,793	150,000	149,761	131,903	152,793	137,280	159,907	142,425
Washington.....	166,891	93,948	116,950	151,718	116,950	162,598	120,587	122,478	116,950	120,579
West Virginia.....	150,000	(g)	95,000	95,000	95,000	92,500	95,000	95,000	95,000	75,000
Wisconsin.....	144,423	76,261	68,556	140,147	68,556	115,502	136,944	123,248	121,973	103,325
Wyoming.....	105,000	(a-2)	92,000	137,150	92,000	118,930	142,771	107,588	92,000	100,002
Guam.....	90,000	85,000	...	101,237	65,623	68,152	88,915	60,850	100,000	88,915
No. Mariana Islands.....	70,000	65,000	...	80,000	40,800 (b)	...	54,000	40,800 (b)	80,000	40,800 (b)
U.S. Virgin Islands.....	80,000	75,000	(a-1)	76,500	76,500	85,000	76,500	76,500	76,500	75,000

Sources: The Council of State Governments' survey of state personnel agencies and state websites, April 2011.

Key:

N.A.— Not available.

... — No specific chief administrative official or agency in charge of function.

(a) Chief administrative official or agency in charge of function:

(a-1) Lieutenant governor.

(a-2) Secretary of state.

(a-3) Attorney general.

(a-4) Treasurer.

(a-5) Adjutant general.

(a-6) Administration.

(a-7) Agriculture.

(a-8) Auditor.

(a-9) Banking.

(a-10) Budget.

(a-11) Civil rights.

(a-12) Commerce.

(a-13) Community affairs.

(a-14) Comptroller.

(a-15) Consumer affairs.

(a-16) Corrections.

(a-17) Economic development.

(a-18) Education (chief state school officer).

(a-19) Election administration.

(a-20) Emergency administration.

(a-21) Employment Services.

(a-22) Energy.

(a-23) Environmental protection.

## SELECTED STATE ADMINISTRATIVE OFFICIALS: ANNUAL SALARIES—Continued

State or other jurisdiction	Budget	Civil rights	Commerce	Community affairs	Comptroller	Consumer affairs	Corrections	Economic development	Education	Election admin.
Alabama.....	\$177,266	...	\$162,232	\$91,003	\$136,990	\$78,803	\$119,543	(a-13)	\$197,965	\$67,378
Alaska .....	136,980	135,912	135,000	(a-12)	117,300	(a-12)	135,000	(a-12)	135,000	108,960
Arizona .....	136,150	131,196	183,000	98,133	117,702	132,059	145,985	183,000	85,000	(a-2)
Arkansas .....	118,756	...	(a-17)	N.A.	100,442	115,634	133,033	127,190	224,400	83,637
California .....	(a-24)	...	...	142,964	139,189	175,000	225,000	...	151,127	132,396
Colorado .....	156,468	124,572	...	137,280	126,540	124,728	150,000	118,000	193,002	117,600
Connecticut .....	139,026	118,450	144,283	163,910	110,000	127,307	116,573 (o)	144,283	180,353	128,931
Delaware.....	143,050	76,930	(a-2)	...	143,058	107,001	143,050	123,850	155,450	78,750
Florida.....	150,000	93,000	200,000	140,000	(a-4)	97,698	150,000	(a-12)	275,000	N.A.
Georgia.....	155,000	105,202	125,000	146,795	N.A.	130,000	135,000	150,000	123,270	77,445
Hawaii .....	108,972	97,776	108,972	...	108,972	97,644	103,512	103,512	150,000	75,000
Idaho .....	115,918	63,294	87,568	...	90,006	(a-3)	123,676	87,568	90,006	90,006
Illinois.....	144,000	118,700	146,100	(a-12)	139,200	(a-3)	154,200	(a-12)	189,996	133,092
Indiana .....	126,000	88,000	(a-17)	115,267	(a-8)	92,000	106,500	150,000	82,734	N.A.
Iowa.....	130,000	97,460	100,000	93,829	...	128,890	142,105	154,300	140,000	90,542
Kansas.....	98,000	76,476	103,000	N.A.	97,375	90,000	125,000	101,592	170,000	(a-2)
Kentucky (f) .....	148,719	117,822	137,865*	113,474	106,152	86,928	93,324	250,000	225,000	121,182
Louisiana .....	114,296	82,347	320,000	84,843	204,400	88,400	136,719	320,000	341,458	109,803
Maine.....	90,355	69,409	(a-17)	(a-17)	90,355	96,553	102,689	102,689	102,689	83,574
Maryland.....	166,082 (b)	110,699 (b)	155,000 (b)	...	125,000 (b)	121,005 (b)	166,082 (b)	155,000 (b)	195,000	109,372 (b)
Massachusetts.....	90,000	113,850	150,000	140,000	154,669	135,000	111,832	150,000	154,500	130,916
Michigan .....	125,100	136,000	153,000	...	124,964	...	145,000	...	183,945	(w)(p)
Minnesota .....	(a-24)	108,388	108,388	(a-17)	(a-24)	110,350	108,388	108,388	108,388	(a-2)
Mississippi.....	(a-6)	...	(a-7)	130,000	(a-6)	82,000	132,761	176,500	307,125	80,000
Missouri.....	102,000	67,078	120,000	93,787	95,288	(a-3)	120,000	120,000	185,400	65,196
Montana.....	99,999	72,391	96,984	72,382	87,213	68,091	98,426	99,999	104,635	68,950
Nebraska.....	128,816	75,000	109,167	79,348	100,000	(a-3)	121,328	109,167	207,500	78,204
Nevada.....	(a-6)	87,773	115,847	...	97,000	97,901	108,850	117,030	113,295	(q)
New Hampshire .....	104,364	79,774	112,861	...	104,364	86,229	116,170	86,131	112,861	(a-2)
New Jersey.....	133,507	124,000	(a-17)	141,000	141,000	136,000	141,000	186,600	141,000	115,000
New Mexico.....	125,000	N.A.	122,500	N.A.	N.A.	80,642	106,000	122,500	125,000	85,000
New York.....	178,000	109,800	120,800	120,800	151,500	101,600	136,000	120,800	170,165	(r)
North Carolina .....	(a-24)	67,252	120,363	95,374	153,319	N.A.	120,363	101,702	123,198	117,397
North Dakota.....	110,952	84,000	135,000	...	110,952	98,844	103,956	108,300	99,876	43,080
Ohio.....	126,402	96,408	115,690	98,342	126,401	99,486	119,454	142,500	194,501	109,554
Oklahoma.....	74,000	62,000	90,000	N.A.	90,000	85,000	132,309	90,000	124,373	97,815
Oregon.....	127,884	100,380	150,252	136,320	127,884	150,252	164,928	150,252	72,000	110,556
Pennsylvania (h) .....	149,497	121,957	135,194*	97,820	N.A.	112,548	142,310*	135,194*	142,310*	N.A.
Rhode Island (i) .....	140,525	787,993	(a-9)	N.A.	115,867	(a-3)	145,644	185,000 (s)	203,000	133,567
South Carolina .....	124,331	91,947	152,000	N.A.	92,007	101,295	144,746	(a-12)	92,007	84,375
South Dakota.....	(a-24)	N.A.	(a-44)	(a-48)	(a-40)	63,654	100,000	116,000	81,900	50,000
Tennessee.....	106,620	84,996	(a-17)	(a-17)	180,000	N.A.	150,000	180,000	180,000	115,008
Texas.....	120,000	83,586	...	129,250	150,000	108,516	186,300	...	186,300	(t)
Utah.....	129,501	84,032	119,558	N.A.	122,845	119,558	116,355	126,214	177,819	79,908
Vermont (l).....	(a-24)	94,994	115,606	82,014	(a-24)	94,994	98,550	82,014	113,402	(a-2)
Virginia .....	150,000	73,090	152,793	118,414	133,972	94,587	147,321	220,000	167,111	104,000
Washington.....	(a-24)	95,000	147,000	(a-12)	(a-24)	(a-3)	147,000	(a-12)	121,618	(a-2)
West Virginia.....	97,416	55,000	95,000	95,000	(a-8)	N.A.	80,000	(a-13)	165,000	(a-2)
Wisconsin.....	122,973	96,543	121,000	...	114,385	85,782	123,628	99,447	120,111	101,000
Wyoming.....	113,568	72,023	147,145	(a-12)	(a-8)	(a-12)	135,319	(a-12)	92,000	98,134
Guam.....	88,915	...	75,208	...	85,357	56,268	67,150	82,025	82,025	61,939
No. Mariana Islands....	54,000	49,000	52,000	52,000	40,800 (b)	52,000	40,800 (b)	45,000	80,000	53,000
U.S. Virgin Islands.....	76,500	60,000	76,500	(u)	76,500	76,500	76,500	85,000	76,500	135,000

(a-24) Finance.  
(a-25) Fish and wildlife.  
(a-26) General services.  
(a-27) Health.  
(a-28) Higher education.  
(a-29) Highways.  
(a-30) Information systems.  
(a-31) Insurance.  
(a-32) Labor.  
(a-33) Licensing.  
(a-34) Mental Health.  
(a-35) Natural resources.  
(a-36) Parks and recreation.  
(a-37) Personnel.  
(a-38) Planning.

(a-39) Post audit.  
(a-40) Pre-audit.  
(a-41) Public library development.  
(a-42) Public utility regulation.  
(a-43) Purchasing.  
(a-44) Revenue.  
(a-45) Social services.  
(a-46) Solid waste management.  
(a-47) State police.  
(a-48) Tourism.  
(a-49) Transportation.  
(a-50) Welfare.  
(b) Salary ranges, top figure in ranges follow:  
Alabama: Employment Services, \$109,642.  
Hawaii: Employment Services, \$118,212; Environmental Protection,

## EXECUTIVE BRANCH

### SELECTED STATE ADMINISTRATIVE OFFICIALS: ANNUAL SALARIES—Continued

State or other jurisdiction	Emergency mgmt.	Employment services	Energy	Environ. protection	Finance	Fish & wildlife	General services	Health	Higher education	Highways
Alabama.....	\$80,287	\$139,259	\$97,751	\$134,410	\$167,503	\$117,439	\$95,359	\$247,662	\$185,952	\$102,390
Alaska.....	113,064	141,012	140,000	135,000	126,264	135,000	(a-43)	135,000	295,000	116,988
Arizona.....	90,685	110,002	100,000	135,000	(a-14)	160,000	106,982	136,000	300,000	128,700
Arkansas.....	89,924	136,601	118,580	118,580	(a-6)	118,492	120,019	223,400	188,700	157,430
California.....	175,000	150,112	132,396	175,000	175,000	150,112	150,112	(v)	(w)	(a-49)
Colorado.....	131,208	124,500	130,000	144,876	126,540	144,876	130,404	215,000	N.A.	135,840
Connecticut.....	154,000	132,613	121,146	130,000	163,910	(x)	138,624	162,617	182,126	169,745
Delaware.....	80,050	93,250	N.A.	(a-35)	143,050	95,650	87,522	165,000	97,316	(a-49)
Florida.....	140,000	120,000	80,000	140,000	(a-4)	129,430	140,000	N.A.	225,000	128,000
Georgia.....	122,003	88,455	116,452	155,000	148,000	107,732	N.A.	175,000	425,000	182,504
Hawaii.....	90,048	83,040 (b)	N.A.	83,040 (b)	(y)	83,040 (b)	(a-14)	N.A.	427,512	83,040 (b)
I Idaho.....	122,865	111,945	101,982	112,340	102,731	129,043	...	141,710	110,011	(a-49)
Illinois.....	132,300	146,100	(a-42)	136,800	(a-10)	(a-35)	(a-6)	154,200	190,000	(a-49)
Indiana.....	101,500	105,386	83,132	115,006	(a-10)	77,500	(a-6)	137,500	155,000	(a-49)
Iowa.....	110,000	140,000	(z)	117,728	117,728	N.A.	117,728	130,000	...	140,400
Kansas.....	(aa)	(a-32)	72,962	105,019	...	73,320	(a-6)	190,000	197,000	(a-49)
Kentucky (f).....	79,537	N.A.	137,865*	N.A.	137,865*	134,352	...	162,504	360,000	113,557
Louisiana.....	165,000	108,000	122,865	137,197	(a-6)	123,614	(a-6)	236,000	N.A.	(a-49)
Maine.....	72,800	N.A.	(a-38)	102,689	(a-6)	102,689	N.A.	169,332	N.A.	(a-49)
Maryland.....	127,500 (b)	116,485 (b)	130,050 (b)	(b)	166,082 (b)	...	(a-6)	166,082 (b)	127,500 (b)	159,858
Massachusetts.....	130,000	150,000	117,000	130,000	150,000	123,000	98,706	138,216	206,000	125,658
Michigan.....	130,975	118,470	153,000	140,000	(a-10)	(bb)	...	145,000	...	(a-49)
Minnesota.....	108,388	102,082	108,388	108,388	108,388	108,367	(a-6)	108,388	360,000	108,388
Mississippi.....	107,868	122,000	137,996	120,386	(a-6)	120,636	...	200,000	341,250	(a-49)
Missouri.....	95,004	103,860	...	95,108	100,450	(cc)	95,288	120,000	155,004	(a-49)
Montana.....	74,202	92,303	88,157	96,967	87,213	96,963	88,951	(a-45)	211,201	(a-49)
Nebraska.....	84,621	96,527	87,454	114,315	(dd)	(ee)	100,687	142,923	160,865	(a-49)
Nevada.....	86,757	127,721	99,397	112,275	(a-14)	117,030	...	(ff)	23,660 (gg)	(a-49)
New Hampshire.....	104,364	104,364	79,774	112,861	(a-10)	98,691	(a-6)	98,691	72,852	(a-49)
New Jersey.....	132,300	124,020	100,000	141,000	133,507	105,783	(hh)	141,000	86,793	124,110
New Mexico.....	115,000	95,000	N.A.	105,000	125,000	93,100	105,000	122,500	125,000	N.A.
New York.....	140,864	127,000	120,800	136,000	151,500	136,000	136,000	136,000	170,165	136,000
North Carolina.....	97,284	120,363	92,647	113,410	153,000	105,000	120,363	211,251	525,000	154,388
North Dakota.....	92,100	97,788	108,828	101,592	110,952	107,328	145,500	171,024	213,720	(a-49)
Ohio.....	100,901	141,981	81,266	125,008	(ii)	98,155	105,123	154,378	186,701	120,016
Oklahoma.....	75,705	93,190	90,000	105,917	108,000	111,986	90,451	194,244	394,983	(a-49)
Oregon.....	95,628	150,252	N.A.	136,320	(a-4)	136,320	(a-6)	165,624	219,504	155,760
Pennsylvania (h).....	135,003	N.A.	N.A.	142,3210*	149,497	119,257	135,194*	142,310*	116,167	130,602
Rhode Island (i).....	98,692	130,152	103,514	108,460	(a-44)	(a-23)	(a-6)	141,724	265,000 (jj)	(a-49)
South Carolina.....	97,292	N.A.	N.A.	151,942	(a-6)	121,380	120,154	144,746	154,840	143,000
South Dakota.....	73,181	(a-37)	(a-48)	(a-35)	120,000	104,000	(a-6)	104,000	323,000	(a-47)
Tennessee.....	90,576	150,000	103,260	150,000	180,000	135,000	150,000	153,540	183,792	(a-49)
Texas.....	N.A.	140,000	...	145,200	(a-14)	143,000	126,500	183,750	186,300	(a-49)
Utah.....	69,493	129,688	N.A.	116,938	122,845	116,355	107,266	194,813	129,688	(a-49)
Vermont (l).....	80,018	93,995	95,992	92,997	89,669	88,005	89,357	115,606	...	(a-49)
Virginia.....	114,650	124,741	88,000	150,218	152,793	124,740	141,231	191,906	234,000	189,280
Washington.....	126,204	141,549	(a-23)	141,549	163,056	141,000	(a-6)	141,549	N.A.	(a-49)
West Virginia.....	65,000	75,000	95,000	(a-22)	(a-6)	77,772	78,492	95,000	(kk)	92,500
Wisconsin.....	99,445	104,287	97,501	130,623	122,973	130,623	136,944	123,233	414,593	(a-47)
Wyoming.....	86,742	128,013	73,042	119,892	(a-8)	138,249	110,047	206,798	129,796	125,417
Guam.....	68,152	73,020	55,303	60,850	88,915	60,850	65,623	74,096	174,787	88,915
No. Mariana Islands...	45,000	40,800 (b)	45,000	58,000	54,000	40,800 (b)	54,000	80,000	80,000	40,800 (b)
U.S. Virgin Islands.....	71,250	76,500	69,350	76,500	76,500	76,500	76,500	76,500	76,500	65,000

\$118,212; Fish and Wildlife, \$118,212; Highways, \$129,180; Information Systems, \$118,212; Parks and Recreation, \$118,212; Planning, \$125,436; Post Audit, \$118,212; Pre-Audit, \$118,212; Solid Waste Management, \$112,596; Welfare, \$118,212.

Maryland: For these positions the salary in the chart is the actual salary and the following are the salary ranges: Adjutant General, \$107,196 – \$143,270; Administration, \$107,196 – \$143,270; Agriculture, \$107,196 – \$143,270; Banking, \$73,341 – \$117,751; Budget, \$124,175 – \$166,082; Civil Rights, \$86,161 – \$115,000; Commerce, \$124,175 – \$166,082; Consumer Affairs, \$78,233 – \$125,743; Corrections, \$124,175 – \$166,082; Economic Development, \$124,175 – \$166,082; Elections Administration, \$86,161 – \$115,000; Emergency Management, \$99,637 – \$133,112; Workforce Development, \$92,640 – \$123,708; Energy, \$99,637 – \$133,112; Environmental Protection, \$115,356 – \$154,235; Finance, \$124,175 – \$166,082; Health, \$124,175 – \$166,082; Higher Education, \$115,356 – \$154,235; Information

Services, \$124,175 – \$166,082; Insurance, \$124,175 – \$166,082; Labor, \$107,196 – \$143,270; Licensing, \$86,161 – \$115,000; Mental Health shared duties, \$143,767 – \$237,562 (actual, \$211,632) and \$92,640 – \$123,708 (actual, \$120,870); Natural Resources, \$115,356 – \$154,235; Parks and Recreation, \$86,161 – \$115,000; Personnel, \$99,637 – \$133,112; Planning, \$107,196 – \$143,270; Pre-Audit, \$92,640 – \$123,708; Public Library, \$86,161 – \$115,000; Purchasing, \$80,160 – \$106,940; Revenue, \$92,460 – \$123,708; Social Services, \$124,175 – \$166,082; Solid Waste Management, \$86,161 – \$115,000; State Police, \$124,175 – \$166,082; Tourism, \$92,640 – \$123,708; Transportation, \$124,175 – \$166,082; Welfare, \$124,175 – \$166,082.

Northern Mariana Islands: \$49,266 top of range applies to the following positions: Treasurer, Banking, Comptroller, Corrections, Employment Services, Fish and Wildlife, Highways, Insurance, Mental Health and Retardation, Parks and Recreation, Purchasing, Social/Human Services, Transportation.



## SELECTED STATE ADMINISTRATIVE OFFICIALS: ANNUAL SALARIES—Continued

State or other jurisdiction	Info. systems	Insurance	Labor	Licensing	Mental health	Natural resources	Parks & recreation	Personnel	Planning	Post audit
Alabama.....	\$165,605	\$103,810	\$91,014	...	\$145,296	\$109,206	\$104,798	\$160,440	(a-13)	\$241,695
Alaska.....	117,300	121,704	135,000	101,400	79,908	135,000	108,960	117,300	...	(a-8)
Arizona.....	101,970	115,650	126,069	...	94,183	131,500	142,812	117,702	136,150	...
Arkansas.....	128,542	120,258	117,308	...	106,918	103,611	113,400	102,402	...	157,998
California.....	175,000	139,189	175,000	150,112	(ll)	175,000	150,112	150,112	...	...
Colorado.....	156,000	N.A.	146,040	126,516	N.A.	146,040	144,876	119,064	156,468	(a-8)
Connecticut.....	158,446	143,222	132,613	104,954	(mm)	138,123	138,123	138,624	121,146	(a-8)
Delaware.....	155,450	105,350	115,550	110,756	(nn)	123,850	96,350	108,957	92,369	(a-8)
Florida.....	120,000	133,158	120,000	N.A.	125,000	140,000	105,000	100,000	140,000	(a-4)
Georgia.....	135,000	120,394	121,570	100,000	225,000	141,103	111,420	134,000	(a-10)	(a-8)
Hawaii.....	83,040 (b)	100,248	103,512	N.A.	N.A.	103,512	83,040 (b)	103,512	88,128 (b)	83,040 (b)
Idaho.....	78,956	97,323	111,945	74,609	...	112,798	86,320	115,918	...	(a-14)
Illinois.....	(a-6)	138,600	127,400	(a-9)	(a-45)	136,800	(a-35)	(a-6)	...	(a-8)
Indiana.....	108,813	86,500	99,180	96,393	105,000	105,000	80,378	111,657	...	98,717
Iowa.....	129,293	104,533	112,069	...	117,728	128,890	102,294	112,507	...	...
Kansas.....	N.A.	86,003	102,000	58,938	(oo)	111,490	60,382	N.A.	...	115,296
Kentucky (f).....	118,125	100,217	137,865*	...	103,950	95,445	116,655	137,865*	148,719	(a-8)
Louisiana.....	167,000	115,000	137,000	...	236,000	129,210	115,627	108,160	104,748	N.A.
Maine.....	102,356	96,553	N.A.	98,737	(a-45)	89,523	(a-35)	90,355	N.A.	N.A.
Maryland.....	166,082 (b)	(b)	158,974 (b)	100,581 (b)	(b)(pp)	148,778 (b)	115,000 (b)	117,416 (b)	124,848 (b)	N.A.
Massachusetts.....	125,000	120,000	125,000	100,000	(qq)	150,000	135,000	137,988	150,000	(a-8)
Michigan.....	140,000	112,199	140,000	123,727	130,978	140,000	117,166	143,948	...	(a-8)
Minnesota.....	120,000	97,217	108,388	78,571	(a-45)	108,388	108,367	(a-24)	N.A.	(a-8)
Mississippi.....	160,047	85,500	...	...	164,357	120,386	120,636	111,143	96,303	(a-8)
Missouri.....	110,000	120,000	120,000	37,500	113,878	120,000	N.A.	95,288	102,000	(a-8)
Montana.....	111,623	82,420	96,967	89,803	97,309	96,967	77,578	91,502	99,999	119,326
Nebraska.....	125,387	110,000	118,000	98,810	120,083	107,532	124,097	99,031	96,067	(a-8)
Nevada.....	123,783	117,030	88,799	...	(rr)	127,721	107,465	97,474	...	...
New Hampshire.....	106,496	104,364	104,364	104,364	104,364	112,861	90,605	88,933	...	(a-14)
New Jersey.....	130,380	130,000	141,000	...	(ss)	125,000	102,000	141,000	95,000	...
New Mexico.....	100,000	100,000	95,000	100,000	...	N.A.	96,396	118,000	73,245	85,000
New York.....	169,214	127,000	127,000	(tt)	(uu)	136,000	127,000	120,800	120,800	151,500
North Carolina.....	153,227	123,198	123,198	...	145,000	120,363	106,974	120,363	N.A.	(a-8)
North Dakota.....	121,260	87,727	84,000	...	95,220	...	87,675	93,288	...	96,600
Ohio.....	105,123	128,564	87,547	(vv)	(ww)	128,003	100,589	104,998	128,357	(a-8)
Oklahoma.....	160,000	126,713	105,053	...	133,455	86,310	86,310	80,955	...	...
Oregon.....	134,220	150,252	72,000	N.A.	140,964	N.A.	136,320	110,556	...	140,964
Pennsylvania (h).....	136,998	125,939*	142,310*	N.A.	117,575	135,194*	116,675	127,257	135,003	(a-8)
Rhode Island (i).....	133,596	125,676	(a-21)	(xx)	143,206	(a-23)	(a-23)	141,994	112,515	N.A.
South Carolina.....	137,500	112,407	116,797	116,797	(yy)	121,380	112,504	116,984	N.A.	94,730
South Dakota.....	107,090	83,015	100,000	N.A.	69,118	100,000	82,995	97,000	N.A.	(a-8)
Tennessee.....	150,000	150,000	150,000	92,832	150,000	150,000	83,628	150,000	N.A.	(a-14)
Texas.....	175,000	163,800	140,000	135,000	163,200	145,200	143,000	...	120,000	(a-8)
Utah.....	129,688	107,266	101,608	98,883	93,662	126,214	110,219	126,214	(a-10)	(a-8)
Vermont (l).....	87,776	127,254	93,995	75,005	100,006	115,606	88,005	94,931	...	(a-8)
Virginia.....	191,906	142,425	125,759	127,124	189,280	152,793	128,004	137,955	(a-10)	(a-8)
Washington.....	147,000	116,950	139,320	120,579	(a-45)	121,618	120,579	141,549	(a-24)	N.A.
West Virginia.....	109,999	92,500	70,000	...	95,000	75,000	78,636	70,000	(a-17)	91,750
Wisconsin.....	118,104	117,980	106,031	111,121	109,534	130,623	91,279	104,287	...	(a-8)
Wyoming.....	194,400	101,567	88,439	72,176	100,200	43,842	100,883	109,824	100,000	(a-8)
Guam.....	88,915	88,915	73,020	88,915	67,150	60,850	60,850	88,915	75,208	100,000
No. Mariana Islands.....	45,000	40,800 (b)	45,000	45,360	40,800 (b)	52,000	40,800 (b)	60,000	45,000	80,000
U.S. Virgin Islands.....	71,250	75,000	76,500	76,500	70,000	76,500	76,500	76,500	76,500	55,000

(c) Responsibilities shared between John C. Geragosian, \$144,789 and Robert M. Ward, \$144,789.

(d) Florida Gov. Rick Scott does not collect his salary; Michigan Gov. Rick Snyder returns all but \$1.00 of his salary; New York Gov. Andrew Cuomo has reduced his salary by 5 percent.

(e) There is no one single agency for Administration. The functions are divided among the Director of Budget and Finance, \$108,972; Director of Human Resources Development, vacant; and the Comptroller, \$108,972.

(f) Positions with asterisk have taken a 10 percent salary reduction in the reported salary upon request of the Governor in recognition of budget problems.

(g) In Maine, New Hampshire, Tennessee and West Virginia, the presidents (or speakers) of the Senate are next in line of succession to the governorship. In Tennessee and West Virginia, the speaker of the Senate bears the statutory title of lieutenant governor.

(h) The Pennsylvania entries with asterisks denote that 1.7 percent of the officeholders' salary is being repaid as part of the management pay freeze.

(i) A number of the employees receive a stipend for their length of service to the State (known as a longevity payment). This amount can vary significantly among employees and, depending on state turnover, can show dramatic changes in actual salaries from year to year.

(j) Annual salary for duties as presiding officer of the Senate.

(k) Governor Haslam returns his salary to the state.

(l) The officials who have voluntarily taken a five percent reduction in the annual salary set in statute are marked with an \*.

(m) Lieutenant Governor receives additional pay when serving as acting governor.

(n) This agency is now a self-directed state agency.

(o) Retired commissioner holding position at reduced salary until

## EXECUTIVE BRANCH

### SELECTED STATE ADMINISTRATIVE OFFICIALS: ANNUAL SALARIES—Continued

State or other jurisdiction	Pre-audit	Public library dvpmt.	Public utility reg.	Purchasing	Revenue	Social services	Solid waste mgmt.	State police	Tourism	Transportation	Welfare
Alabama.....	(a-14)	\$107,737	\$96,609	\$131,633	\$141,785	\$148,899	\$113,479	\$65,529	\$91,014	(a-29)	(a-45)
Alaska.....	...	108,960	105,180	135,912	135,000	(a-27)	121,704	135,000	101,400	135,000	113,064
Arizona.....	(a-14)	123,352	133,574	103,464	139,971	173,250	96,510	139,549	102,190	130,000	173,250
Arkansas.....	N.A.	99,886	111,294	100,442	127,959	147,321	N.A.	110,568	88,274	(a-29)	(a-45)
California.....	(a-14)	...	138,528	(a-26)	150,112	165,000	142,968	186,336	...	165,000	175,000
Colorado.....	(a-14)	112,548	114,948	114,948	146,040	150,000	114,948	135,000	100,000	151,840	N.A.
Connecticut.....	(a-14)	113,525	137,686	124,537	167,169	119,353 (zz)	127,707	155,953	118,450	169,745	119,353 (zz)
Delaware.....	(a-8)	81,350	103,500	(a-26)	120,950	(aaa)	160,425	140,130	90,005	N.A.	111,650
Florida.....	(a-4)	95,545	125,000	N.A.	120,000	140,000	95,000	127,500	200,000	N.A.	113,300
Georgia.....	(a-8)	N.A.	116,452	141,625	158,000	171,600	80,187	132,863	121,048	(a-29)	134,000
Hawaii.....	83,040 (b)	120,000	90,060	85,524	108,972	103,512	79,104 (b)	...	204,576	108,972	83,040 (b)
Idaho.....	(a-14)	93,808	92,167	78,956	85,447	141,710	...	112,008	63,400	165,000	104,400
Illinois.....	(a-14)	99,516	137,600	(a-6)	146,100	154,200	(a-23)	136,100	(a-12)	154,200	146,100
Indiana.....	68,772	93,620	109,262	70,750	115,006	130,520	92,712	130,682	85,401	120,000	(a-45)
Iowa.....	102,294	129,293	125,008	102,294	148,500	150,000	102,294	125,000	93,829	147,909	(a-45)
Kansas.....	76,960	81,976	91,416	83,640	107,990	112,743	86,965	107,990	82,961	107,990	76,150
Kentucky (f).....	...	91,947	127,260	90,142	121,632	111,353	79,739	111,352	111,352	137,865*	(a-45)
Louisiana.....	113,318	107,000	130,000	146,400	124,446	129,995	102,000	134,351	107,000	170,000	87,630
Maine.....	(a-14)	90,667	112,174	74,297	96,553	109,220	74,297	96,553	(a-17)	102,689	(a-45)
Maryland.....	110,000 (b)	115,000 (b)	150,000	(b)	120,026 (b)	(b)	114,167 (b)	166,082 (b)	114,444 (b)	166,082 (b)	(a-45)
Massachusetts.....	(a-8)	104,020	(bbb)	118,671	142,939	136,619	115,000	157,469	108,248	150,000	137,000
Michigan.....	...	...	113,612	N.A.	137,523	150,000	130,975	129,842	...	140,000	(a-45)
Minnesota.....	(a-8)	N.A.	(ccc)	104,358	108,388	(a-34)	108,388	108,388	108,388	108,388	(a-34)
Mississippi.....	(a-8)	108,000	141,505	79,633	108,185	130,000	78,008	138,115	85,748	144,354	130,000
Missouri.....	95,288	84,072	88,267	95,288	120,000	120,000	72,000	107,184	75,000	164,600	97,300
Montana.....	119,326	91,962	88,528	88,951	98,421	96,967	96,967	88,400	79,148	96,968	(a-45)
Nebraska.....	100,000	92,951	118,387	100,687	139,437	155,000	67,059	107,000	59,482	135,000	(a-45)
Nevada.....	...	(ddd)	112,275	88,799	115,847	115,847	(a-23)	115,847	117,030	115,847	(ff)
New Hampshire.....	(a-14)	90,606	110,036	72,852	116,170	120,095	98,691	104,364	90,606	116,170	90,606
New Jersey.....	...	...	141,000	130,000 (eee)	124,765	(fff)	98,299	132,300	90,000	141,000	127,200
New Mexico.....	79,200	72,253	90,000	N.A.	105,000	105,000	76,841	115,000	N.A.	112,701	N.A.
New York.....	151,500	170,165	127,000	136,000	127,000	136,000	136,000	121,860	120,800	136,000	136,000
North Carolina.....	(a-8)	106,787	123,936	101,517	120,363	117,193	110,105	117,406	111,872	120,363	N.A.
North Dakota.....	...	...	90,120	72,408	95,212	148,452	80,400	89,436	102,972	128,184	N.A.
Ohio.....	126,401	N.A.	109,595	105,123	126,401	(ggg)	89,794	128,544	87,984	98,300	141,980
Oklahoma.....	(a-14)	77,805	(hhh)	95,000	111,933	162,750	98,793	101,030	86,310	133,200	162,750
Oregon.....	(a-10)	N.A.	N.A.	100,380	150,252	140,964	N.A.	143,064	N.A.	165,276	140,964
Pennsylvania (h).....	(a-4)	116,949	137,694	120,001	135,194*	142,310*	111,101	135,194*	116,499	142,310*	142,310*
Rhode Island (i).....	(a-14)	120,796	116,002	117,873	156,876	(iii)	(jjj)	148,937	N.A.	130,000	(a-45)
South Carolina.....	(a-14)	N.A.	160,272	109,323	130,063	144,746	151,942	145,000	112,504	146,000	(a-45)
South Dakota.....	78,363	70,298	91,390	63,194	95,481	100,000	83,843	84,000	85,000	93,000	(a-45)
Tennessee.....	105,588	120,000	150,000	70,296	150,000	150,000	86,880	177,996	150,000	150,000	150,000
Texas.....	(a-14)	104,500	120,000	116,748	(a-14)	168,000	N.A.	162,000	N.A.	192,500	210,000
Utah.....	(a-24)	110,219	104,395	107,266	N.A.	129,688	107,266	113,235	103,397	160,222	129,688
Vermont (l).....	(a-24)	83,990	116,688	89,357	87,818	115,606	92,997	106,912	79,227	115,606	100,006
Virginia.....	(a-14)	132,890	(kkk)	128,447	136,806	143,450	150,218	145,787	164,000	152,793	143,450
Washington.....	(a-4)	(a-2)	128,000	(a-6)	141,549	163,056	(a-23)	141,549	N.A.	163,056	(a-45)
West Virginia.....	(a-8)	72,000	90,000	98,928	92,500	83,652	78,500	85,000	70,000	99,999	95,000
Wisconsin.....	(a-8)	109,981	113,502	95,426	121,144	121,200	106,887	106,722	108,501	126,412	92,000
Wyoming.....	(a-8)	97,738	115,712	86,112	116,457	117,144	106,787	112,124	111,266	(a-29)	(a-45)
Guam.....	88,915	40,788	N.A.	54,475	88,915	74,096	88,915	74,096	55,303	88,915	74,096
No. Mariana Islands.....	54,000	45,000	80,000	40,800 (b)	45,000	40,800 (b)	54,000	54,000	70,000	40,800 (b)	52,000
U.S. Virgin Islands.....	76,500	53,350	54,500	76,500	76,500	76,500	76,500	76,500	76,500	65,000	76,500

permanent replacement named. Prior salary as full-time commissioner was \$167,496.

(p) Responsibilities shared between Secretary of State, \$124,900 and Bureau Director, \$118,470.

(q) Responsibilities shared between Secretary of State, \$87,982; Deputy Secretary of State for Elections, \$97,474 and Chief Deputy Secretary of State, \$106,150.

(r) The statutory salary for each of the four members of the Board of Elections is \$25,000, including the two co-chairs, Douglas A. Kellner and James A. Walsh.

(s) The Rhode Island Economic Development Corporation is a quasi-public agency.

(t) Responsibilities shared between Secretary of State, \$125,880, and Division Director, \$112,151.

(u) Responsibilities for St. Thomas, \$74,400; St. Croix, \$76,500; St. John, \$74,400.

(v) Responsibilities shared between Director of Health Care Services, \$165,000, and Director, Department of Public Health, \$222,000.

(w) Responsibilities shared between Chancellor of California Community Colleges, \$198,504, and California Post Secondary Education Commission, \$140,000.

(x) Responsibilities shared between Director of Wildlife, \$123,973, Director of Inland Fisheries, \$127,707, and Director of Marine Fisheries, \$121,133.

(y) Responsibilities shared between Director of Budget and Finance, \$108,972, and Comptroller, \$108,972.

(z) For interim on six months basis \$30,000.

## SELECTED STATE ADMINISTRATIVE OFFICIALS: ANNUAL SALARIES—Continued

- (aa) Responsibilities shared between Adjutant General, \$106,394, and deputy director, \$72,000.
- (bb) Responsibilities shared between Director, Department of Natural Resources, \$140,000, and Chief, Fish, \$118,470, and Chief, Wildlife, \$104,283.
- (cc) Responsibilities shared between Administrator, Division of Fisheries, Department of Conservation, \$92,688; Administrator, Division of Wildlife, same department, \$87,408.
- (dd) Responsibilities shared between Auditor of Public Accounts, \$85,000, Director of Administration, \$128,816, and State Tax Commissioner, \$139,437.
- (ee) Responsibilities shared between Game and Parks Director, \$124,097, and Wildlife Division Administrator, N.A.
- (ff) Responsibilities shared between Director, Health and Human Services, \$115,847, and Division Administrator, \$106,150.
- (gg) The Chancellor elected to receive a lower wage than authorized.
- (hh) Responsibilities shared between Acting Director, Division of Purchase and Property, Department of the Treasury, \$130,000 (acting), and Director, Division of Property Management and Construction, Department of the Treasury, \$120,000.
- (ii) Responsibilities shared between Assistant Director of Budget and Management, \$99,757, and Deputy Director, Accounting, Office of Budget and Management, \$113,859.
- (jj) Serves a dual role as Commissioner of Higher Education and as the President of the Community College of Rhode Island.
- (kk) Responsibilities shared between Community and Technical Policy Commission, \$134,000, and Higher Education Policy Commission, \$200,000.
- (ll) Responsibilities shared between Director of Mental Health, \$165,000, and Director of Developmental Services, \$165,000.
- (mm) Responsibilities shared between Commissioner, Mental Health, \$144,999, and Commissioner, Retardation, \$167,496.
- (nn) Responsibilities shared between Director, Division of Substance Abuse and Mental Health, Department of Health and Social Services, \$139,500, and Director, Division of Developmental Disabilities Service, same department, \$111,550.
- (oo) Responsibilities shared between Director of Mental Health, \$79,097, and Director of Community Support, \$74,064.
- (pp) Responsibilities shared between Executive Director of Mental Hygiene Administration, \$211,632, and Director of Developmental Disabilities Administration, \$120,870.
- (qq) Responsibilities shared between Commissioners Barbara Leadholm, \$136,000, and Elin M. Howe, \$135,000.
- (rr) Responsibilities shared between Director, Health and Human Services, \$115,847, and Division Administrator, \$112,275.
- (ss) Responsibilities shared between Acting Assistant Commissioner Valerie Larosiliere, Division of Mental Health Services, Department of Human Services, \$121,432, and position vacant but overseen by Deputy Commissioner Dawn Apgar, Division of Developmental Disabilities, Department of Human Services, \$133,000.
- (tt) Responsibilities shared between Commissioner, State Education Department, \$170,165; Secretary of State, Department of State, \$120,800.
- (uu) Responsibilities shared between Commissioner of Office of Mental Retardation and Developmental Disabilities, \$136,000, and Commissioner of Office of Mental Health, \$136,000.
- (vv) Numerous licensing boards, no central agency.
- (ww) Responsibilities shared between Director of Department of Mental Retardation and Developmental Disabilities, \$126,089, and Director, Department of Mental Health, \$126,006.
- (xx) Varies by department.
- (yy) Responsibilities shared between Director for Disabilities and Special Needs, \$81,305, and Director of Mental Health, \$155,787.
- (zz) Retired commissioner holding position at reduced salary until permanent replacement named. Prior salary as full-time commissioner was \$159,137.
- (aaa) Function split between two cabinet positions: Secretary, Department of Health and Social Services, \$143,050 (if incumbent holds a medical license, amount is increased by \$12,000; if board-certified physician, a supplement of \$3,000 is added), and Secretary, Department of Services for Children, Youth and their Families, \$128,850.
- (bbb) Responsibilities shared by Chair Ann G. Berwick, \$130,000, and Commissioner Geoffrey Why, \$116,575.
- (ccc) Responsibilities shared between five commissioners with salaries of \$88,448 for each.
- (ddd) Responsibilities shared between Director, Department of Cultural Affairs, \$106,150, and Division Administrator, Library and Archives, \$97,474.
- (eee) Acting salary.
- (fff) Responsibilities shared between Commissioner, Department of Human Services, \$141,000, and Commissioner, Department of Children and Families, \$141,000.
- (ggg) Responsibilities shared between Director, Department of Job and Family Services, \$141,980; Superintendent of Department of Education, \$194,500; Executive Director of Rehabilitation Services Commission, \$120,328; and Director of Department of Aging, \$105,684.
- (hhh) Responsibilities shared between three Commissioners, \$116,713, \$114,713 and \$109,250 and General Administrator, \$96,000.
- (iii) Responsibilities shared between Commissioner, Office of Health and Human Services, \$141,828, and Director of the Department of Human Services, \$129,627, and reports to the Commissioner, Office of Health and Human Services.
- (jjj) Solid waste is managed by the Rhode Island Resource Recovery Corporation (RIRRC). Although not a department of the state government, RIRRC is a public corporation and a component of the State of Rhode Island for financial reporting purposes. To be financially self-sufficient, the agency earns revenue through the sale of recyclable products, methane gas royalties and fees for its services.
- (kkk) Function split between three agencies: Communications—\$142,425; Energy Regulation—\$139,762; Utility and Railroad Safety—\$128,438.

### Excluded Managerial Compensation Plan (EMCP) Employee Salaries vs. Director Salaries

As of December 11, 2012

	Director's <u>Salary</u>	No. of EMCP employees paid <u>above the Tier</u>	Percent of EMCP <u>above the Tier</u>	
Tier 1	114,420	20	7%	
Tier 2	108,972	40	13%	(includes employees counted in Tier 1)
Tier 3	103,512	56	19%	(includes employees counted in Tier 2 and 3)

300 employees in EMCP as of December 11, 2012

This is an update of page 12, paragraph 5 in the 2007 Commission on Salaries Report

State of Hawaii  
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT  
SALARY SCHEDULE

B-10

Effective Date: 10/01/2008

Bargaining Unit: 30, 31, 32, 33, 34, 35 Excluded Managerial

		MIN	MAX			MIN	MAX
EM01	ANN	59,028	84,000	ES01	ANN	85,560	121,752
	MON	4,919	7,000		MON	7,130	10,146
	8HR	227.04	323.04		8HR	329.04	468.24
	HRLY	28.38	40.38		HRLY	41.13	58.53
EM02	ANN	61,956	88,236	ES02	ANN	88,128	125,436
	MON	5,163	7,353		MON	7,344	10,453
	8HR	238.32	339.36		8HR	338.96	482.48
	HRLY	29.79	42.42		HRLY	42.37	60.31
EM03	ANN	65,088	92,616	ES03	ANN	90,792	129,180
	MON	5,424	7,718		MON	7,566	10,765
	8HR	250.32	356.24		8HR	349.20	496.88
	HRLY	31.29	44.53		HRLY	43.65	62.11
EM04	ANN	68,328	97,272				
	MON	5,694	8,106				
	8HR	262.80	374.16				
	HRLY	32.85	46.77				
EM05	ANN	71,760	102,120				
	MON	5,980	8,510				
	8HR	276.00	392.80				
	HRLY	34.50	49.10				
EM06	ANN	75,336	107,256				
	MON	6,278	8,938				
	8HR	289.76	412.56				
	HRLY	36.22	51.57				
EM07	ANN	79,104	112,596				
	MON	6,592	9,383				
	8HR	304.24	433.04				
	HRLY	38.03	54.13				
EM08	ANN	83,040	118,212				
	MON	6,920	9,851				
	8HR	319.36	454.64				
	HRLY	39.92	56.83				

No. of Deputy Director Positions per Department

Accounting and General Services	1
Agriculture	1
Attorney General	1
Budget and Finance	1
Business, Economic Development, and Tourism	1
Commerce and Consumer Affairs	1
Hawaiian Homelands	1
Human Resources Development	1
Human Services	1
Labor and Industrial Relations	1
Tax	1
Land and Natural Resources	2
Public Safety	3
Health	4
Transportation	<u>4</u>
	24

Director, Deputy Director and Chief of Staff Turnover

January 2011 to December 2011	16% (6 out of 38)
January 2012 to December 2012	20% (8 out of 39)

State and Private Sector Employees Turnover

	<u>State</u>	<u>Private Sector</u>
Fiscal year 2012	6%	
Fiscal year 2011	6%	13%
Fiscal year 2010	13%	14%
Fiscal year 2009	6%	16%
Fiscal year 2008	6%	20%

**Department of Defense****Director and Deputy Director Federal Military Pay Schedules****Adjutant General**

Rank of Appointee: Major General

Pay Grade: O-8

**Deputy Adjutant General**

Rank of Appointee: Brigadier General

Pay Grade: O-7

**Components of Federal Military Pay:**

Base Pay - Based on pay grade &amp; yrs of svc

Basic Allowance for Housing (BAH)

Basic Allowance for Subsistence (BAS)

Cost of Living Allowance (COLA)\*

Not Taxable

TOTAL SALARY

$$* \text{ COLA is based on Average Annual Spendable Income } \times \left[ \frac{\text{COLA Index} - 100}{100} \right]$$

# BASIC PAY—EFFECTIVE JANUARY 1, 2011

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18
O-10 <sup>1</sup>											
O-9 <sup>1</sup>											
O-8 <sup>1</sup>	9,530.70	9,842.70	10,050.00	10,107.90	10,366.50	10,798.20	10,899.00	11,308.80	11,426.40	11,779.80	12,291.00
O-7 <sup>1</sup>	7,919.10	8,287.20	8,457.30	8,592.60	8,837.70	9,079.80	9,359.70	9,638.70	9,918.60	10,798.20	11,540.70
O-6 <sup>2</sup>	5,869.50	6,448.50	6,871.50	6,871.50	6,897.60	7,193.40	7,232.40	7,232.40	7,643.40	8,370.30	8,796.90
O-5	4,893.00	5,512.20	5,893.80	5,965.80	6,203.70	6,346.20	6,659.40	6,889.20	7,186.20	7,640.70	7,856.70
O-4	4,221.90	4,887.30	5,213.40	5,286.00	5,588.70	5,913.30	6,317.40	6,632.10	6,851.10	6,976.50	7,049.10
O-3	3,711.90	4,208.10	4,542.00	4,951.80	5,188.80	5,449.20	5,617.80	5,894.70	6,039.00	6,039.00	6,039.00
O-2	3,207.30	3,652.80	4,207.20	4,349.10	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50
O-1	2,784.00	2,897.40	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50
O-3 <sup>3</sup>				4,951.80	5,188.80	5,449.20	5,617.80	5,894.70	6,128.10	6,262.20	6,444.90
O-2 <sup>3</sup>				4,349.10	4,438.50	4,580.10	4,818.60	5,002.80	5,140.20	5,140.20	5,140.20
O-1 <sup>3</sup>				3,502.50	3,740.40	3,878.70	4,020.30	4,158.90	4,349.10	4,349.10	4,349.10
W-5											
W-4	3,836.10	4,126.50	4,245.00	4,361.40	4,562.10	4,760.70	4,961.40	5,264.40	5,529.60	5,781.90	5,988.30
W-3	3,502.80	3,648.90	3,798.60	3,847.80	4,004.70	4,313.70	4,635.00	4,786.20	4,961.10	5,142.00	5,466.00
W-2	3,099.90	3,393.00	3,483.30	3,545.40	3,746.40	4,059.00	4,213.50	4,366.20	4,552.50	4,698.00	4,830.00
W-1	2,721.00	3,013.50	3,092.40	3,258.90	3,456.00	3,745.80	3,881.40	4,070.40	4,256.70	4,403.10	4,538.10
E-9 <sup>4</sup>							4,634.70	4,739.70	4,872.00	5,027.70	5,184.60
E-8						3,794.10	3,961.80	4,065.60	4,190.40	4,325.10	4,568.40
E-7	2,637.30	2,878.50	2,988.90	3,135.00	3,249.00	3,444.60	3,554.70	3,750.90	3,913.50	4,024.50	4,143.00
E-6	2,281.20	2,510.10	2,620.80	2,728.50	2,840.70	3,093.60	3,192.30	3,382.80	3,441.00	3,483.60	3,533.40
E-5	2,090.10	2,230.20	2,337.90	2,448.30	2,620.20	2,800.50	2,947.50	2,965.50	2,965.50	2,965.50	2,965.50
E-4	1,916.10	2,014.20	2,123.40	2,230.80	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90
E-3	1,729.80	1,838.70	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00
E-2	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90
E-1 <sup>5</sup>	1,467.60										

## Notes:

1. Basic pay for an O-7 to O-10 is limited by Level II of the Executive Schedule which is \$14,975.10. Basic pay for O-6 and below is limited by Level V of the Executive Schedule which is \$12,141.60.
2. While serving as Chairman, Joint Chief of Staff/Vice Chairman, Joint Chief of Staff, Chief of Navy Operations, Commandant of the Marine Corps, Army/Air Force Chief of Staff, Commander of a unified or specified combatant command, basic pay is \$20,263.50. (See note 1 above).
3. Applicable to O-1 to O-3 with at least 4 years and 1 day of active duty or more than 1460 points as a warrant and/or enlisted member. See Department of Defense Financial Management Regulations for more detailed explanation on who is eligible for this special basic pay rate.
4. For the Master Chief Petty Officer of the Navy, Chief Master Sergeant of the AF, Sergeant Major of the Army or Marine Corps or Senior Enlisted Advisor of the JCS, basic pay is \$7,489.80. Combat Zone Tax Exclusion for O-1 and above is based on this basic pay rate plus Hostile Fire Pay/Imminent Danger Pay which is \$225.00.
5. Applicable to E-1 with 4 months or more of active duty. Basic pay for an E-1 with less than 4 months of active duty is \$1,357.20.
6. Basic pay rate for Academy Cadets/Midshipmen and ROTC members/applicants is \$974.40.



### BASIC PAY—EFFECTIVE JANUARY 1, 2011

Pay Grade	Over 20	Over 22	Over 24	Over 26	Over 28	Over 30	Over 32	Over 34	Over 36	Over 38	Over 40
O-10 <sup>1</sup>	15,400.80	15,475.80	15,797.70	16,358.40	16,358.40	17,176.20	17,176.20	18,034.80	18,034.80	18,936.90	18,936.90
O-9 <sup>1</sup>	13,469.70	13,663.80	13,944.00	14,433.00	14,433.00	15,155.10	15,155.10	15,912.90	15,912.90	16,708.50	16,708.50
O-8 <sup>1</sup>	12,762.30	13,077.30	13,077.30	13,077.30	13,077.30	13,404.30	13,404.30	13,739.40	13,739.40	13,739.40	13,739.40
O-7 <sup>1</sup>	11,540.70	11,540.70	11,540.70	11,599.50	11,599.50	11,831.70	11,831.70	11,831.70	11,831.70	11,831.70	11,831.70
O-6 <sup>2</sup>	9,222.90	9,465.60	9,711.30	10,187.70	10,187.70	10,391.10	10,391.10	10,391.10	10,391.10	10,391.10	10,391.10
O-5	8,070.30	8,313.30	8,313.30	8,313.30	8,313.30	8,313.30	8,313.30	8,313.30	8,313.30	8,313.30	8,313.30
O-4	7,049.10	7,049.10	7,049.10	7,049.10	7,049.10	7,049.10	7,049.10	7,049.10	7,049.10	7,049.10	7,049.10
O-3	6,039.00	6,039.00	6,039.00	6,039.00	6,039.00	6,039.00	6,039.00	6,039.00	6,039.00	6,039.00	6,039.00
O-2	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50	4,438.50
O-1	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50	3,502.50
O-3 <sup>3</sup>	6,444.90	6,444.90	6,444.90	6,444.90	6,444.90	6,444.90	6,444.90	6,444.90	6,444.90	6,444.90	6,444.90
O-2 <sup>3</sup>	5,140.20	5,140.20	5,140.20	5,140.20	5,140.20	5,140.20	5,140.20	5,140.20	5,140.20	5,140.20	5,140.20
O-1 <sup>3</sup>	4,349.10	4,349.10	4,349.10	4,349.10	4,349.10	4,349.10	4,349.10	4,349.10	4,349.10	4,349.10	4,349.10
W-5	6,820.80	7,167.00	7,424.70	7,710.00	7,710.00	8,095.80	8,095.80	8,500.50	8,500.50	8,925.90	8,925.90
W-4	6,189.60	6,485.40	6,728.40	7,005.60	7,005.60	7,145.70	7,145.70	7,145.70	7,145.70	7,145.70	7,145.70
W-3	5,685.30	5,816.40	5,955.60	6,144.90	6,144.90	6,144.90	6,144.90	6,144.90	6,144.90	6,144.90	6,144.90
W-2	4,987.80	5,091.60	5,174.10	5,174.10	5,174.10	5,174.10	5,174.10	5,174.10	5,174.10	5,174.10	5,174.10
W-1	4,701.60	4,701.60	4,701.60	4,701.60	4,701.60	4,701.60	4,701.60	4,701.60	4,701.60	4,701.60	4,701.60
E-9 <sup>4</sup>	5,436.60	5,649.30	5,873.40	6,215.70	6,215.70	6,526.20	6,526.20	6,852.90	6,852.90	7,195.80	7,195.80
E-8	4,691.70	4,901.70	5,017.80	5,304.60	5,304.60	5,411.10	5,411.10	5,411.10	5,411.10	5,411.10	5,411.10
E-7	4,189.20	4,342.80	4,425.60	4,740.00	4,740.00	4,740.00	4,740.00	4,740.00	4,740.00	4,740.00	4,740.00
E-6	3,533.40	3,533.40	3,533.40	3,533.40	3,533.40	3,533.40	3,533.40	3,533.40	3,533.40	3,533.40	3,533.40
E-5	2,965.50	2,965.50	2,965.50	2,965.50	2,965.50	2,965.50	2,965.50	2,965.50	2,965.50	2,965.50	2,965.50
E-4	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90	2,325.90
E-3	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00
E-2	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90	1,644.90

**Notes:**

1. Basic pay for an O-7 to O-10 is limited by Level II of the Executive Schedule which is \$14,975.10. Basic pay for O-6 and below is limited by Level V of the Executive Schedule which is \$12,141.60.
2. While serving as Chairman, Joint Chief of Staff/Vice Chairman, Joint Chief of Staff, Chief of Navy Operations, Commandant of the Marine Corps, Army/Air Force Chief of Staff, Commander of a unified or specified combatant command, basic pay is \$20,263.50. (See note 1 above).
3. Applicable to O-1 to O-3 with at least 4 years and 1 day of active duty or more than 1460 points as a warrant and/or enlisted member. See Department of Defense Financial Management Regulations for more detailed explanation on who is eligible for this special basic pay rate.
4. For the Master Chief Petty Officer of the Navy, Chief Master Sergeant of the AF, Sergeant Major of the Army or Marine Corps or Senior Enlisted Advisor of the JCS, basic pay is \$7,489.80. Combat Zone Tax Exclusion for O-1 and above is based on this basic pay rate plus Hostile Fire Pay/Imminent Danger Pay which is \$225.00.
5. Applicable to E-1 with 4 months or more of active duty. Basic pay for an E-1 with less than 4 months of active duty is \$1,357.20.
6. Basic pay rate for Academy Cadets/Midshipmen and ROTC members/applicants is \$974.40.

# ALLOWANCES

Basic Allowance for Housing RC/Transient (January 1, 2011)					Family Separation Allowance									
Pay Grade	Partial	Without Dependent	With Dependent	Differential	All Pay Grades: \$250									
0-10	\$ 50.70	\$ 1,405.50	\$ 1,728.90	\$ 319.80	Basic Allowance for Subsistence (Effective January 1, 2011)					Family Subsistence Supplemental Allowance (Effective October 1, 2010)				
0-9	\$ 50.70	\$ 1,405.50	\$ 1,728.90	\$ 319.80										
0-8	\$ 50.70	\$ 1,405.50	\$ 1,728.90	\$ 319.80	Officers: \$223.84 Enlisted: \$325.04					All Pay Grades Not to Exceed \$1100.00				
0-7	\$ 50.70	\$ 1,405.50	\$ 1,728.90	\$ 319.80										
0-6	\$ 39.60	\$ 1,288.80	\$ 1,556.40	\$ 264.90	Clothing Allowances (Effective October 1, 2010)									
0-5	\$ 33.00	\$ 1,241.10	\$ 1,500.30	\$ 255.60										
0-4	\$ 26.70	\$ 1,149.90	\$ 1,322.40	\$ 170.10	Standard Initial Clothing Allowance (Enlisted Members Only)									
0-3	\$ 22.20	\$ 922.20	\$ 1,094.40	\$ 169.80		Army		Navy		Air Force		Marine Corps		
0-2	\$ 17.70	\$ 730.80	\$ 933.60	\$ 200.40		Male	Female	Male	Female	Male	Female	Male	Female	
0-1	\$ 13.20	\$ 627.00	\$ 835.80	\$ 216.90		1,441.68	1,673.18	1,630.62	1,853.34	1,405.94	1,632.41	1,680.05	1,744.30	
03E	\$ 22.20	\$ 995.10	\$ 1,176.00	\$ 178.20	Cash Clothing Replacement Allowance (Enlisted Members Only)									
02E	\$ 17.70	\$ 846.00	\$ 1,061.10	\$ 213.30		Army		Navy		Air Force		Marine Corps		
OIE	\$ 13.20	\$ 735.90	\$ 981.00	\$ 250.20		Male	Female	Male	Female	Male	Female	Male	Female	
W-5	\$ 25.20	\$ 1,168.50	\$ 1,277.10	\$ 106.20	Basic	370.80	410.40	327.60	331.20	273.60	302.40	403.20	428.40	
W-4	\$ 25.20	\$ 1,037.40	\$ 1,170.60	\$ 130.80	Standard	531.80	585.87	468.00	471.60	388.80	432.00	572.40	608.40	
W-3	\$ 20.70	\$ 872.40	\$ 1,073.10	\$ 197.70	Special	0	0	709.20	759.60	0	0	0	0	
W-2	\$ 15.90	\$ 774.00	\$ 985.80	\$ 209.10	Civilian Clothing Allowance									
W-1	\$ 13.80	\$ 648.90	\$ 853.20	\$ 202.20	Type of Duty	Initial	Replacement	15 days in 30 days period		30 days in 36 month period				
E-9	\$ 18.60	\$ 852.00	\$ 1,123.20	\$ 267.30	Permanent	940.68	313.56	0		0				
E-8	\$ 15.30	\$ 782.40	\$ 1,036.20	\$ 250.50	Temporary	0	0	313.56		627.12				
E-7	\$ 12.00	\$ 721.50	\$ 961.80	\$ 289.90	Personal Money Allowance (Monthly Amount)									
E-6	\$ 9.90	\$ 666.60	\$ 888.60	\$ 279.90	1. While serving as Chairman or Vice Chairman of the JCS, or Army or Air Force CS, CNO, or CMC									
E-5	\$ 8.70	\$ 599.40	\$ 799.20	\$ 238.20										
E-4	\$ 8.10	\$ 521.40	\$ 694.80	\$ 206.10	2. Senior Member of the Military Staff Committee of the U.N.									
E-3	\$ 7.80	\$ 484.80	\$ 646.20	\$ 168.60	3. General or Admiral									
E-2	\$ 7.20	\$ 462.00	\$ 615.90	\$ 225.60	4. Lieutenant General Vice Admiral									
E-1	\$ 6.90	\$ 462.00	\$ 615.90	\$ 267.30	5. Senior Enlisted Member of a Military Service									

For other pays or specific requirements for the pay cited in this table, go to the web at:

<http://www.dtic.mil/comptroller/fmr/07a/index.html>

# 2011 BAH Rates - WITH DEPENDENTS

MHA	MHA Name	E01	E02	E03	E04	E05	E06	E07	E08	E09	W01	W02	W03	W04	W05	O01E	O02E	O03E	O01	O02	O03	O04	O05	O06	O07
CO045	DENVER, CO	1302	1302	1302	1302	1464	1533	1635	1749	1911	1536	1683	1821	1944	2088	1659	1803	1968	1473	1530	1815	2145	2379	2403	2427
CO046	COLORADO SPRINGS, CO	1098	1098	1098	1098	1161	1347	1413	1485	1608	1350	1443	1530	1635	1764	1428	1515	1656	1182	1344	1524	1812	2016	2037	2058
CO047	FORT COLLINS, CO	1047	1047	1047	1047	1152	1257	1338	1428	1539	1260	1377	1485	1557	1644	1359	1470	1572	1164	1254	1482	1677	1815	1833	1851
CO422	BOULDER, CO	1302	1302	1302	1302	1404	1722	1878	2046	2226	1725	1947	2154	2250	2367	1911	2124	2268	1437	1716	2145	2412	2598	2622	2649
CT049	NEW LONDON, CT	1326	1326	1326	1326	1437	1626	1734	1848	2010	1629	1782	1923	2043	2184	1758	1902	2064	1458	1623	1917	2238	2466	2493	2517
CT050	HARTFORD, CT	1509	1509	1509	1509	1584	2115	2235	2361	2538	2118	2286	2442	2574	2730	2259	2421	2598	1644	2106	2436	2790	3042	3072	3102
CT051	NEW HAVEN/FAIRFIELD, CT	1812	1812	1812	1812	1923	2253	2388	2535	2751	2259	2448	2628	2796	2994	2418	2604	2826	1959	2247	2622	3072	3393	3426	3459
DC053	WASHINGTON, DC	1779	1779	1779	1779	1881	2217	2337	2463	2601	2220	2388	2547	2619	2706	2361	2523	2634	1917	2211	2538	2739	2880	2910	2940
DE054	DOVER AFB, DE	1167	1167	1167	1167	1257	1572	1599	1626	1707	1575	1611	1647	1731	1833	1605	1641	1746	1293	1566	1644	1872	2034	2055	2076
DE055	REHOBOTH BEACH, DE	1212	1212	1212	1212	1284	1578	1620	1665	1746	1581	1638	1695	1767	1851	1629	1686	1779	1317	1572	1692	1881	2019	2037	2058
FL056	EGLIN AFB, FL	1158	1158	1158	1158	1218	1332	1362	1392	1488	1335	1374	1413	1515	1635	1368	1407	1533	1230	1329	1410	1683	1878	1899	1917
FL057	GAINESVILLE, FL	1107	1107	1107	1107	1173	1305	1380	1464	1584	1308	1416	1515	1611	1719	1398	1500	1626	1188	1302	1512	1764	1941	1962	1980
FL058	JACKSONVILLE, FL	1179	1179	1179	1179	1248	1380	1482	1590	1686	1383	1527	1659	1695	1737	1503	1641	1701	1263	1377	1653	1752	1821	1839	1857
FL059	PATRICK AFB, FL	1065	1065	1065	1065	1200	1467	1509	1551	1650	1470	1527	1581	1674	1788	1518	1572	1692	1230	1464	1578	1833	2016	2037	2055
FL061	MIAMI/FORT LAUDERDALE, FL	1698	1698	1698	1698	1803	1989	2139	2301	2496	1992	2205	2406	2532	2682	2172	2376	2556	1824	1983	2397	2739	2979	3009	3039
FL062	ORLANDO, FL	1305	1305	1305	1305	1410	1503	1548	1596	1707	1506	1666	1626	1737	1869	1557	1617	1758	1422	1500	1623	1920	2133	2154	2178
FL063	PANAMA CITY, FL	1083	1083	1083	1083	1122	1272	1329	1392	1503	1275	1356	1431	1530	1647	1341	1422	1548	1140	1269	1428	1692	1881	1899	1920
FL064	PENSACOLA, FL	1026	1026	1026	1026	1050	1245	1266	1293	1383	1248	1278	1308	1410	1533	1272	1302	1428	1071	1242	1305	1581	1779	1797	1815
FL065	TALLAHASSEE, FL	1086	1086	1086	1086	1131	1329	1410	1497	1644	1332	1446	1554	1677	1818	1428	1539	1698	1152	1323	1551	1875	2106	2127	2148
FL066	TAMPA, FL	1401	1401	1401	1401	1542	1923	1974	2031	2130	1926	1998	2067	2154	2259	1986	2055	2172	1584	1914	2064	2301	2469	2493	2517
FL067	WEST PALM BEACH, FL	1512	1512	1512	1512	1650	1899	2034	2178	2343	1902	2091	2271	2370	2484	2064	2244	2388	1677	1893	2265	2529	2715	2742	2769
FL068	OCALA, FL	1017	1017	1017	1017	1074	1284	1308	1338	1413	1287	1320	1356	1434	1530	1314	1350	1449	1095	1278	1353	1566	1719	1737	1752
FL069	KEY WEST, FL	1929	1929	1929	1929	2094	2454	2487	2520	2643	2457	2499	2541	2682	2847	2493	2535	2706	2133	2448	2538	2910	3180	3210	3243
FL070	VOLUSIA COUNTY, FL	1113	1113	1113	1113	1218	1374	1464	1563	1707	1377	1506	1626	1737	1866	1485	1608	1755	1233	1371	1620	1914	2124	2145	2166
FL397	POLK COUNTY, FL	915	915	915	915	963	1152	1257	1371	1500	1155	1305	1443	1524	1617	1281	1422	1539	984	1149	1437	1653	1806	1824	1842
FL423	FORT PIERCE, FL	1062	1062	1062	1062	1143	1383	1437	1494	1551	1386	1458	1530	1560	1593	1449	1521	1563	1170	1377	1527	1605	1662	1677	1695
FL424	FT MYERS BCH, FL	1251	1251	1251	1251	1365	1653	1737	1830	1923	1656	1776	1887	1938	1998	1758	1872	1947	1398	1647	1881	2022	2118	2139	2160
GA071	ATLANTA, GA	1038	1038	1038	1038	1101	1272	1350	1437	1563	1275	1386	1491	1590	1707	1368	1476	1608	1119	1269	1488	1752	1941	1959	1980
GA072	ALBANY, GA	879	879	879	879	924	1044	1095	1155	1278	1047	1119	1191	1311	1455	1107	1182	1332	939	1041	1188	1509	1740	1755	1773
GA073	FORT GORDON, GA	1008	1008	1008	1008	1068	1341	1392	1446	1518	1344	1413	1479	1533	1596	1401	1470	1542	1098	1335	1476	1620	1722	1737	1755
GA074	KINGS BAY/BRUNSWICK, GA	957	957	957	957	1044	1233	1332	1437	1554	1236	1374	1503	1572	1653	1353	1485	1584	1065	1230	1500	1683	1812	1830	1848
GA075	FORT BENNING, GA	1086	1086	1086	1086	1182	1461	1476	1491	1560	1464	1482	1503	1581	1680	1479	1497	1596	1212	1455	1500	1716	1872	1890	1908
GA076	ROBINS AFB, GA	972	972	972	972	1029	1209	1308	1413	1536	1212	1350	1479	1557	1647	1329	1461	1569	1050	1206	1476	1683	1827	1845	1866
GA077	SAVANNAH, GA	1185	1185	1185	1185	1260	1458	1494	1533	1620	1461	1509	1560	1644	1743	1503	1551	1659	1281	1455	1557	1782	1944	1965	1983
GA078	ATHENS, GA	927	927	927	927	996	1092	1152	1221	1332	1095	1182	1263	1359	1470	1167	1251	1377	1005	1089	1260	1512	1692	1710	1728
GA079	DAHLONEGH, GA	972	972	972	972	1074	1143	1203	1266	1350	1146	1230	1308	1365	1431	1215	1296	1374	1083	1140	1305	1455	1563	1578	1593
GA080	FORT STEWART, GA	1011	1011	1011	1011	1044	1323	1407	1497	1608	1326	1443	1554	1629	1716	1425	1539	1641	1074	1317	1551	1749	1887	1908	1926
GA081	MOODY AFB, GA	894	894	894	894	939	1176	1221	1269	1350	1179	1242	1302	1371	1449	1230	1293	1383	966	1170	1299	1482	1611	1626	1641
HI407	MAUI COUNTY, HI	1572	1572	1572	1572	1647	1839	1956	2082	2250	1842	2007	2160	2283	2427	1980	2139	2304	1668	1836	2154	2484	2715	2742	2769
HI408	HONOLULU COUNTY, HI	2016	2016	2016	2016	2040	2385	2580	2793	3015	2391	2667	2928	3048	3192	2625	2889	3072	2079	2379	2916	3246	3477	3513	3549
HI409	HAWAII COUNTY, HI	1278	1278	1278	1278	1332	1728	1794	1863	1959	1731	1821	1908	1977	2061	1806	1896	1989	1374	1719	1905	2091	2226	2247	2271
HI414	KAUAI COUNTY, HI	1650	1650	1650	1650	1770	1980	2028	2082	2235	1983	2052	2115	2280	2475	2040	2106	2310	1794	1977	2112	2550	2862	2892	2919
IA082	DES MOINES, IA	1023	1023	1023	1023	1113	1389	1437	1491	1578	1392	1461	1524	1599	1689	1449	1515	1614	1143	1383	1521	1725	1869	1887	1905
IA083	AMES, IA	903	903	903	903	1017	1197	1212	1227	1296	1200	1218	1242	1320	1416	1215	1236	1335	1038	1194	1239	1452	1605	1623	1638
IA330	WATERLOO, IA	819	819	819	819	903	1197	1209	1221	1251	1200	1215	1233	1257	1293	1212	1227	1263	936	1191	1230	1308	1365	1380	1392
IA331	DUBUQUE, IA	1032	1032	1032	1032	1092	1392	1419	1449	1512	1395	1431	1467	1530	1605	1425	1461	1542	1125	1386	1464	1635	1758	1776	1791
IA332	CEDAR RAPIDS, IA	816	816	816	816	846	1005	1080	1158	1266	1008	1113	1209	1287	1377	1095	1194	1299	864	1002	1206	1410	1557	1575	1590
IA389	SIOUX CITY, IA	819	819	819	819	846	1107	1134	1164	1197	1110	1146	1185	1203	1227	1140	1179	1206	873	1101	1182	1236	1272	1284	1296
IA425	IOWA CITY, IA	978	978	978	978	1080	1392	1452	1521	1680	1395	1479	1563	1725	1917	1467	1551	1755	1116	1386	1560	1992	2304	2325	2349
ID084	BOISE, ID	804	804	804	804	861	1059	1098	1143	1221	1062	1116	1170	1242	1323	1107	1161	1254	885	1053	1167	1356	1491	1506	1521
ID085	IDAHO FALLS, ID	861	861	861	861	945	1077	1098	1125																

**Cost-of-Living Allowance (COLA)  
Average Annual Spendable Income Table  
Effective 1 October 2010 (FY 11)**

<b>Annual Compensation</b>	<b>Number of Dependents (Excluding Self)</b>					
	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>= or &gt; 5</b>
> 139,000	44,900	50,500	56,200	59,000	64,600	67,400
132,000 - 138,999	42,400	47,700	53,000	55,700	61,000	63,600
125,000 - 131,999	40,700	45,800	50,900	53,400	58,500	61,100
118,000 - 124,999	39,000	43,900	48,800	51,200	56,100	58,500
112,000 - 117,999	37,400	42,100	46,800	49,100	53,800	56,200
106,000 - 111,999	36,000	40,500	45,000	47,200	51,700	54,000
100,000 - 105,999	34,500	38,800	43,100	45,300	49,600	51,800
95,000 - 99,999	33,100	37,300	41,400	43,500	47,700	49,700
90,000 - 94,999	31,900	35,900	39,900	41,900	45,900	47,900
85,000 - 89,999	30,700	34,500	38,400	40,300	44,100	46,000
80,000 - 84,999	29,400	33,100	36,800	38,600	42,300	44,200
75,000 - 79,999	28,200	31,700	35,300	37,000	40,500	42,300
71,000 - 74,999	27,100	30,500	33,900	35,500	38,900	40,600
67,000 - 70,999	26,100	29,300	32,600	34,200	37,500	39,100
63,000 - 66,999	25,100	28,200	31,400	32,900	36,100	37,600
59,000 - 62,999	24,100	27,100	30,100	31,600	34,600	36,100
55,000 - 58,999	23,100	26,000	28,800	30,300	33,200	34,600
51,000 - 54,999	22,100	24,800	27,600	29,000	31,700	33,100
48,000 - 50,999	21,200	23,800	26,500	27,800	30,500	31,800
45,000 - 47,999	20,400	23,000	25,500	26,800	29,400	30,600
42,000 - 44,999	19,700	22,100	24,600	25,800	28,300	29,500
< 41,999	18,900	21,300	23,600	24,800	27,200	28,400
<b>Footnotes:</b>						
<b>**Source:</b> BLS Table 2 & Table 2301 Income and Higher Income before taxes: Average						
annual expenditures and characteristics, Consumer Expenditure Survey Data 2008						
<b>Released 2010</b>						
<b>** Rounded to the nearest \$100</b>						

# COLA Index

Locality	Locality Code /1	NEW RATES	
		Index	Eff Date
Hohenfels (B)	GM 230	130	16-Jul-11
Jever AB (LS)	GM 415	148	16-Jul-11
Kaiserslautern Military Community (incl Bann, Einsiedlerhof, Kaiserslautern, Landstuhl, Miesau, Pirmasens, Ramstein, Ruppertsweiler, Sembach, and Zweibruecken) (RP)	GM 700	130	16-Jul-11
Kalkar (NRW)	GM 539	148	16-Jul-11
Karlsruhe (incl Ettlingen) (BW)	GM 027	130	16-Jul-11
Kiel (SH) (incl Eckernforde)	GM 221	148	16-Jul-11
Kitzengen (B) (incl Wuerzburg)	GM 129	130	16-Jul-11
Landsberg (B)	GM 223	150	16-Jul-11
Leipzig (OS)	GM 157	148	16-Jul-11
Mannheim (incl Sandhofen) (BW)	GM 039	130	16-Jul-11
Munchengladbach (NRW) (incl Grefrath, Rheindahlen, and Herongen)	GM 549	136	16-Jul-11
Munich (B) (incl Furstenfeldbruck and Ober Pfaffenhofen)	GM 133	150	16-Jul-11
Nurnberg (B)	GM 137	130	16-Jul-11
Oberammergau (incl Oberammergau MOD)	GM 139	134	16-Jul-11
Pfullendorf (BW) (incl Gross Engstingen)	GM 721	148	16-Jul-11
Potsdam (BDG)	GM 816	158	16-Jul-11
Schweinfurt (B)	GM 227	130	16-Jul-11
Spangdahlem (RP)	GM 741	130	16-Jul-11
Stuttgart (BW) 6/	GM 055	130	16-Jul-11
Tubingen (BW)	GM 059	130	16-Jul-11
Ulm (BW) (incl Neu Ulm)	GM 061	130	16-Jul-11
Vilseck / Grafenwoehr (B)	GM 231	130	16-Jul-11
Wiesbaden (incl Bad Kreuznach and Wackernheim) (H)	GM 355	130	16-Jul-11
Wilhelmshaven (LS)	GM 469	148	16-Jul-11
States (localities not listed):			
Other Baden-Wuerttemberg	GM 063	130	16-Jul-11
Other Bavaria (incl Bad Aibling)	GM 153	130	16-Jul-11
Other Hesse	GM 359	130	16-Jul-11
Other Lower Saxony	GM 425	148	16-Jul-11
Other Mecklenburg-Vorpommern	GM 369	148	16-Jul-11
Other North Rhine-Westphalia	GM 573	148	16-Jul-11
Other Rhineland-Palatinate	GM 655	130	16-Jul-11
Other Saarland	GM 207	130	16-Jul-11
Other Saxony	GM 939	148	16-Jul-11
Other Schleswig Holstein	GM 703	148	16-Jul-11
All Other Landstates	GM 999	130	16-Jul-11
Ghana	GH 999	128	16-Apr-10
Gibraltar	GI 001	130	1-Jul-11
Greece:			
Araxos	GR 007	128	16-Jul-11
Attica Department 7/	GR 003	146	16-Jul-11
Larissa (incl Tirnavos)	GR 011	134	16-Jul-11
Souda Bay	GR 001	128	16-Jul-11
Tanagra	GR 015	146	16-Jul-11
Thessaloniki	GR 017	146	16-Jul-11
Other	GR 999	None	16-Jul-11
Grenada	GJ 999	118	16-Dec-08
Guam	GQ 001	126	1-Jul-11
Guatemala:			
Guatemala City	GT 001	122	16-Jul-11
Other	GT 999	122	16-Jul-11
Guinea	GV 999	134	16-Nov-09
Guyana	GY 999	128	1-Dec-09
Haiti:			
Port au Prince	HA 001	134	1-May-11
Other	HA 999	134	1-May-11
Hawaii--by Island:			
Hawaii Island	HI 001	134	1-Jun-10
Kauai	HI 003	134	1-Jun-10
Maui	HI 005	138	1-Jun-10
Molokai	HI 007	138	1-Jun-10
Oahu	HI 009	130	1-Jun-10
Other Islands	HI 999	None	8-Nov-89
Honduras:			
Tegucigalpa	HO 001	114	16-Feb-11
Other	HO 999	114	16-Feb-11
Hong Kong	HK 001	144	16-Jul-11
Hungary:			
Budapest	HU 001	136	1-Apr-09
Other	HU 999	136	16-Jul-11
Iceland:			
Other (incl Keflavik & Reykjavik)	IC 999	144	16-Jul-11
India:			
Chennai	IN 555	118	1-Jun-11
Hyderabad	IN 556	118	1-Jun-11
Kolkata	IN 557	118	1-Jun-11
Mumbai	IN 050	136	1-Jun-11
New Delhi	IN 001	118	1-Jun-11
Other	IN 999	118	1-Jun-11
Indonesia:			

# Appendix C

## Judicial Branch Appendices

Judicial Salaries

C-1

	Chief Justice		Associate Justice		ICA Chief Judge		Associate Judge		Circuit Court Judge		District/Family Court Judge	
1/1/1990	94,780		93,780		91,280		89,780		86,780		81,780	
7/1/1990		0%		0%		0%		0%		0%		0%
7/1/1991		0%		0%		0%		0%		0%		0%
7/1/1992		0%		0%		0%		0%		0%		0%
7/1/1993		0%		0%		0%		0%		0%		0%
7/1/1994		0%		0%		0%		0%		0%		0%
7/1/1995		0%		0%		0%		0%		0%		0%
7/1/1996		0%		0%		0%		0%		0%		0%
7/1/1997		0%		0%		0%		0%		0%		0%
7/1/1998		0%		0%		0%		0%		0%		0%
7/1/1999	105,206	11%	104,096	11%	101,321	11%	99,656	11%	96,326	11%	90,776	11%
7/1/2000	116,779	11%	115,547	11%	112,466	11%	110,618	11%	106,922	11%	100,761	11%
7/1/2001		0%		0%		0%		0%		0%		0%
7/1/2002		0%		0%		0%		0%		0%		0%
7/1/2003		0%		0%		0%		0%		0%		0%
7/1/2004		0%		0%		0%		0%		0%		0%
7/1/2005	140,000	20%	135,000	17%	130,000	16%	125,000	13%	121,600	14%	114,600	14%
7/1/2006	144,900	4%	139,725	4%	134,550	4%	129,375	4%	125,856	4%	118,611	4%
7/1/2007	159,396	10%	153,696	10%	148,008	10%	142,308	10%	138,444	10%	130,476	10%
7/1/2008	164,976	4%	159,072	3%	153,192	4%	147,288	3%	143,292	4%	135,048	4%
7/1/2009	156,732	-5%	151,116	-5%	145,536	-5%	139,920	-5%	136,128	-5%	128,292	-5%
7/1/2010		0%		0%		0%		0%		0%		0%
7/1/2011		0%		0%		0%		0%		0%		0%
7/1/2012		0%		0%		0%		0%		0%		0%



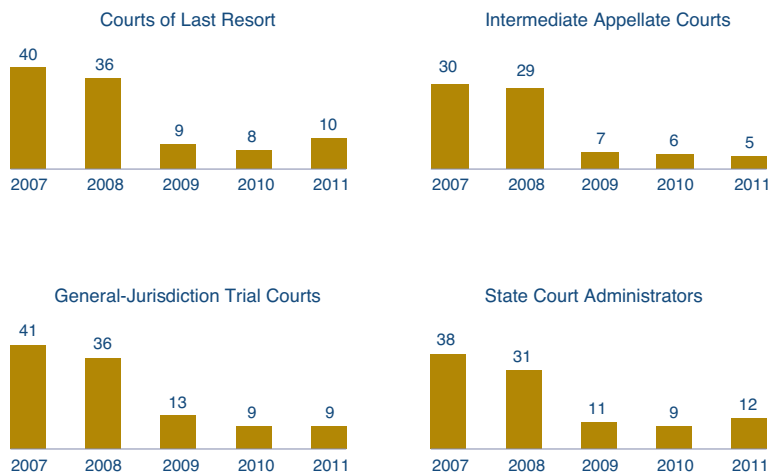
# Survey of Judicial Salaries

The *Survey of Judicial Salaries*, published for nearly 30 years by the National Center for State Courts (NCSC) with the support of state court administrative offices across the United States, serves as the primary record of compensation for state judicial officers and state court administrators.

This issue of the *Survey of Judicial Salaries* reports salary data as of January 1, 2012. This cut-off date is important because states implement salary changes at various points during the year. However, a standard and unchanging cutoff date must be established to publish salary data in a timely and predictable fashion. Various tables and graphics show the number of states with salary increases, salary rankings across states, and the impact of cost-of-living indices on judicial salaries.

*Beginning in 2009, only a handful of states have reported judicial salary increases.*

## Number of States Reporting Salary Increases



Through January 1, 2012, the average annual percent increase in salaries for the courts of last resort, the intermediate appellate courts, and general-jurisdiction judges was close to zero, only 0.63%, on average, across all states. This is nearly the same percentage increase seen in calendar year 2010. In addition, the number of states that increased salaries was very low by historical standards. For courts of last resort, only 10 states increased salaries in calendar year 2011; for intermediate appellate courts only 5 states; and for general-jurisdiction judges, just 9 states. For the state court administrators, the percent increase in salaries during 2011 was .94%, nearly the same as the 2010 increase. Twelve states increased salaries for state court administrators during 2011. The bar charts here summarize the number of states increasing judicial salaries over the past five years.

Note: This online version is the definitive version of the *Survey of Judicial Salaries*, Vol. 37 No. 1

## Judicial Salaries at a Glance

The average annual percent change for the four judicial positions, and the state court administrators analyzed by the *Survey*, is .55% for 2011. As indicated in the table below, this increase is far less than the pre-recession (2003-2007) average increase of 3.24%. The lower 2008/2009 average increase of 1.67% was not unexpected as the nation's economy, and by extension government revenues, was mired in the vast economic recession. The 2011 average increase of .55% continues the downward trend. The ongoing impact of the sluggish economic recovery on tax revenue and on state budgets is anticipated to level off or possibly get worse before substantial improvement is seen. The following table summarizes current salaries for the major judicial positions.

	Mean	Median	Range	Average Annual % Change		
				Pre-Recession 2003-07	2008-09	2010-11
Chief, Highest Court	\$157,759	\$152,500	\$115,160 to \$228,856	3.19%	1.58%	0.67%
Associate Justice, Court of Last Resort	\$152,606	\$146,917	\$112,530 to \$218,237	3.21%	1.88%	0.64%
Judge, Intermediate Appellate Courts	\$146,887	\$140,732	\$105,050 to \$204,599	3.20%	1.60%	0.36%
Judge, General-Jurisdiction Trial Courts	\$137,151	\$132,500	\$104,170 to \$180,802	3.19%	1.53%	0.58%
State Court Administrators	\$136,547	\$130,410	\$89,960 to \$211,272	3.30%	1.38%	0.89%
Average				3.24%	1.67%	0.63%

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## Salaries and Rankings for Appellate and General-Jurisdiction Judges - Listed Alphabetically by State Name

The table below lists the salaries and rankings for associate justices of the courts of last resort, associate judges of intermediate appellate courts, and judges of general-jurisdiction trial courts (actual salaries and cost-of-living-adjusted salaries) as of January 1, 2012. Where possible, the salary figures are actual salaries. In jurisdictions where some judges receive supplements, the figures are the most representative available—either the base salary, the midpoint of a range between the lowest and highest supplemented salaries, or the median. Salaries are ranked from highest to lowest, with the highest salary for each position having a rank of “1.” The lowest salary has a rank of “51” except for intermediate appellate courts, which exist in only 39 states. The mean, median, and salary range for each of the positions are also shown.

	<b>Highest Court</b>		<b>Intermediate Appellate Court</b>		<b>General-Jurisdiction Trial Court</b>				
	<i>Salary</i>	<i>Rank</i>	<i>Salary</i>	<i>Rank</i>	<i>Salary</i>	<i>Rank</i>	<i>Adjusted for Cost of Living</i> <i>Adjustment Factor</i>	<i>Adjusted Salary</i>	<i>Adjusted Rank</i>
Alabama	\$180,005	9	\$178,878	5	\$134,943	25	93.05	\$145,015	13
Alaska	\$192,372	4	\$181,752	4	\$177,888	4	133.68	\$133,068	24
Arizona	\$155,000	20	\$150,000	14	\$145,000	15	102.99	\$140,784	18
Arkansas	\$145,204	30	\$140,732	20	\$136,257	23	90.15	\$151,141	8
California	\$218,237	1	\$204,599	1	\$178,789	2	130.03	\$137,503	20
Colorado	\$139,660	34	\$134,128	28	\$128,598	33	101.46	\$126,749	33
Connecticut	\$162,520	17	\$152,637	11	\$146,780	14	133.11	\$110,271	45
Delaware	\$188,751	5			\$178,449	3	105.65	\$168,913	3
District of Columbia	\$184,500	7			\$174,000	5	143.50	\$121,251	36
Florida	\$157,976	19	\$150,077	13	\$142,178	16	97.68	\$145,555	11
Georgia	\$167,210	12	\$166,186	8	\$149,873	11	94.59	\$158,439	7
Hawaii	\$151,118	23	\$139,924	21	\$136,127	24	168.02	\$81,018	51
Idaho	\$119,506	48	\$118,506	37	\$112,043	47	92.63	\$120,955	37
Illinois	\$209,344	2	\$197,032	2	\$180,802	1	95.07	\$190,171	1
Indiana	\$151,328	21	\$147,103	17	\$125,647	35	92.25	\$136,200	21
Iowa	\$163,200	16	\$147,900	16	\$137,700	21	95.26	\$144,548	16
Kansas	\$135,905	40	\$131,518	32	\$120,037	43	93.06	\$128,987	29
Kentucky	\$135,504	41	\$130,044	34	\$124,620	37	91.53	\$136,147	22
Louisiana	\$150,772	24	\$143,647	19	\$137,744	20	95.11	\$144,823	14
Maine	\$119,476	49			\$111,969	48	113.07	\$99,023	50
Maryland	\$162,352	18	\$149,552	15	\$140,352	17	124.17	\$113,037	41
Massachusetts	\$145,984	27	\$135,087	27	\$129,694	30	122.18	\$106,153	47
Michigan	\$164,610	14	\$151,441	12	\$139,919	18	92.89	\$150,628	9
Minnesota	\$145,981	28	\$137,552	23	\$129,124	31	103.33	\$124,966	34
Mississippi	\$112,530	51	\$105,050	39	\$104,170	51	92.63	\$112,457	42
Missouri	\$137,034	38	\$128,207	35	\$120,484	42	93.18	\$129,302	27
Montana	\$121,434	47			\$113,928	46	100.10	\$113,810	40
Nebraska	\$142,760	32	\$135,622	26	\$132,053	28	92.77	\$142,340	17
Nevada	\$170,000	10			\$160,000	8	97.16	\$164,674	5
New Hampshire	\$146,917	26			\$137,804	19	119.93	\$114,906	39
New Jersey	\$185,482	6	\$175,534	6	\$165,000	7	129.71	\$127,206	32
New Mexico	\$123,691	46	\$117,506	38	\$111,631	49	99.33	\$112,383	43
New York	\$151,200	22	\$144,000	18	\$136,700	22	130.03	\$105,131	48
North Carolina	\$137,249	36	\$131,531	31	\$124,382	38	96.78	\$128,517	30
North Dakota	\$134,135	42			\$119,330	44	97.03	\$122,978	35
Ohio	\$141,600	33	\$132,000	30	\$121,350	41	93.93	\$129,198	28
Oklahoma	\$137,655	35	\$130,410	33	\$124,373	39	90.42	\$137,550	19
Oregon	\$125,688	45	\$122,820	36	\$114,468	45	106.85	\$107,130	46
Pennsylvania	\$195,309	3	\$184,282	3	\$169,541	6	101.85	\$166,468	4
Rhode Island	\$165,726	13			\$149,207	12	125.74	\$118,660	38
South Carolina	\$137,171	37	\$133,741	29	\$130,312	29	97.76	\$133,294	23
South Dakota	\$118,173	50			\$110,377	50	99.47	\$110,968	44
Tennessee	\$167,976	11	\$162,396	9	\$156,792	10	90.43	\$173,391	2
Texas	\$150,000	25	\$137,500	24	\$132,500	26	90.92	\$145,740	10
Utah	\$145,350	29	\$138,750	22	\$132,150	27	91.28	\$144,777	15
Vermont	\$129,245	44			\$122,867	40	122.15	\$100,588	49
Virginia	\$183,839	8	\$168,322	7	\$158,134	9	96.83	\$163,309	6
Washington	\$164,221	15	\$156,328	10	\$148,832	13	102.56	\$145,118	12
West Virginia	\$136,000	39			\$126,000	34	96.32	\$130,809	26
Wisconsin	\$144,495	31	\$136,316	25	\$128,600	32	97.29	\$132,186	25
Wyoming	\$131,500	43			\$125,200	36	98.38	\$127,259	31
Mean	\$152,606		\$146,887		\$137,151				
Median	\$146,917		\$140,732		\$132,500				
Range	\$112,530 to \$218,237		\$105,050 to \$204,599		\$104,170 to \$180,802				

## Using the ACCRA Cost-of-Living Index

The Council for Community and Economic Research—C2ER (formerly the ACCRA organization)—is the most widely accepted U.S. source for cost-of-living indices, with nearly 400 reporting jurisdictions across America. The cost-of-living indices used in this report were developed by examining the average costs of goods and services for the latest four running fiscal quarters. The factors reflect an average of the reporting jurisdictions in a particular state (i.e., the cost-of-living index for Virginia is the average of the cost-of-living index for each reporting jurisdiction in Virginia). More detailed information can be found at [www.accra.org](http://www.accra.org) or [www.c2er.org](http://www.c2er.org).

## Salaries and Rankings for Appellate and General-Jurisdiction Judges - Listed in Order of State Rank

The tables below list the salaries for associate justices of the courts of last resort, associate judges of intermediate appellate courts, and judges of general-jurisdiction trial courts (actual salaries and cost-of-living-adjusted salaries) as of January 1, 2012. Where possible, the salary figures are actual salaries. In jurisdictions where some judges receive supplements, the figures are the most representative available—either the base salary, the midpoint of a range between the lowest and highest supplemented salaries, or the median. The listings are in rank order from highest to lowest salary. The mean, median, and salary range for each of the positions are also shown.

Highest Court		Intermediate Appellate Court		General-Jurisdiction Trial Court			
				Salary	Adjusted for Cost of Living		
California	\$218,237	California	\$204,599	Illinois	\$180,802	Illinois	\$190,171
Illinois	\$209,344	Illinois	\$197,032	California	\$178,789	Tennessee	\$173,391
Pennsylvania	\$195,309	Pennsylvania	\$184,282	Delaware	\$178,449	Delaware	\$168,913
Alaska	\$192,372	Alaska	\$181,752	Alaska	\$177,888	Pennsylvania	\$166,468
Delaware	\$188,751	Alabama	\$178,878	District of Columbia	\$174,000	Nevada	\$164,674
New Jersey	\$185,482	New Jersey	\$175,534	Pennsylvania	\$169,541	Virginia	\$163,309
District of Columbia	\$184,500	Virginia	\$168,322	New Jersey	\$165,000	Georgia	\$158,439
Virginia	\$183,839	Georgia	\$166,186	Nevada	\$160,000	Arkansas	\$151,141
Alabama	\$180,005	Tennessee	\$162,396	Virginia	\$158,134	Michigan	\$150,628
Nevada	\$170,000	Washington	\$156,328	Tennessee	\$156,792	Texas	\$145,740
Tennessee	\$167,976	Connecticut	\$152,637	Georgia	\$149,873	Florida	\$145,555
Georgia	\$167,210	Michigan	\$151,441	Rhode Island	\$149,207	Washington	\$145,118
Rhode Island	\$165,726	Florida	\$150,077	Washington	\$148,832	Alabama	\$145,015
Michigan	\$164,610	Arizona	\$150,000	Connecticut	\$146,780	Louisiana	\$144,823
Washington	\$164,221	Maryland	\$149,552	Arizona	\$145,000	Utah	\$144,777
Iowa	\$163,200	Iowa	\$147,900	Florida	\$142,178	Iowa	\$144,548
Connecticut	\$162,520	Indiana	\$147,103	Maryland	\$140,352	Nebraska	\$142,340
Maryland	\$162,352	New York	\$144,000	Michigan	\$139,919	Arizona	\$140,784
Florida	\$157,976	Louisiana	\$143,647	New Hampshire	\$137,804	Oklahoma	\$137,550
Arizona	\$155,000	Arkansas	\$140,732	Louisiana	\$137,744	California	\$137,503
Indiana	\$151,328	Hawaii	\$139,924	Iowa	\$137,700	Indiana	\$136,200
New York	\$151,200	Utah	\$138,750	New York	\$136,700	Kentucky	\$136,147
Hawaii	\$151,118	Minnesota	\$137,552	Arkansas	\$136,257	South Carolina	\$133,294
Louisiana	\$150,772	Texas	\$137,500	Hawaii	\$136,127	Alaska	\$133,068
Texas	\$150,000	Wisconsin	\$136,316	Alabama	\$134,943	Wisconsin	\$132,186
New Hampshire	\$146,917	Nebraska	\$135,622	Texas	\$132,500	West Virginia	\$130,809
Massachusetts	\$145,984	Massachusetts	\$135,087	Utah	\$132,150	Missouri	\$129,302
Minnesota	\$145,981	Colorado	\$134,128	Nebraska	\$132,053	Ohio	\$129,198
Utah	\$145,350	South Carolina	\$133,741	South Carolina	\$130,312	Kansas	\$128,987
Arkansas	\$145,204	Ohio	\$132,000	Massachusetts	\$129,694	North Carolina	\$128,517
Wisconsin	\$144,495	North Carolina	\$131,531	Minnesota	\$129,124	Wyoming	\$127,259
Nebraska	\$142,760	Kansas	\$131,518	Wisconsin	\$128,600	New Jersey	\$127,206
Ohio	\$141,600	Oklahoma	\$130,410	Colorado	\$128,598	Colorado	\$126,749
Colorado	\$139,660	Kentucky	\$130,044	West Virginia	\$126,000	Minnesota	\$124,966
Oklahoma	\$137,655	Missouri	\$128,207	Indiana	\$125,647	North Dakota	\$122,978
North Carolina	\$137,249	Oregon	\$122,820	Wyoming	\$125,200	District of Columbia	\$121,251
South Carolina	\$137,171	Idaho	\$118,506	Kentucky	\$124,620	Idaho	\$120,955
Missouri	\$137,034	New Mexico	\$117,506	North Carolina	\$124,382	Rhode Island	\$118,660
West Virginia	\$136,000	Mississippi	\$105,050	Oklahoma	\$124,373	New Hampshire	\$114,906
Kansas	\$135,905			Vermont	\$122,867	Montana	\$113,810
Kentucky	\$135,504			Ohio	\$121,350	Maryland	\$113,037
North Dakota	\$134,135			Missouri	\$120,484	Mississippi	\$112,457
Wyoming	\$131,500			Kansas	\$120,037	New Mexico	\$112,383
Vermont	\$129,245			North Dakota	\$119,330	South Dakota	\$110,968
Oregon	\$125,688			Oregon	\$114,468	Connecticut	\$110,271
New Mexico	\$123,691			Montana	\$113,928	Oregon	\$107,130
Montana	\$121,434			Idaho	\$112,043	Massachusetts	\$106,153
Idaho	\$119,506			Maine	\$111,969	New York	\$105,131
Maine	\$119,476			New Mexico	\$111,631	Vermont	\$100,588
South Dakota	\$118,173			South Dakota	\$110,377	Maine	\$99,023
Mississippi	\$112,530			Mississippi	\$104,170	Hawaii	\$81,018
Mean	\$152,606		\$146,887		\$137,151		\$132,461
Median	\$146,917		\$140,732		\$132,500		\$130,809
Range	\$112,530 to \$218,237	\$105,050 to \$204,599		\$104,170 to \$180,802		\$81,018 to \$190,171	

Information in this *Survey* is collected from designated representatives in each state. The National Center for State Courts has protocols in place to help ensure the accuracy of the data that are collected, analyzed, and ultimately reported.

## National Center for State Courts

The National Center for State Courts is a nonprofit organization dedicated to the modernization of court operations and the improvement of justice at the state and local levels throughout the country. It functions as an extension of the state court systems, working for them at their direction and providing for them an effective voice in matters of national importance.

The National Center acts as a focal point for state judicial reform and provides the means for reinvesting in the all states the profits gained from judicial advances in any state. Funding for this *Survey* is made possible by assessments from all the states and territories and by individual contributions.

Points of view are those of the authors and do not necessarily represent the official position or policies of the National Center for State Courts. If you have questions or comments regarding this *Survey*, contact the National Center for State Courts, Knowledge and Information Services, 300 Newport Avenue, Williamsburg, VA 23185, (800) 616-6164, fax (757) 564-2075.

This *Survey* was prepared by the Knowledge and Information Services (KIS) Office of the National Center for State Courts, with assistance from **VisualResearch**.

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# JUDICIAL SALARY TRACKER

Introducing an interactive  
interface that presents  
judicial salary data in easily  
understood visual displays.

*What salaries are required  
to keep pace with inflation?*

*How do your state's salaries  
compare when adjusted for  
cost of living?*



**Salary Comparison Among States  
Court of Last Resort Chief**

As of 1/1/2012

**\*Cost of living not included**

<u>Rank</u>	<u>State</u>	<u>Salary</u>		
1	California	228,856	National Average	158,944
2	Illinois	209,344	Hawaii vs. National Average	-1.4%
3	Pennsylvania	200,993		
4	Delaware	198,645	National Median	152,500
5	Virginia	195,104	Hawaii vs. National Median	2.8%
6	Alaska	192,936		
7	New Jersey	192,795		
8	Rhode Island	182,300		
9	Maryland	181,352		
10	Alabama	181,127		
11	Connecticut	175,645		
12	Tennessee	172,980		
13	Iowa	170,850		
14	Michigan	164,610		
15	Washington	164,221		
16	Arizona	160,000		
17	Florida	157,976		
18	Arkansas	156,864		
19	Hawaii	156,727		
20	New York	156,000		
21	Texas	152,500		
22	Wisconsin	152,495		
23	New Hampshire	151,477		
24	Massachusetts	151,239		
25	Ohio	150,850		
26	Utah	147,350		
27	Oklahoma	147,000		
28	South Carolina	144,029		
29	Nebraska	142,760		
30	Kentucky	140,504		
31	Missouri	139,534		
32	Kansas	139,310		
33	Maine	138,138		
34	North Dakota	137,987		
35	West Virginia	136,000		
36	Vermont	135,408		
37	Oregon	128,556		
38	New Mexico	125,691		
39	Idaho	121,006		
40	South Dakota	120,173		
41	Mississippi	115,390		
42	Colorado			
43	District of Columbia			
44	Georgia			
45	Indiana			
46	Louisiana			
47	Minnesota			
48	Montana			
49	Nevada			
50	North Carolina			
51	Wyoming			

Source: National Center for State Courts, [http://www.ncsconline.org/d\\_kis/salary\\_survey/query.asp](http://www.ncsconline.org/d_kis/salary_survey/query.asp)

\*Cost of living adjustments not included because cost of living reflects the demand for goods and services, and are not a good predictor of salary levels. Source: Economic Research Institute Geographic Reference Report.

Salary Comparison Among States  
Court of Last Resort Associate Justices

As of 1/1/2012

**\*Cost of living not included**

<u>Rank</u>	<u>State</u>	<u>Salary</u>		
1	California	218,237	National Average	152,606
2	Illinois	209,344	Hawaii vs. National Average	-1.0%
3	Pennsylvania	195,309		
4	Alaska	192,372	National Median	146,917
5	Delaware	188,751	Hawaii vs. National Median	2.9%
6	New Jersey	185,482		
7	District of Columbia	184,500		
8	Virginia	183,839		
9	Alabama	180,005		
10	Nevada	170,000		
11	Tennessee	167,976		
12	Georgia	167,210		
13	Rhode Island	165,726		
14	Michigan	164,610		
15	Washington	164,221		
16	Iowa	163,200		
17	Connecticut	162,520		
18	Maryland	162,352		
19	Florida	157,976		
20	Arizona	155,000		
21	Indiana	151,328		
22	New York	151,200		
23	Hawaii	151,118		
24	Louisiana	150,772		
25	Texas	150,000		
26	New Hampshire	146,917		
27	Massachusetts	145,984		
28	Minnesota	145,981		
29	Utah	145,350		
30	Arkansas	145,204		
31	Wisconsin	144,495		
32	Nebraska	142,760		
33	Ohio	141,600		
34	Colorado	139,660		
35	Oklahoma	137,655		
36	North Carolina	137,249		
37	South Carolina	137,171		
38	Missouri	137,034		
39	West Virginia	136,000		
40	Kansas	135,905		
41	Kentucky	135,504		
42	North Dakota	134,135		
43	Wyoming	131,500		
44	Vermont	129,245		
45	Oregon	125,688		
46	New Mexico	123,691		
47	Montana	121,434		
48	Idaho	119,506		
49	Maine	119,476		
50	South Dakota	118,173		
51	Mississippi	112,530		

Source: National Center for State Courts, Survey of Judicial Salaries, Vol. 37, No. 1

\*Cost of living adjustments not included because cost of living reflects the demand for goods and services, and are not a good predictor of salary levels. Source: Economic Research Institute Geographic Reference Report.

Salary Comparison Among States  
Intermediate Appellate Court Presiding Judge

As of 1/1/2012

**\*Cost of living not included**

<u>Rank</u>	<u>State</u>	<u>Salary</u>		
1	Mississippi	221,320	National Average	150,639
2	Illinois	197,032	Hawaii vs. National Average	-3.4%
3	Pennsylvania	189,965		
4	Alaska	181,752	National Median	146,766
5	Alabama	179,441	Hawaii vs. National Median	-0.8%
6	Virginia	171,383		
7	Tennessee	164,892		
8	Connecticut	160,722		
9	Washington	156,328		
10	Iowa	153,000		
11	Maryland	152,552		
12	Michigan	151,441		
13	Louisiana	150,770		
14	Florida	150,077		
15	Arizona	150,000		
16	New York	148,000		
17	Hawaii	145,532		
18	Arkansas	142,969		
19	Utah	140,750		
20	Massachusetts	140,358		
21	Texas	140,000		
22	Wisconsin	136,316		
23	South Carolina	135,799		
24	Nebraska	135,622		
25	Kansas	134,750		
26	Kentucky	133,044		
27	Oklahoma	132,825		
28	Ohio	132,000		
29	Missouri	128,207		
30	Oregon	125,688		
31	New Mexico	119,406		
32	Idaho	118,506		
33	California			
34	Colorado			
35	Delaware			
36	District of Columbia			
37	Georgia			
38	Indiana			
39	Maine			
40	Minnesota			
41	Montana			
42	Nevada			
43	New Hampshire			
44	New Jersey			
45	North Carolina			
46	North Dakota			
47	Rhode Island			
48	South Dakota			
49	Vermont			
50	West Virginia			
51	Wyoming			

Source: National Center for State Courts, [http://www.ncsconline.org/d\\_kis/salary\\_survey/query.asp](http://www.ncsconline.org/d_kis/salary_survey/query.asp)

\*Cost of living adjustments not included because cost of living reflects the demand for goods and services, and are not a good predictor of salary levels. Source: Economic Research Institute Geographic Reference Report.

**Salary Comparison Among States  
Intermediate Appellate Court Judge**

As of 1/1/2012

**\*Cost of living not included**

<u>Rank</u>	<u>State</u>	<u>Salary</u>		
1	California	204,599	National Average	146,887
2	Illinois	197,032	Hawaii vs. National Average	-4.7%
3	Pennsylvania	184,282		
4	Alaska	181,752	National Median	140,732
5	Alabama	178,878	Hawaii vs. National Median	-0.6%
6	New Jersey	175,534		
7	Virginia	168,322		
8	Georgia	166,186		
9	Tennessee	162,396		
10	Washington	156,328		
11	Connecticut	152,637		
12	Michigan	151,441		
13	Florida	150,077		
14	Arizona	150,000		
15	Maryland	149,552		
16	Iowa	147,900		
17	Indiana	147,103		
18	New York	144,000		
19	Louisiana	143,647		
20	Arkansas	140,732		
21	Hawaii	139,924		
22	Utah	138,750		
23	Minnesota	137,552		
24	Texas	137,500		
25	Wisconsin	136,316		
26	Nebraska	135,622		
27	Massachusetts	135,087		
28	Colorado	134,128		
29	South Carolina	133,741		
30	Ohio	132,000		
31	North Carolina	131,531		
32	Kansas	131,518		
33	Oklahoma	130,410		
34	Kentucky	130,044		
35	Missouri	128,207		
36	Oregon	122,820		
37	Idaho	118,506		
38	New Mexico	117,506		
39	Mississippi	105,050		
40	Delaware			
41	District of Columbia			
42	Maine			
43	Montana			
44	Nevada			
45	New Hampshire			
46	North Dakota			
47	Rhode Island			
48	South Dakota			
49	Vermont			
50	West Virginia			
51	Wyoming			

Source: National Center for State Courts, Survey of Judicial Salaries, Vol. 37, No. 1

\*Cost of living adjustments not included because cost of living reflects the demand for goods and services, and are not a good predictor of salary levels. Source: Economic Research Institute Geographic Reference Report.

Salary Comparison Among States  
General-Jurisdiction Trial Court Judge

As of 1/1/2012

**\*Cost of living not included**

<u>Rank</u>	<u>State</u>	<u>Salary</u>		
1	Illinois	180,802	National Average	137,151
2	California	178,789	Hawaii vs. National Average	-0.7%
3	Delaware	178,449		
4	Alaska	177,888	National Median	132,500
5	District of Columbia	174,000	Hawaii vs. National Median	2.7%
6	Pennsylvania	169,541		
7	New Jersey	165,000		
8	Nevada	160,000		
9	Virginia	158,134		
10	Tennessee	156,792		
11	Georgia	149,873		
12	Rhode Island	149,207		
13	Washington	148,832		
14	Connecticut	146,780		
15	Arizona	145,000		
16	Florida	142,178		
17	Maryland	140,352		
18	Michigan	139,919		
19	New Hampshire	137,804		
20	Louisiana	137,744		
21	Iowa	137,700		
22	New York	136,700		
23	Arkansas	136,257		
24	Hawaii	136,127		
25	Alabama	134,943		
26	Texas	132,500		
27	Utah	132,150		
28	Nebraska	132,053		
29	South Carolina	130,312		
30	Massachusetts	129,694		
31	Minnesota	129,124		
32	Wisconsin	128,600		
33	Colorado	128,598		
34	West Virginia	126,000		
35	Indiana	125,647		
36	Wyoming	125,200		
37	Kentucky	124,620		
38	North Carolina	124,382		
39	Oklahoma	124,373		
40	Vermont	122,867		
41	Ohio	121,350		
42	Missouri	120,484		
43	Kansas	120,037		
44	North Dakota	119,330		
45	Oregon	114,468		
46	Montana	113,928		
47	Idaho	112,043		
48	Maine	111,969		
49	New Mexico	111,631		
50	South Dakota	110,377		
51	Mississippi	104,170		

Source: National Center for State Courts, Survey of Judicial Salaries, Vol. 37, No. 1

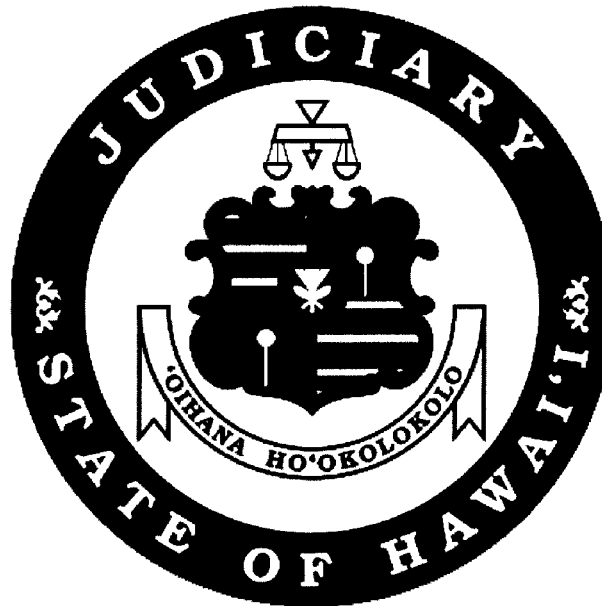
\*Cost of living adjustments not included because cost of living reflects the demand for goods and services, and are not a good predictor of salary levels. Source: Economic Research Institute Geographic Reference Report.



# The Judiciary, State of Hawaii

12/18/2012

Presentation to the  
Commission on Salaries



# Mission

The mission of the Judiciary, as an independent branch of government, is to administer justice in an impartial, efficient, and accessible manner in accordance with the law.



# Salary Objectives:

- To create the most qualified judicial applicant pool.
- To retain an experienced judiciary by providing fair and just compensation for Hawaii's justices and judges.
- To have all Hawaii judicial salaries at the national average, when adjusted for the Cost of Living Index.

# The Objectives, Restated

“To have good judges, a state must be able to get good lawyers to leave the practice of law. To do this, judicial salaries need not equal, but must have a reasonable relationship to the compensation of the more competent and experienced practicing attorneys from whose ranks judges should come, and to whose ranks they can return. It is axiomatic in business that you get what you pay for. Because of this correlation between quality and compensation, a state cannot expect to attract and retain good judges and thereby maintain a quality court system at compensation levels that are comparable to those of the less experienced or less competent lawyers.”

Edward B. McConnell. “State Judicial Salaries: A National Perspective.” Journal of State Government, 61, Sept./Oct. 1988, at 180.

# A Brief History

- July 8, 2002 – The Cades Foundation contracted with the National Center for State Courts (NCSC) to conduct a study of salary setting mechanisms and, based on this study, to propose a model for setting judicial salaries in Hawaii. The impetus for the study was a nine-year gap between salary adjustments (1990-1999).

# NCSC Findings

- January 2003 – The NCSC report found the following impediments to meeting the Judiciary's goal and objectives:
  - Advisory nature of the commission.
  - An unduly politicized process.
  - Irregularity of salary increases.
  - Lack of equitable compensation (for the Judiciary, Legislature, and Executive Branches).

# NCSC Model Proposed

1. Unitary commission.
2. Broad-based membership.
3. Force of law salary recommendations.
4. Regularity in salary adjustments.
5. Objective criteria for salary determination.

# NCSC Model:

## 1. Unitary Commission

- Creation of a salary commission for elected legislative and executive branch officials, judges, top appointed officials of the judiciary, department heads and executive officers and their deputies or assistants, and possibly legislative office heads and their deputies or assistants.



# NCSC Model:

## 2. Broad-Based Membership

- Includes experts on finance, benefits, and personnel procedures.

# NCSC Model:

## 3. Force of Law

- Salary recommendations with the force of law unless rejected by the Legislature and a general de-politicization of the salary process.

# NCSC Model: 4. Regularity in Salary Adjustments

- Regularity in salary adjustments, possibly best achieved by an escalator that ensures that real dollar value compensation does not shrink over time. Examples include cost of living indexes or mirroring the increases given to other state employees such as those in the Excluded Managerial Compensation Plan.

# NCSC Model: 5. Objective Criteria for Salary Determination

- Skill and experience for the position.
- Time required and opportunity for other earned income.
- Overall compensation package for those in a state retirement system.
- Cost of living as measured by available indices.

» continued.

## Objective Criteria (cont.)

- Comparable positions in other states and in Hawaii.

# The Legislative Outcome

<b>Act 123, SLH 2003/As Amended</b>	<b>Included</b>	<b>Not Included</b>
Unitary commission	X	
Broad-based membership		X
Force of law	X	
Regularity in salary adjustments		X
Objective criteria		X

# FY08 - FY13 Salaries

The 2006 Commission on Salaries recommended, and the Legislature did not disapprove, annual judicial salary adjustments of 10%, 3.5%, 10%, 3.5%, 10%, and 3.5%.

Subsequent legislative action cut by 5% and then froze judicial salaries from July 1, 2009, to June 30, 2013.

>>cont.

## FY08 - FY13 Salaries (cont.)

During the period of November 1, 2009 through June 30, 2011, the Judiciary also experienced twice a month furlough days. Unlike other employees, judges were required to report to work.



# The Objective Criteria: A Closer Look

1. Skill & Experience	4. Regularity
2. Time Required & Opportunity for Other Earned Income	5. Other State Judiciaries
3. Retirement	6. Top 10 UH Related
7. Honolulu Attorneys	

# Criteria 1: Skill & Experience

(Source: Hawaii Constitution Article VI Section 3)

- Minimum ten years as a licensed attorney to meet the minimum requirement for the Supreme Court, Intermediate Court of Appeals, and Circuit Courts.
- Minimum five years as a licensed attorney to meet the minimum requirement for the District Courts.

» continued

# Criteria 1: Skill & Experience (cont.)

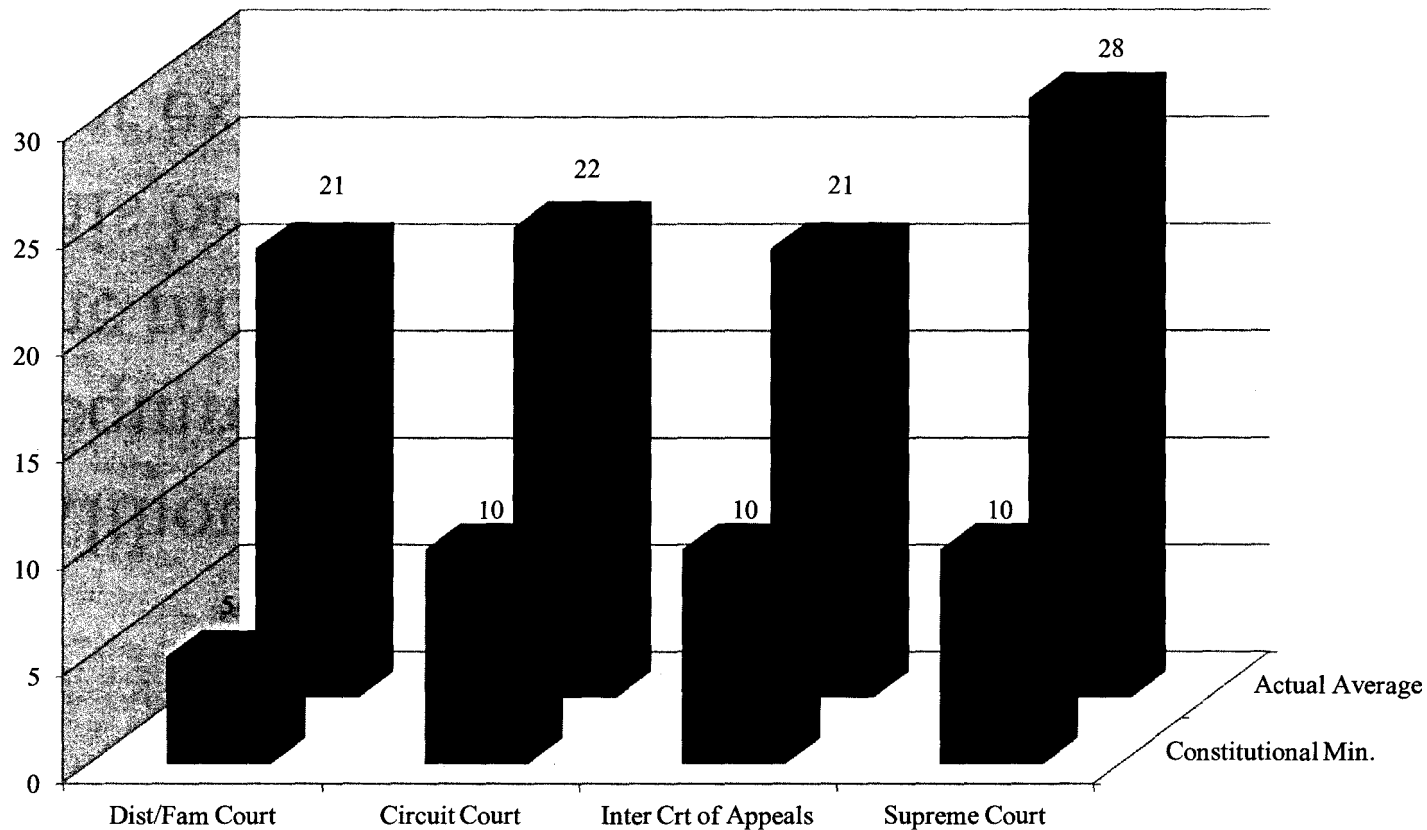
(Sources: Judicial Selection Commission Statistical Report, Hawaii State Bar Association website, Judiciary Annual Reports)

- Although there are minimum experience requirements, the Judiciary strives to attract the most experienced individuals because this best advances the Judiciary's mission. For example, during the period 2002 to October 2012, the actual average number of years of experience of appointees is 22 years.

» continued

# Criteria 1: Skill & Experience (cont.)

(Sources: Judicial Selection Commission Statistical Report, Hawaii State Bar Association website, Judiciary Annual Reports)

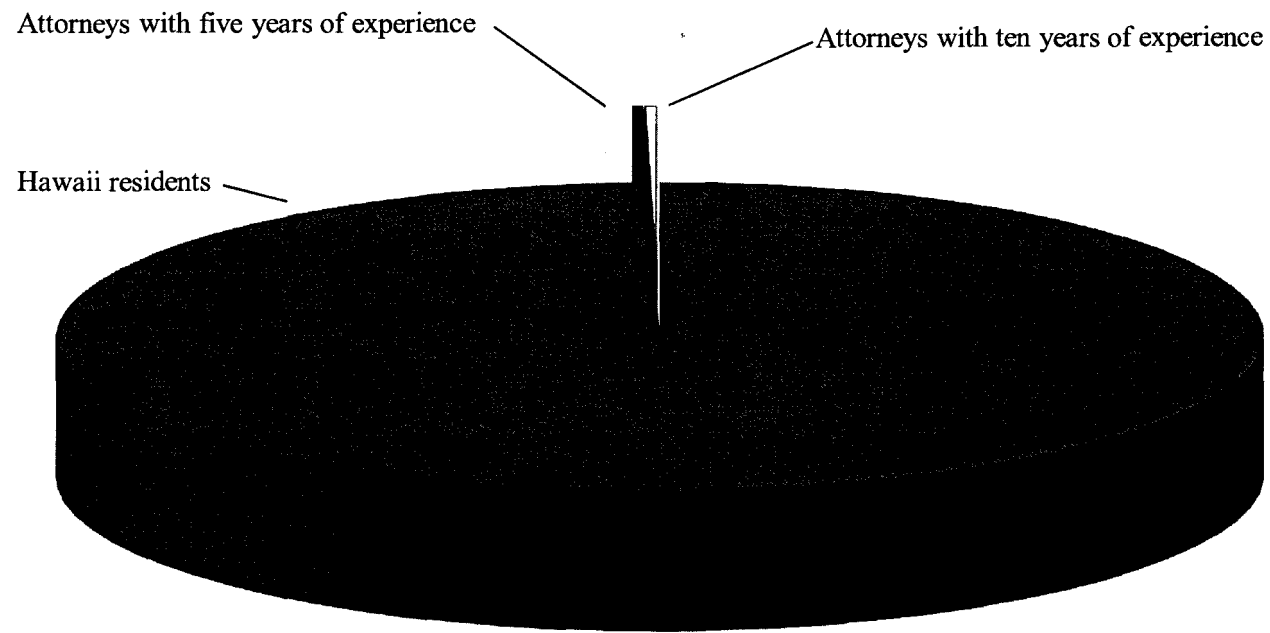


# Pool of Eligible Individuals<sup>1</sup>

US Citizens <sup>2</sup>	311,591,917
Residents of Hawaii <sup>2</sup>	1,374,810
Licensed to practice law <sup>3</sup>	7,467
W/Ten years of experience <sup>3</sup>	4,200
W/Five years of experience <sup>3</sup>	3,535
<sup>1</sup> Hawaii Constitution, Article VI, Section 3. <sup>2</sup> US Census Bureau, Table 1: Annual Estimates of the Population for the United States, Regions, and States and for Puerto Rico: April 1, 2010 to July 1, 2011. <sup>3</sup> 8/30/12 email from Hawaii State Bar Association. (includes active and inactive members).	

# Pool of Eligible Individuals

(Sources: see earlier slide, US Census Bureau and email from Hawaii State Bar Association)



# Criteria 2: Time Required & Opportunity for Other Earned Income

(Source: Hawaii Constitution Article VI, Section 3)

- For the most part, justices and judges are full time employees. Further, under the Constitution, unlike legislators, they are prohibited from practicing law, or running for or holding any other office or position of profit.

# Criteria 3: Retirement

(Source: Judiciary Human Resources Department)

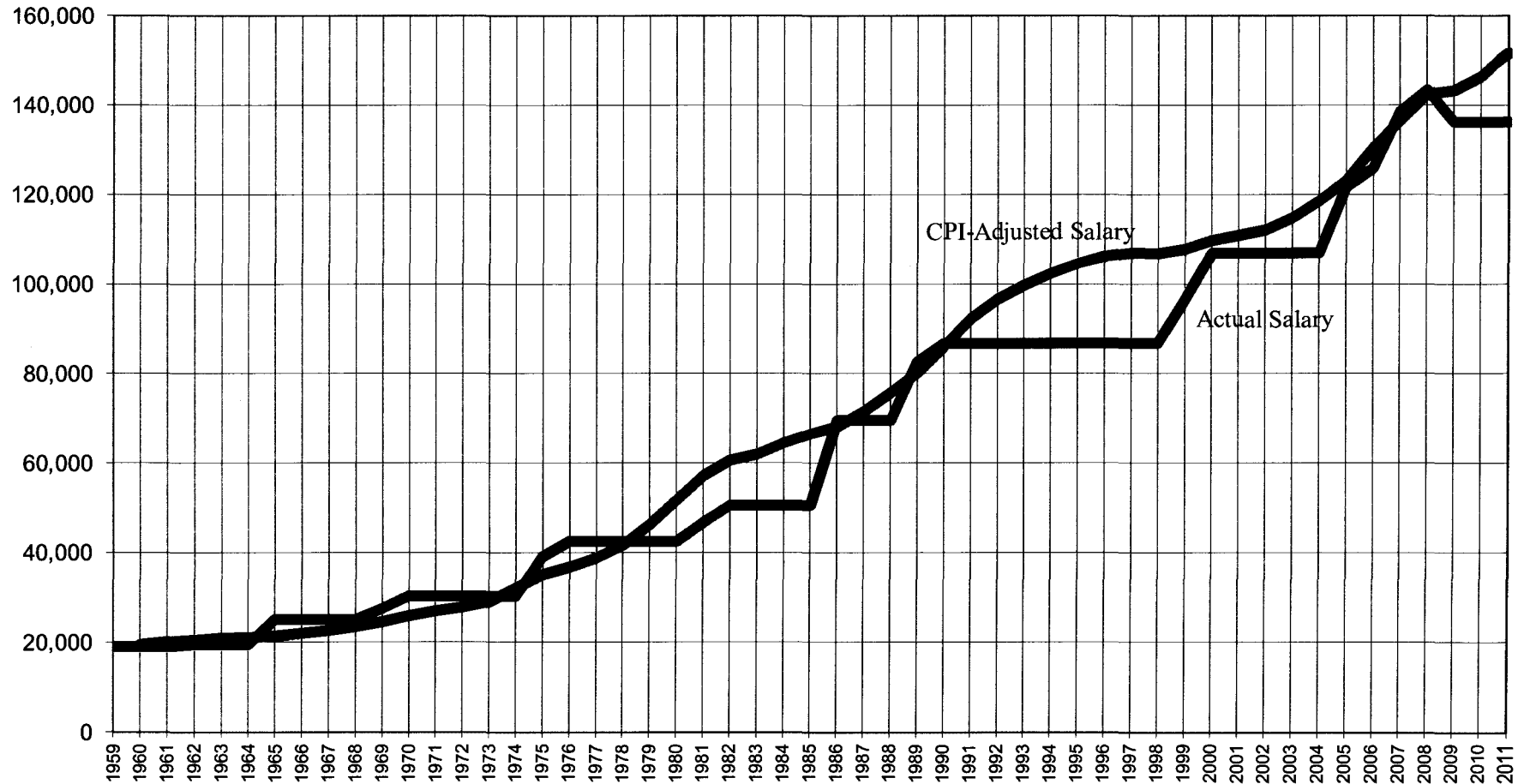
- *Same as Legislators except for age 70 cutoff.*
- Justices and Judges are covered by the Hawaii Employees' Retirement System.
- Participate in the Contributory Retirement System.
- Eligibility requirements:
  - Up to 6/30/99: age 55 and five yos or 10 yos
  - 7/1/99: age 55 & five yos or 25 yos
  - 7/1/12: age 60 & 10 yos or age 55 & 25 yos
- Mandatory retirement at age 70 (Hawaii Const. art. V, sec. 3 (1950)).



# Criteria 4: Regularity

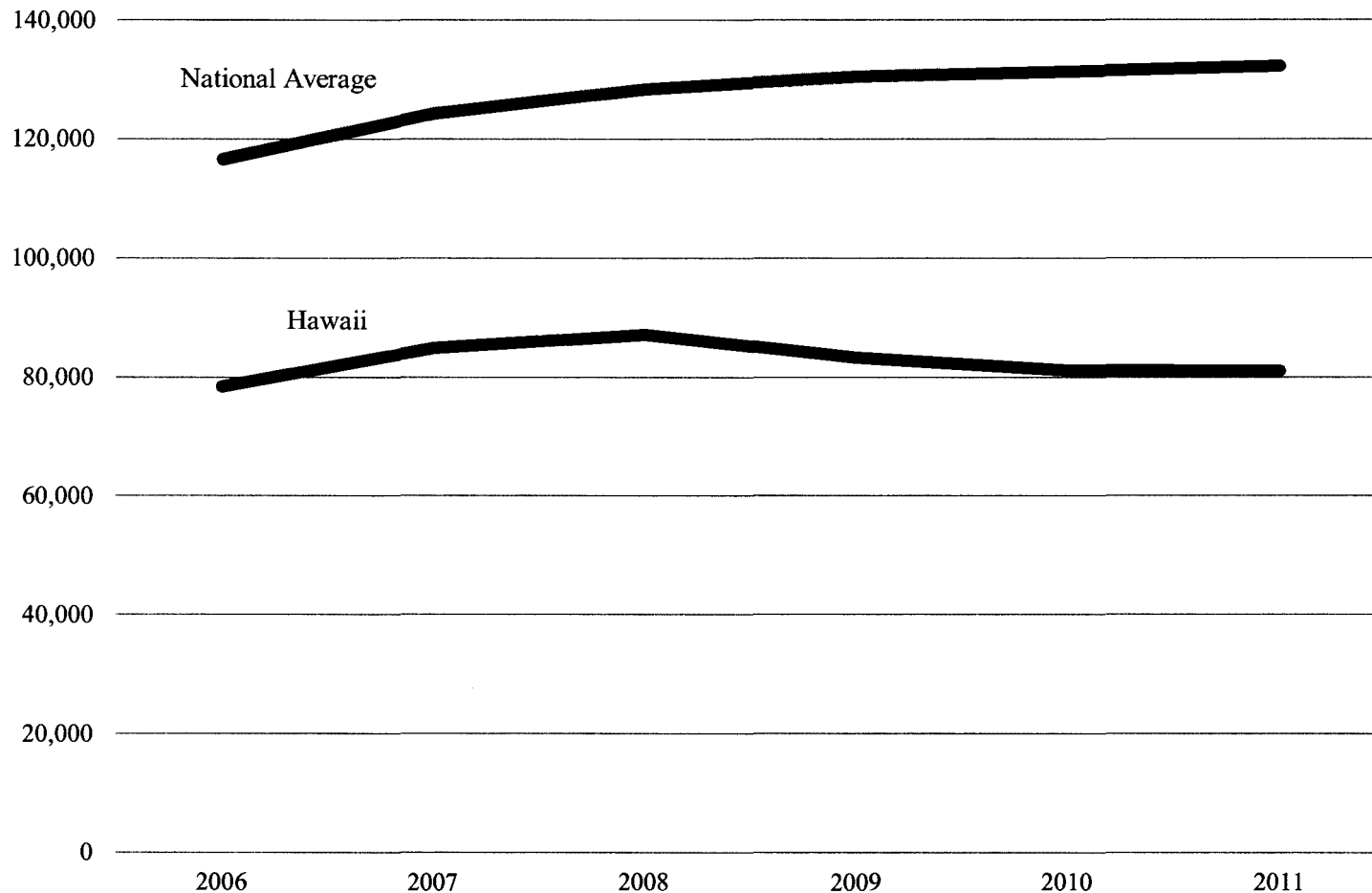
## Circuit Court Salary - Consumer Price Index Adjusted vs. Actual Salary

(Source: DBED&T Data Book Table 14.02 Consumer Price Index for All Urban Consumers, All Items, for Honolulu)



# Criteria 4: Regularity

Circuit Court – Cost of Living Index Adjusted Salary vs. National COLI  
Adjusted Average Salary (Source: NCSC Survey of Judicial Salaries)

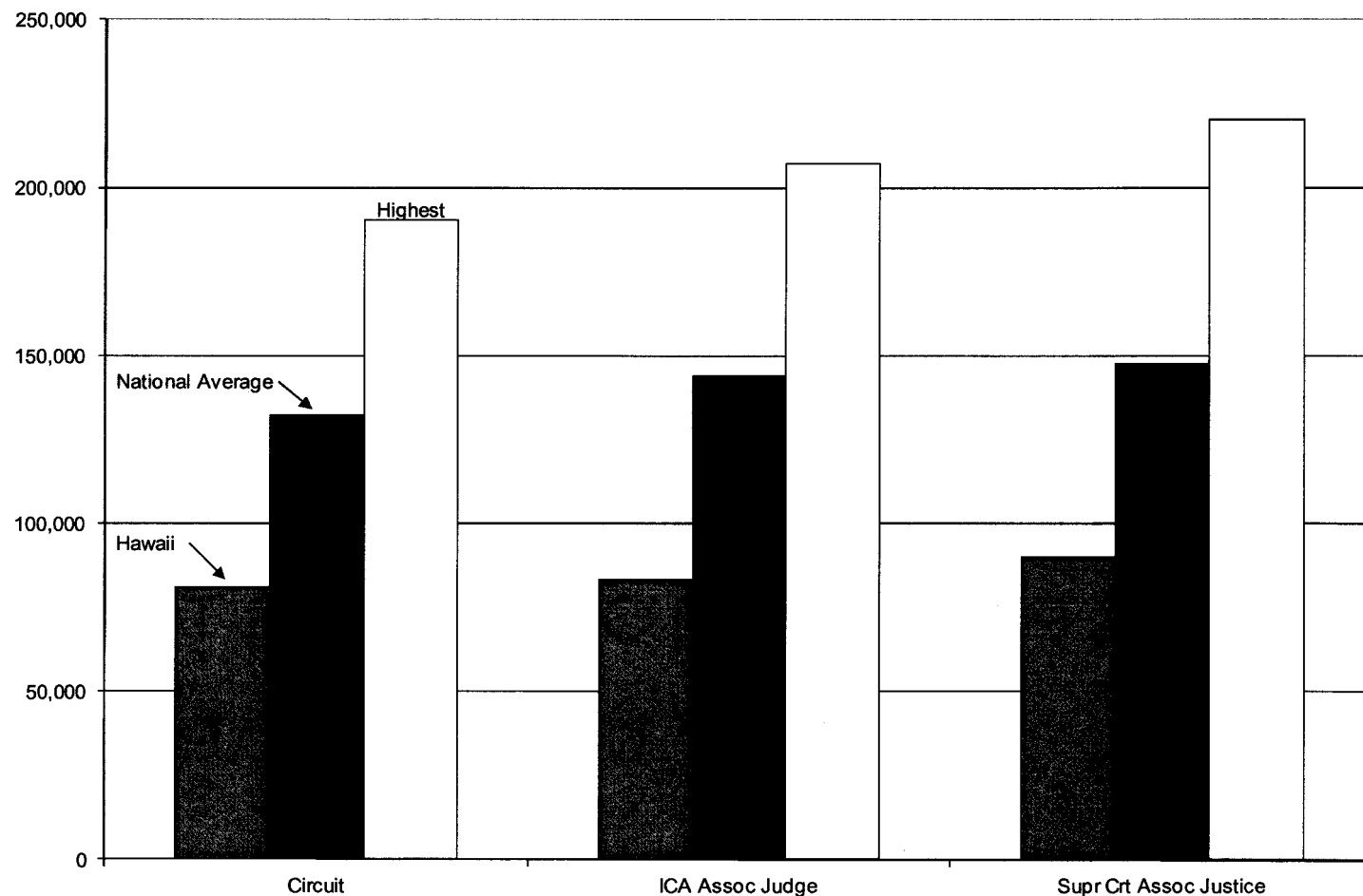


"In addition, your Committee notes that the salary commission should have discretion to allow for graduated salary increases tied to cost of living increases."

(Source: Senate Committee on Judiciary and Hawaiian Affairs, Standing Committee Report No. 3005 for HB 1918 (2006))

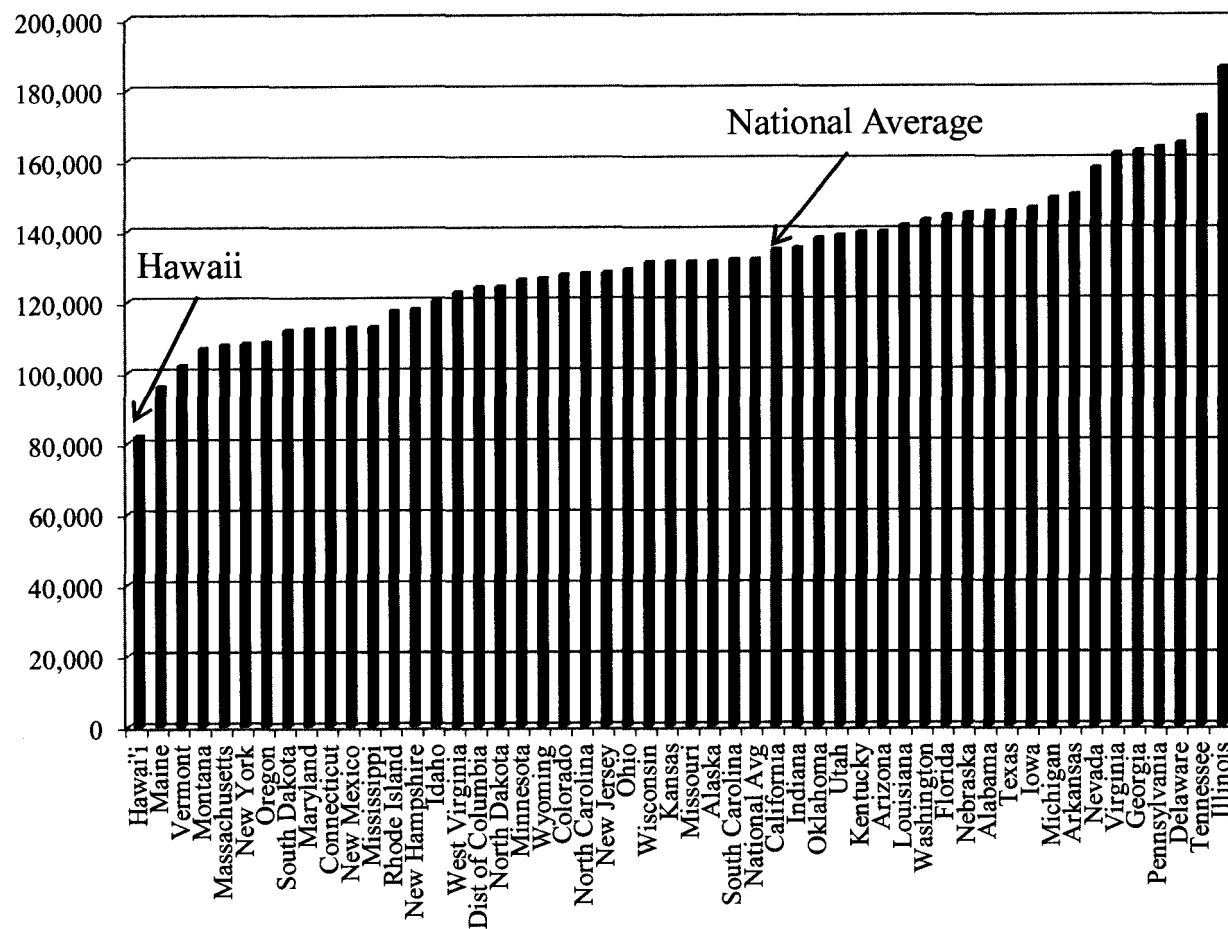
# Criteria 5: Other State Judicial Salaries (Equity)

(Source: NCSC 1/1/2012 Salaries Adjusted for Cost of Living Index )



# Criteria 5: Other State Judicial Salaries (Equity)

(Source: NCSC "Survey of Judicial Salaries" Vol. 36, No.1 Circuit Court as of 1/1/2012, Salaries Adjusted for Cost of Living Index )



## Criteria 6: Top 10 UH Related (Equity)

(Source: Univ of Hawaii System Annual Report to the 2013 Legislature – Salaries Paid to Executive/Managerial and Faculty Employees. Pub Nov 2012)

\$382,992	Dean (UHM) & Prof. of Law
\$223,488	VP for Legal Affairs & Univ Gen Counsel
\$208,320	Prof & Kudo Chair of Law
\$180,000	Professor, 9-Mon Sch of Law
\$180,000	Professor, 9-Mon Sch of Law
\$175,776	Int Assoc Dean & Prof of Law
\$172,764	Professor, 9-Mon Sch of Law
\$172,764	Professor, 9-Mon Sch of Law
\$166,944	Professor, 9-Mon Sch of Law
\$166,932	Professor, 9-Mon Sch of Law

# Criteria 7: Honolulu Attorneys (Equity)

(Source: Salary.com, average salaries, includes bonuses but not benefits)

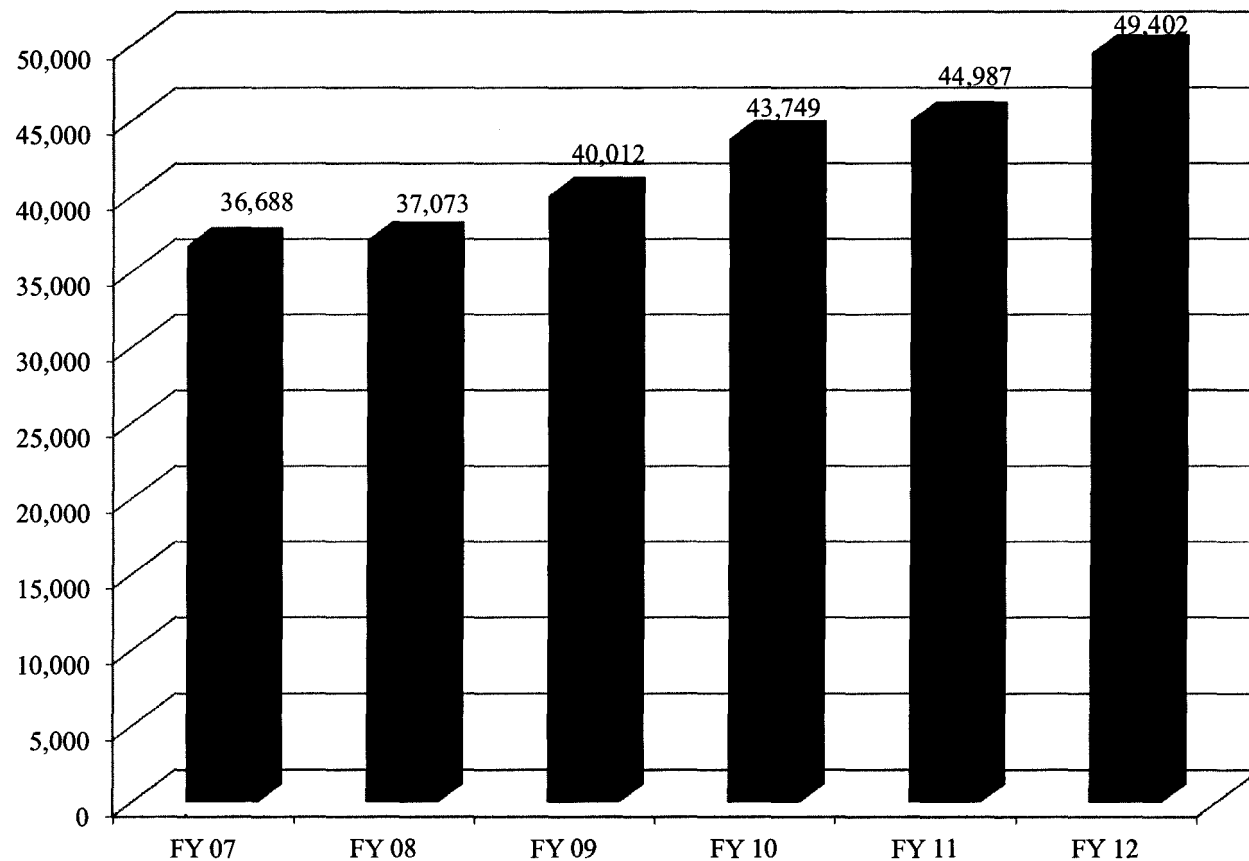
\$236,696	Managing Attorney (10+ yrs experience)
\$191,139	Attorney IV (8-10 years experience)
\$177,723	Attorney III (5-8 years experience)
\$135,293	Attorney II (2-5 years experience)
\$100,406	Attorney I (0-3 years experience)

# Possible Effects of the Pay Cut, Salary Freeze, and the Economy



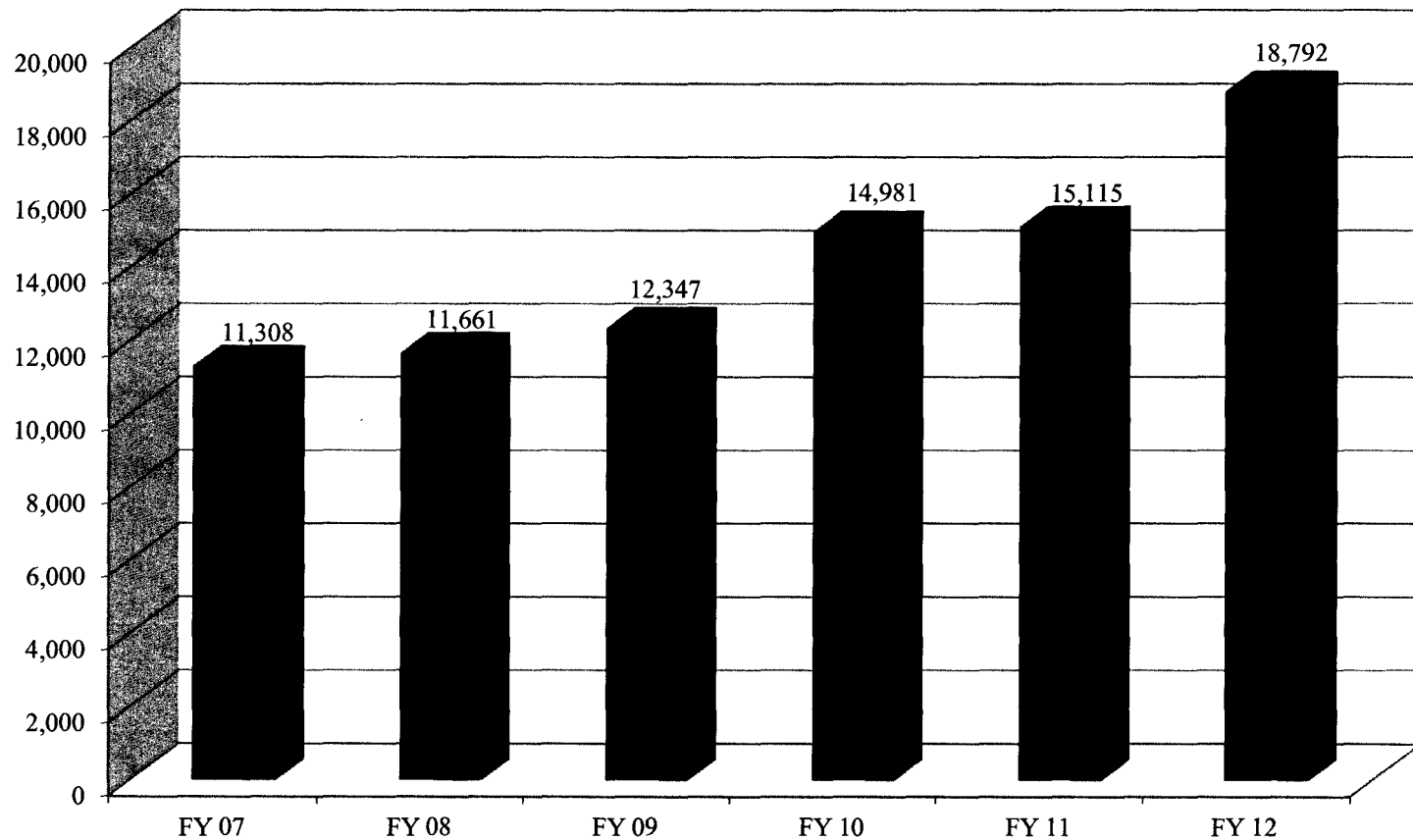
# 26% Increase in Circuit Court Pending Cases

(Source: FY07 to FY11 Judiciary Annual Report Statistical Supplement Table 7 and FY12 Judiciary Statistics Branch)



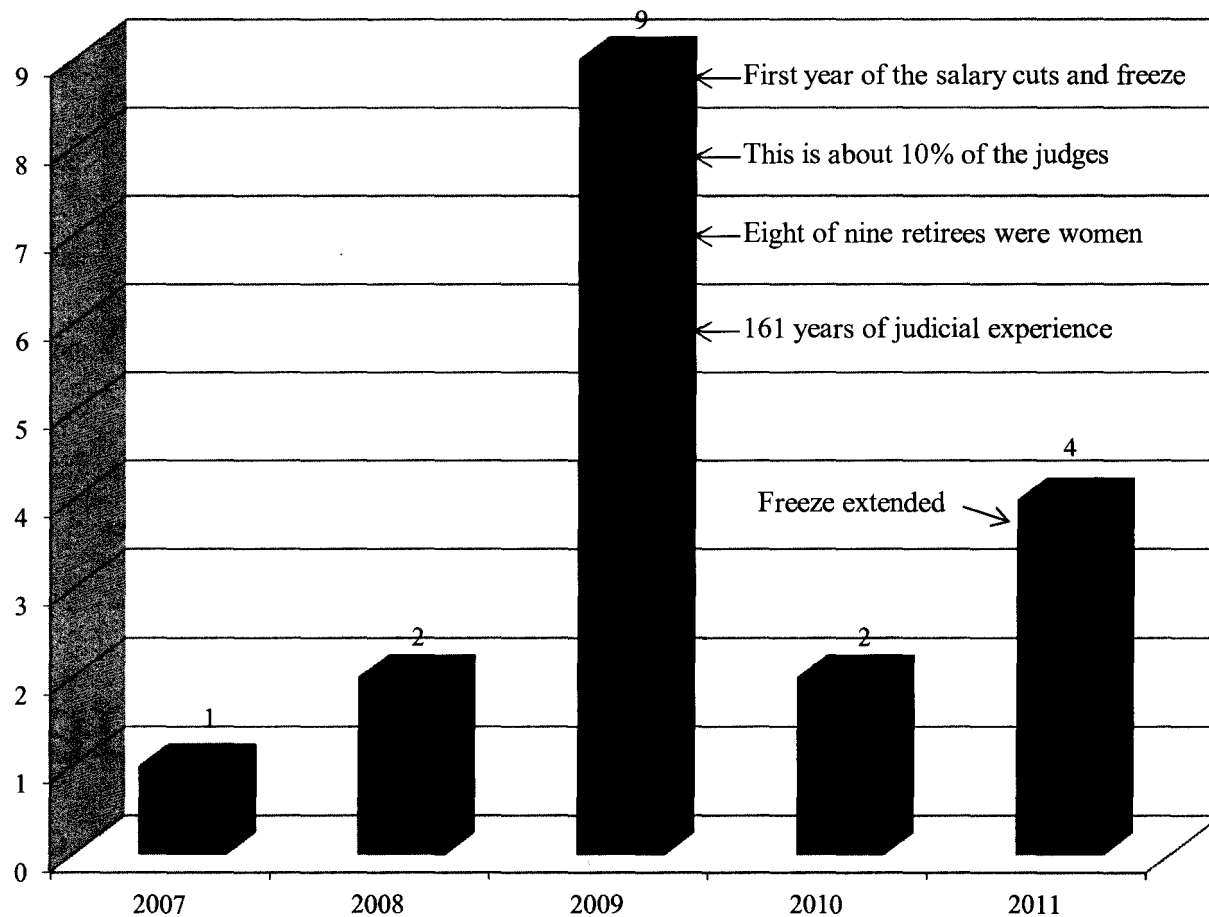
# 40% Increase in Circuit Court Case Filings

(Source: FY07 to FY11 Judiciary Annual Report Statistical Supplement Table 7 and FY12 Judiciary Statistics Branch)



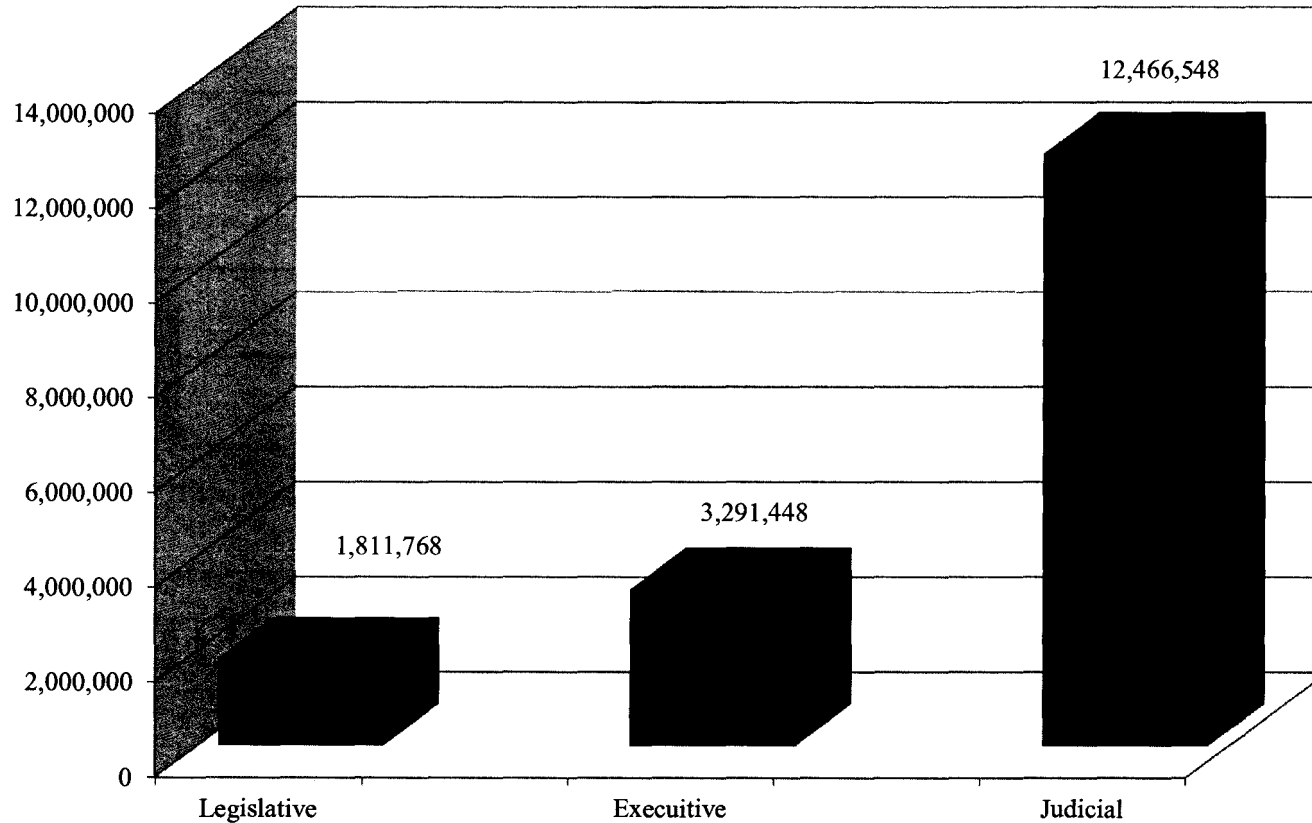
# Voluntary Judicial Retirements

(Source Judiciary Human Resources Department. Note: Does not include mandatory retirements due to reaching age 70.)



# Judges Lost a Total of \$12.4M in Salaries Due to the Cuts/Freeze FY09-FY12

(Source: Based on the 2007 Commission on Salaries report and Act 85 SLH2009, Act 57 SLH 2011, & Act 57 SLH 2012)



# Judicial posts lure fewer applicants

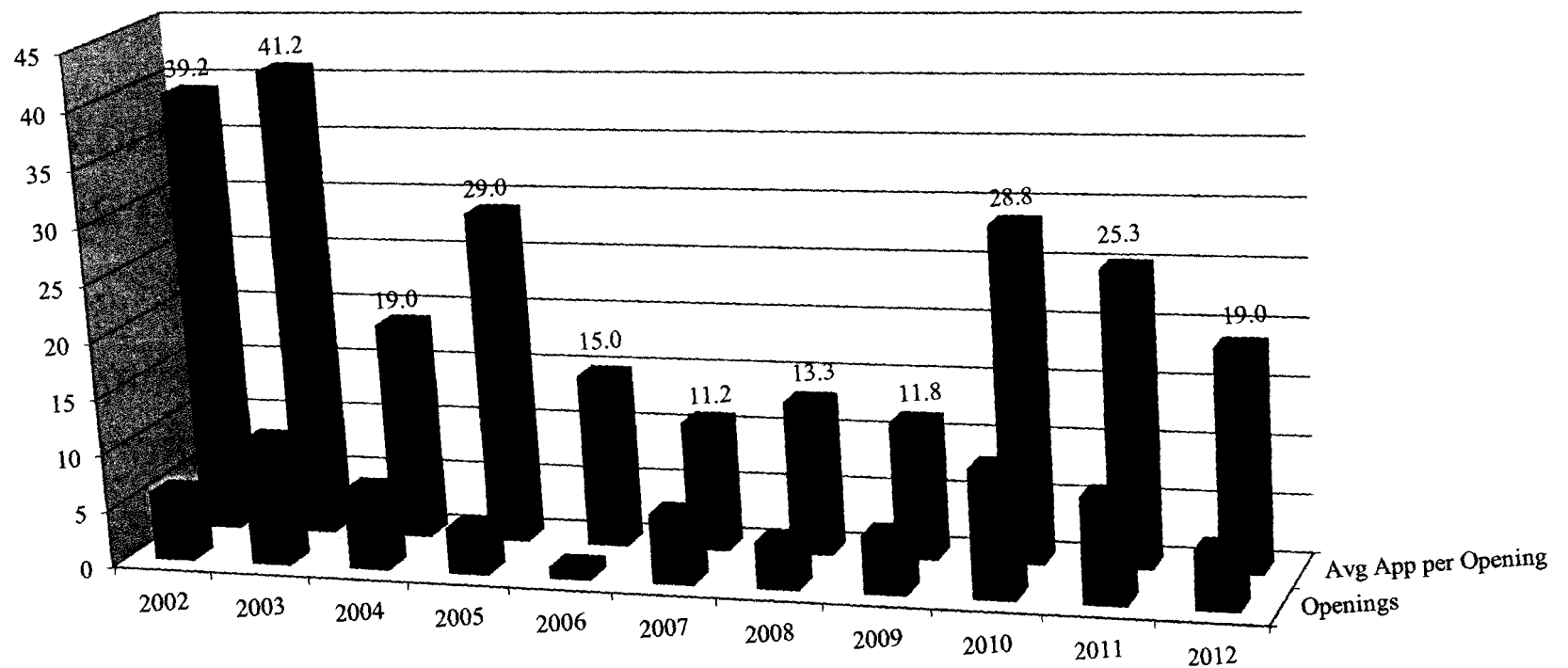
- “24 people applied for a vacancy on the Hawaii Supreme Court in 2003, but only seven applied for a high court vacancy last year and only nine for a vacancy this year.”
- “...some members agreed the major reason is the judicial pay in Hawaii, which was ranked lowest among the nation’s state courts in 2010.

‘I would put it on the top of the list,’ commission member James Bickerton said.”

(Source: Honolulu Star Advertiser dated 10/31/2012 page B1)

# Average Number of Applicants per Judicial Opening

(Source: Judicial Selection Commission Statistical Report)



The American Bar Association, when it promulgated standards for judicial compensation maintained that:

“Fair and adequate compensation for state court judges clearly is in the public interest, since an able and independent judiciary is at the heart of the democratic process....Compensation which does not provide adequate monetary recognition of the importance of the role filled by our state judiciary will not attract and retain as judges those best qualified to serve.

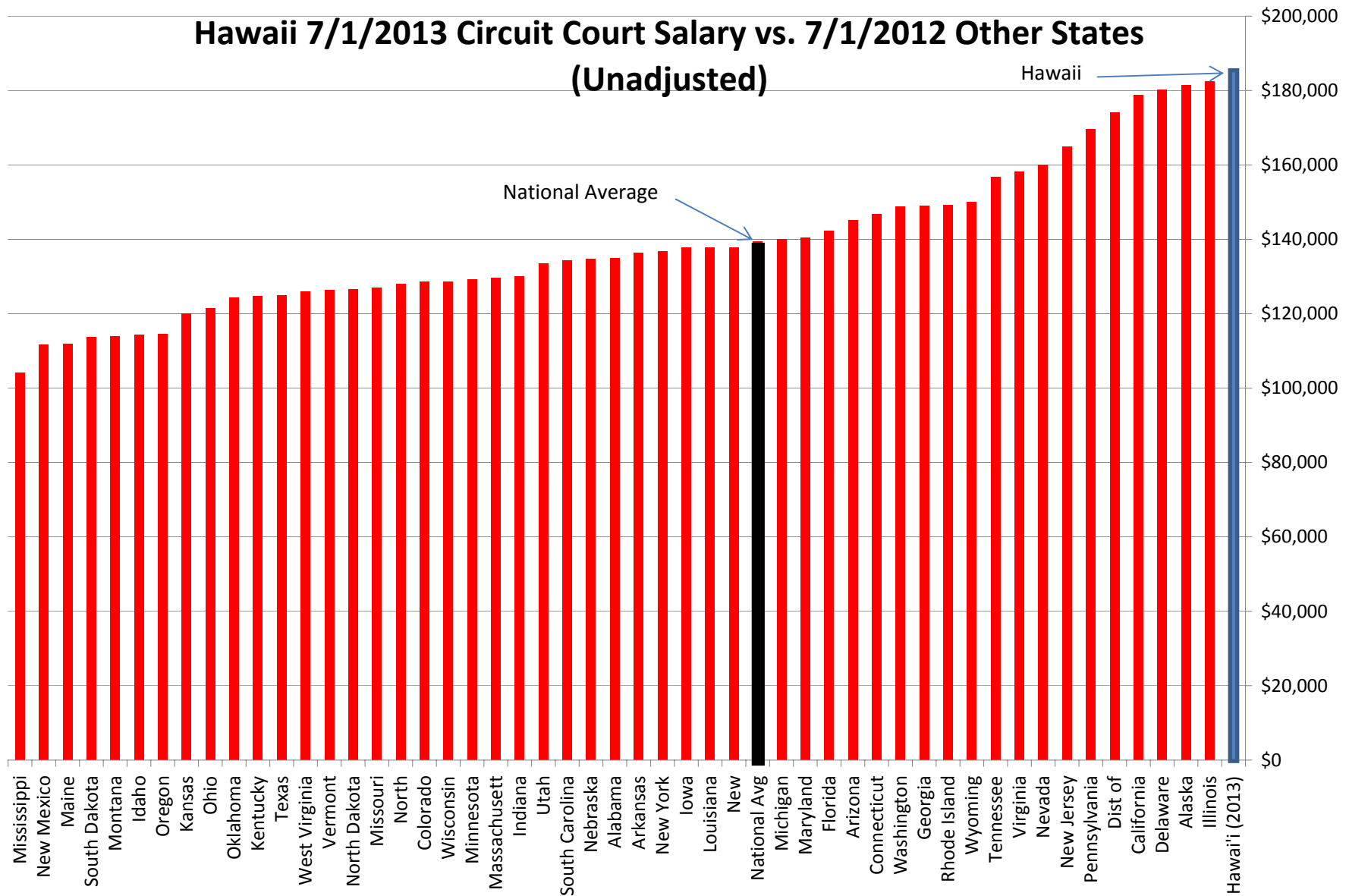
While some financial sacrifice is expected of private citizens who assume major governmental posts, there is a threshold below which subpar compensation poses a very real threat to the independence and quality of the judiciary.”

(Source: American Bar Association, Judicial Administration Division, “Standards for Judicial Compensation,” (Chicago: American Bar Association, 1990, at i.)

## Hawaii 7/1/2013 Circuit Court Salary vs. 7/1/2012 Other States (Unadjusted)

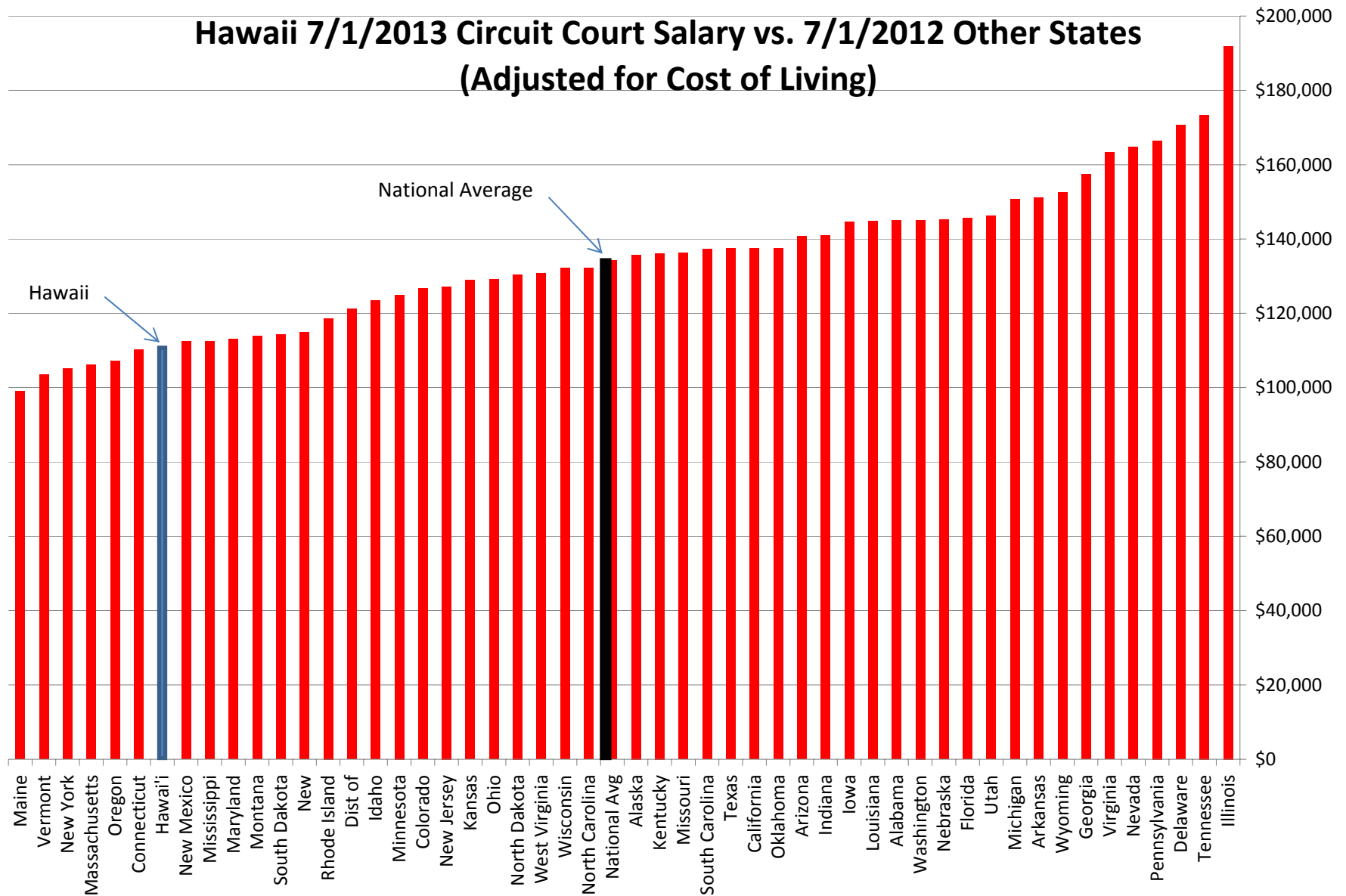
Hawaii

National Average





## Hawaii 7/1/2013 Circuit Court Salary vs. 7/1/2012 Other States (Adjusted for Cost of Living)



**HI. 7/1/2013 CHIEF JUSTICE SALARY VS. 7/1/2012 OTHER STATES**  
(COLI as of 1/1/2012)

<b>Present</b>		<b>COLI</b>	
<b>State</b>	<b>Actual Salary</b>	<b>State</b>	<b>Adjusted</b>
1 California	\$228,856	1 Illinois	\$222,174
<b>2 Hawai'i (2013)</b>	<b>213,840</b>	2 Virginia	201,489
3 Illinois	211,228	3 Pennsylvania	197,350
4 Pennsylvania	200,993	4 Alabama	194,646
5 Delaware	200,631	5 Tennessee	191,293
6 Alaska	196,800	6 Delaware	189,910
7 Virginia	195,104	7 Iowa	179,347
8 New Jersey	192,795	8 Michigan	177,209
9 Dist of Columbia	185,000	9 Georgia	176,767
10 Rhode Island	182,300	10 California	176,009
11 Maryland	181,352	11 Nevada	174,966
12 Alabama	181,127	12 Arkansas	173,999
13 Connecticut	175,645	13 Indiana	169,825
14 Tennessee	172,980	14 Texas	167,738
15 Iowa	170,850	15 Wyoming	167,714
16 Nevada	170,000	16 Missouri	165,502
17 Georgia	167,210	17 Louisiana	165,121
18 Wyoming	165,000	18 Utah	163,018
19 Michigan	164,610	19 Oklahoma	162,574
20 Washington	164,221	20 Florida	161,728
21 Minnesota	160,579	21 Ohio	160,606
<b>National Avg</b>	<b>160,523</b>	22 Washington	160,123
22 Arizona	160,000	23 Nebraska	156,958
23 Florida	157,976	24 Wisconsin	156,747
24 Louisiana	157,050	25 Minnesota	155,408
25 Arkansas	156,864	26 Arizona	155,348
26 Indiana	156,667	<b>National Avg</b>	<b>154,614</b>
27 New York	156,000	27 Kentucky	153,500
28 Missouri	154,215	28 South Carolina	151,745
29 Texas	152,500	29 Kansas	149,697
30 Wisconsin	152,495	30 New Jersey	148,634
31 New Hampshire	151,477	31 Alaska	147,215
32 Massachusetts	151,239	32 North Dakota	146,472
33 Ohio	150,850	33 Maryland	146,058
34 Utah	148,800	34 North Carolina	145,617
35 South Carolina	148,350	35 Rhode Island	144,978
36 Oklahoma	147,000	36 West Virginia	141,191
37 Nebraska	145,615	37 Colorado	140,656
38 Colorado	142,708	38 Idaho	133,215
39 North Dakota	142,127	39 Connecticut	131,956
40 North Carolina	140,932	40 Dist of Columbia	128,916
41 Kentucky	140,504	<b>41 Hawai'i</b>	<b>127,270</b>
42 Kansas	139,310	42 New Mexico	126,538
43 Vermont	139,280	43 New Hampshire	126,307
44 Maine	138,138	44 Mississippi	124,570
45 West Virginia	136,000	45 South Dakota	124,380
46 Oregon	128,556	46 Massachusetts	123,787
47 New Mexico	125,691	47 Montana	122,559
48 South Dakota	123,718	48 Maine	122,166
49 Idaho	123,400	49 Oregon	120,315
50 Montana	122,686	50 New York	119,974
51 Mississippi	115,390	51 Vermont	114,025

Source: National Center for State Courts spreadsheet

**Cost of Living Index (COLI)**

The Council for Community and Economic Research—C2ER (formerly the ACCRA organization)—is the most widely accepted U.S. source for cost-of-living indices, with nearly 400 reporting jurisdictions across America. The cost-of-living indices used in this report were developed by examining the average costs of goods and services for the latest four running fiscal quarters. The factors reflect an average of the reporting jurisdictions in a particular state (i.e., the cost-of-living-index for Virginia is the average of the cost-of-living indices for each of the nine reporting jurisdictions in Virginia). More detailed information can be found at [www.accra.org](http://www.accra.org) or [www.c2er.org](http://www.c2er.org).

(salary / COLI) X 100 = adjusted

**HI. 7/1/2013 ASSOC. JUSTICE SALARY VS. 7/1/2012 OTHER STATES**  
(COLI as of 1/1/2012)

<b>Present</b>		<b>COLI</b>	
<b>State</b>	<b>Actual Salary</b>	<b>State</b>	<b>Adjusted</b>
1 California	\$218,237	1 Illinois	\$222,174
2 Illinois	211,228	2 Alabama	193,440
<b>3 Hawai'i (2013)</b>	<b>206,184</b>	3 Pennsylvania	191,769
4 Alaska	196,224	4 Virginia	189,855
5 Pennsylvania	195,309	5 Tennessee	185,759
6 Delaware	190,639	6 Delaware	180,452
7 New Jersey	185,482	7 Michigan	177,209
8 Dist of Columbia	184,500	8 Georgia	176,767
9 Virginia	183,839	9 Nevada	174,966
10 Alabama	180,005	10 Iowa	171,316
11 Nevada	170,000	11 Indiana	169,825
12 Tennessee	167,976	12 California	167,842
13 Georgia	167,210	13 Wyoming	167,714
14 Rhode Island	165,726	14 Texas	164,989
15 Wyoming	165,000	15 Florida	161,728
16 Michigan	164,610	16 Arkansas	161,065
17 Washington	164,221	17 Utah	160,827
18 Iowa	163,200	18 Washington	160,123
19 Connecticut	162,520	19 Louisiana	158,521
20 Maryland	162,352	20 Missouri	158,393
21 Florida	157,976	21 Nebraska	156,958
22 Indiana	156,667	22 Oklahoma	152,239
<b>National Avg</b>	<b>155,236</b>	23 Ohio	150,758
23 Arizona	155,000	24 Arizona	150,493
24 New York	151,200	<b>National Avg</b>	<b>149,686</b>
25 Louisiana	150,772	25 Wisconsin	148,524
26 Texas	150,000	26 Kentucky	148,038
27 Missouri	147,591	27 Alaska	146,784
28 New Hampshire	146,917	28 Kansas	146,038
29 Utah	146,800	29 South Carolina	144,519
30 Massachusetts	145,984	30 New Jersey	142,997
31 Minnesota	145,981	31 North Dakota	142,383
32 Nebraska	145,615	32 North Carolina	141,812
33 Arkansas	145,204	33 Minnesota	141,280
34 Wisconsin	144,495	34 West Virginia	141,191
35 Ohio	141,600	35 Colorado	137,652
36 South Carolina	141,286	36 Rhode Island	131,797
37 Colorado	139,660	37 Idaho	131,596
38 North Dakota	138,159	38 Maryland	130,755
39 Oklahoma	137,655	39 Dist of Columbia	128,568
40 North Carolina	137,249	40 New Mexico	124,524
41 West Virginia	136,000	<b>41 Hawai'i</b>	<b>122,713</b>
42 Kansas	135,905	42 New Hampshire	122,505
43 Kentucky	135,504	43 South Dakota	122,370
44 Vermont	132,928	44 Connecticut	122,096
45 Oregon	125,688	45 Mississippi	121,482
46 New Mexico	123,691	46 Montana	121,308
47 Idaho	121,900	47 Massachusetts	119,486
48 South Dakota	121,718	48 Oregon	117,631
49 Montana	121,434	49 New York	116,282
50 Maine	119,476	50 Vermont	108,825
51 Mississippi	112,530	51 Maine	105,662

Source: National Center for State Courts spreadsheet

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(salary / COLI) X 100 = adjusted

**HI. 7/1/2013 INTER. APPELLATE CRTS. CHIEF JUDGE SALARY VS. 7/1/2012 OTHER STATES**  
(COLI as of 1/1/2012)

<b>Present</b>		<b>COLI</b>	
<b>State</b>	<b>Actual Salary</b>	<b>State</b>	<b>Adjusted</b>
1 California	\$204,285	1 Illinois	\$209,107
2 Illinois	198,805	2 Alabama	192,834
<b>3 Hawai'i (2013)</b>	<b>198,588</b>	3 Pennsylvania	186,522
4 Pennsylvania	189,965	4 Tennessee	182,349
5 Alaska	185,388	5 Virginia	176,992
6 Alabama	179,441	6 Georgia	175,684
7 New Jersey	175,534	7 Indiana	165,084
8 Virginia	171,383	8 Michigan	163,032
9 Georgia	166,186	9 Iowa	160,609
10 Tennessee	164,892	10 Arkansas	158,586
11 Connecticut	160,722	11 Louisiana	158,518
12 Washington	156,328	12 California	157,111
13 Iowa	153,000	13 Utah	155,678
14 Maryland	152,522	14 Texas	153,989
15 Indiana	152,293	15 Florida	153,642
16 Michigan	151,441	16 Washington	152,427
<b>National Avg</b>	<b>151,291</b>	17 Nebraska	149,110
17 Louisiana	150,770	<b>National Avg</b>	<b>147,929</b>
18 Florida	150,077	18 Oklahoma	146,897
19 Arizona	150,000	19 Arizona	145,639
20 New York	148,000	20 Kentucky	145,350
21 Minnesota	144,429	21 Kansas	144,797
22 Arkansas	142,969	22 Missouri	144,542
23 Utah	142,100	23 South Carolina	143,074
24 Massachusetts	140,358	24 Ohio	140,537
25 Texas	140,000	25 Wisconsin	140,117
26 South Carolina	139,873	26 Minnesota	139,778
27 Nebraska	138,334	27 North Carolina	139,551
28 Colorado	137,201	28 Alaska	138,678
29 Wisconsin	136,316	29 New Jersey	135,327
30 North Carolina	135,061	30 Colorado	135,228
31 Kansas	134,750	31 Idaho	127,932
32 Missouri	134,685	32 Maryland	122,839
33 Kentucky	133,044	33 Mississippi	122,195
34 Oklahoma	132,825	34 Connecticut	120,745
35 Ohio	132,000	35 New Mexico	120,210
36 Oregon	125,688	<b>36 Hawai'i</b>	<b>118,193</b>
37 New Mexico	119,406	37 Oregon	117,631
38 Idaho	118,506	38 Massachusetts	114,881
39 Mississippi	113,190	39 New York	113,821
Delaware	n/a	Delaware	n/a
Dist of Columbia	n/a	Dist of Columbia	n/a
Maine	n/a	Maine	n/a
Montana	n/a	Montana	n/a
Nevada	n/a	Nevada	n/a
New Hampshire	n/a	New Hampshire	n/a
North Dakota	n/a	North Dakota	n/a
Rhode Island	n/a	Rhode Island	n/a
South Dakota	n/a	South Dakota	n/a
Vermont	n/a	Vermont	n/a
West Virginia	n/a	West Virginia	n/a
Wyoming	n/a	Wyoming	n/a

Source: National Center for State Courts spreadsheet

**Cost of Living Index (COLI)**

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(salary / COLI) X 100 = adjusted

n/a = Not all states have intermediate appellate courts.

**HI. 7/1/2013 INTER. APPELLATE CRTS. ASSOC. JUDGE SALARY VS. 7/1/2012 OTHER STATES**  
(COLI as of 1/1/2012)

<b>Present</b>			<b>COLI</b>		
<b>State</b>	<b>Actual Salary</b>		<b>State</b>	<b>Adjusted</b>	
1 California	\$204,599		1 Illinois	\$209,107	
2 Illinois	198,805		2 Alabama	192,229	
<b>3 Hawai'i (2013)</b>	<b>190,908</b>		3 Pennsylvania	180,942	
4 Alaska	185,388		4 Tennessee	179,588	
5 Pennsylvania	184,282		5 Georgia	175,684	
6 Alabama	178,878		6 Virginia	173,830	
7 New Jersey	175,534		7 Indiana	165,084	
8 Virginia	168,322		8 Michigan	163,032	
9 Georgia	166,186		9 California	157,353	
10 Tennessee	162,396		10 Arkansas	156,105	
11 Washington	156,328		11 Iowa	155,255	
12 Connecticut	152,637		12 Florida	153,642	
13 Indiana	152,293		13 Utah	153,487	
14 Michigan	151,441		14 Washington	152,427	
15 Florida	150,077		15 Texas	151,240	
16 Arizona	150,000		16 Louisiana	151,029	
17 Maryland	149,552		17 Nebraska	149,110	
<b>National Avg</b>	<b>148,964</b>		<b>National Avg</b>	<b>145,717</b>	
18 Iowa	147,900		18 Arizona	145,639	
19 New York	144,000		19 Missouri	144,542	
20 Louisiana	143,647		20 Oklahoma	144,227	
21 Arkansas	140,732		21 Kentucky	142,073	
22 Utah	140,100		22 Kansas	141,324	
23 Nebraska	138,334		23 South Carolina	140,905	
24 South Carolina	137,753		24 Ohio	140,537	
25 Massachusetts	137,552		25 Wisconsin	140,117	
26 Minnesota	137,552		26 Alaska	138,678	
27 Texas	137,500		27 North Carolina	135,904	
28 Wisconsin	136,316		28 New Jersey	135,327	
29 Missouri	134,685		29 Minnesota	133,123	
30 Colorado	134,128		30 Colorado	132,199	
31 Ohio	132,000		31 Idaho	130,516	
32 North Carolina	131,531		32 Maryland	120,447	
33 Kansas	131,518		33 New Mexico	118,298	
34 Oklahoma	130,410		34 Oregon	114,947	
35 Kentucky	130,044		35 Connecticut	114,671	
36 Oregon	122,820		<b>36 Hawai'i</b>	<b>113,622</b>	
37 Idaho	120,900		37 Mississippi	113,407	
38 New Mexico	117,506		38 Massachusetts	112,585	
39 Mississippi	105,050		39 New York	110,745	
Delaware	n/a		Delaware	n/a	
Dist of Columbia	n/a		Dist of Columbia	n/a	
Maine	n/a		Maine	n/a	
Montana	n/a		Montana	n/a	
Nevada	n/a		Nevada	n/a	
New Hampshire	n/a		New Hampshire	n/a	
North Dakota	n/a		North Dakota	n/a	
Rhode Island	n/a		Rhode Island	n/a	
South Dakota	n/a		South Dakota	n/a	
Vermont	n/a		Vermont	n/a	
West Virginia	n/a		West Virginia	n/a	
Wyoming	n/a		Wyoming	n/a	

Source: National Center for State Courts spreadsheet

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(salary / COLI) X 100 = adjusted

n/a = Not all states have intermediate appellate courts.

**HI. 7/1/2013 CIRCUIT COURT JUDGE SALARY VS. 7/1/2012 OTHER STATES**  
(COLI as of 1/1/2012)

<b>Present</b>		<b>COLI</b>	
<b>State</b>	<b>Actual Salary</b>	<b>State</b>	<b>Adjusted</b>
<b>1 Hawai'i (2013)</b>	<b>\$185,736</b>	1 Illinois	\$191,882
2 Illinois	182,429	2 Tennessee	173,391
3 Alaska	181,440	3 Delaware	170,602
4 Delaware	180,233	4 Pennsylvania	166,468
5 California	178,789	5 Nevada	164,674
6 Dist of Columbia	174,000	6 Virginia	163,309
7 Pennsylvania	169,541	7 Georgia	157,401
8 New Jersey	165,000	8 Wyoming	152,467
9 Nevada	160,000	9 Arkansas	151,141
10 Virginia	158,134	10 Michigan	150,628
11 Tennessee	156,792	11 Utah	146,201
12 Wyoming	150,000	12 Florida	145,555
13 Rhode Island	149,207	13 Nebraska	145,187
14 Georgia	148,891	14 Washington	145,118
15 Washington	148,832	15 Alabama	145,015
16 Connecticut	146,780	16 Louisiana	144,823
17 Arizona	145,000	17 Iowa	144,548
18 Florida	142,178	18 Indiana	141,005
19 Maryland	140,352	19 Arizona	140,784
20 Michigan	139,919	20 Oklahoma	137,550
<b>National Avg</b>	<b>139,340</b>	21 California	137,503
21 New Hampshire	137,804	22 Texas	137,491
22 Louisiana	137,744	23 South Carolina	137,292
23 Iowa	137,700	24 Missouri	136,316
24 New York	136,700	25 Kentucky	136,147
25 Arkansas	136,257	26 Alaska	135,725
26 Alabama	134,943	<b>National Avg</b>	<b>134,253</b>
27 Nebraska	134,694	27 North Carolina	132,211
28 South Carolina	134,221	28 Wisconsin	132,186
29 Utah	133,450	29 West Virginia	130,809
30 Indiana	130,080	30 North Dakota	130,467
31 Massachusetts	129,694	31 Ohio	129,198
32 Minnesota	129,124	32 Kansas	128,987
33 Wisconsin	128,600	33 New Jersey	127,206
34 Colorado	128,598	34 Colorado	126,749
35 North Carolina	127,957	35 Minnesota	124,966
36 Missouri	127,020	36 Idaho	123,392
37 North Dakota	126,597	37 Dist of Columbia	121,251
38 Vermont	126,369	38 Rhode Island	118,660
39 West Virginia	126,000	39 New Hampshire	114,906
40 Texas	125,000	40 South Dakota	114,297
41 Kentucky	124,620	41 Montana	113,810
42 Oklahoma	124,373	42 Maryland	113,037
43 Ohio	121,350	43 Mississippi	112,457
44 Kansas	120,037	44 New Mexico	112,383
45 Oregon	114,468	<b>45 Hawai'i</b>	<b>110,544</b>
46 Idaho	114,300	46 Connecticut	110,271
47 Montana	113,928	47 Oregon	107,130
48 South Dakota	113,688	48 Massachusetts	106,153
49 Maine	111,969	49 New York	105,131
50 New Mexico	111,631	50 Vermont	103,455
51 Mississippi	104,170	51 Maine	99,023

Source: National Center for State Courts spreadsheet

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(salary / COLI) X 100 = adjusted

**HI. 7/1/2013 DISTRICT COURT JUDGE SALARY VS. 7/1/2012 OTHER STATES**  
(COLI as of 1/1/2012)

		<b>Present</b>			<b>COLI</b>
<b>State</b>		<b>Actual Salary</b>	<b>State</b>		<b>Adjusted</b>
1 Delaware		\$191,360	1 Illinois		\$182,289
<b>2 Hawai'i (2013)</b>		<b>175,032</b>	2 Delaware		181,134
3 Illinois		173,308	3 Texas		167,738
4 Pennsylvania		168,176	4 Pennsylvania		165,128
5 New Jersey		165,000	5 Indiana		165,084
6 Rhode Island		164,128	6 Nevada		163,068
7 Nevada		158,440	7 Oklahoma		157,581
8 Alaska		153,840	8 Michigan		150,628
9 Dist of Columbia		153,200	9 Virginia		146,987
10 Texas		152,500	10 Louisiana		144,823
11 Indiana		152,293	11 Alabama		144,440
12 Maryland		149,552	12 Utah		140,066
13 New York		144,000	13 Nebraska		138,493
14 Oklahoma		142,485	14 Washington		138,174
15 Virginia		142,329	15 Florida		137,469
16 Washington		141,710	16 Georgia		135,858
17 Michigan		139,919	17 Arkansas		135,123
18 New Hampshire		137,804	18 South Carolina		133,680
19 Louisiana		137,744	19 Rhode Island		130,526
20 Alabama		134,408	20 North Carolina		128,517
21 Florida		134,280	21 Iowa		128,487
<b>National Avg</b>		<b>132,374</b>	<b>National Avg</b>		<b>127,698</b>
22 South Carolina		130,689	22 New Jersey		127,206
23 Colorado		128,598	23 Colorado		126,749
24 Georgia		128,513	24 Missouri		125,411
25 Nebraska		128,484	25 Kentucky		124,182
26 Utah		127,850	26 Ohio		121,479
27 Connecticut		127,782	27 Wyoming		120,957
28 Vermont		126,369	28 Maryland		120,447
29 North Carolina		124,382	29 Idaho		117,994
30 Iowa		122,400	30 Alaska		115,079
31 Arkansas		121,816	31 New Hampshire		114,906
32 Wyoming		119,000	32 Minnesota		112,455
33 Oregon		118,164	33 Mississippi		111,917
34 Maine		116,980	34 New York		110,745
35 Missouri		116,858	35 Oregon		110,589
36 Minnesota		116,197	36 New Mexico		108,490
37 Ohio		114,100	37 Dist of Columbia		106,757
38 Kentucky		113,668	<b>38 Hawai'i</b>		<b>104,173</b>
39 Idaho		109,300	39 Vermont		103,455
40 New Mexico		107,764	40 Maine		103,455
41 Mississippi		103,670	41 West Virginia		98,107
42 Arizona		95,100	42 Connecticut		95,998
43 West Virginia		94,500	43 Arizona		92,335
44 South Dakota		91,387	44 South Dakota		91,876
45 Kansas		61,746	45 Kansas		66,350
California		n/a	California		n/a
Massachusetts		n/i	Massachusetts		n/i
Montana		n/i	Montana		n/i
North Dakota		n/i	North Dakota		n/i
Tennessee		n/i	Tennessee		n/i
Wisconsin		n/i	Wisconsin		n/i

Source: National Center for State Courts spreadsheet

Note: "n/a" California does not have specific district level courts.

Note: "n/i" No data found for this category.

Note: Where multiple district level courts are found in a state, the highest salary is displayed.

**Cost of Living Index (COLI)**

The Council for Community and Economic Research—C2ER (formerly the ACCRA organization)—is the most widely accepted U.S. source for cost-of-living indices, with nearly 400 reporting jurisdictions across America. The cost-of-living indices used in this report were developed by examining the average costs of goods and services for the latest four running fiscal quarters. The factors reflect an average of the reporting jurisdictions in a particular state (i.e., the cost-of-living-index for Virginia is the average of the cost-of-living indices for each of the nine reporting jurisdictions in Virginia). More detailed information can be found at [www.accra.org](http://www.accra.org) or [www.c2er.org](http://www.c2er.org).

(salary / COLI) X 100 = adjusted

# Appendix D

## Legislative Branch Appendices



## Legislative Salaries

	Representatives and Senators		House Speaker and Senate President	
1990	27,000		32,000	
1991		0%		0%
1992		0%		0%
1/1993	32,000	19%	37,000	16%
1994		0%		0%
1995		0%		0%
1996		0%		0%
1997		0%		0%
1998		0%		0%
1999		0%		0%
2000		0%		0%
2001		0%		0%
2002		0%		0%
2003		0%		0%
2004		0%		0%
1/1/2005	34,200	7%	41,700	13%
1/1/2006		0%		0%
1/1/2007	35,900	5%	43,400	4%
1/1/2008		0%		0%
1/1/2009	48,708	36%	56,208	30%
7/1/2009	46,272	-5%	53,400	-5%
1/1/2010		0%		0%
1/1/2011		0%		0%
1/1/2012		0%		0%
1/1/2013		0%		0%
7/1/2013	55,896	21%	63,396	19%
1/1/2014	57,852	3%	65,352	3%

**COMPARISON OF LEGISLATIVE PAY RATES FOR STATE AND COUNTIES IN HAWAII**  
(AS OF SEPTEMBER 1, 2012)

	STATE	C&C HONOLULU	HAWAII	MAUI	KAUAI
<b>Job Count</b>	<b>14,899<sup>1</sup></b>	<b>10,412<sup>2</sup></b>	<b>2,950<sup>3</sup></b>	<b>2,600<sup>3</sup></b>	<b>1,200<sup>3</sup></b>
EFFECTIVE DATES:	1/1/2009	7/1/12 - individual employees could elect a voluntary 5% reduction (not reflected)	7/1/2008	7/1/2007	12/1/2009
<b><u>Position</u></b>					
<b>SPEAKER/PRESIDENT</b>	<b>53,398</b>				
<b>MEMBERS HOUSE/SENATE</b>	<b>46,273</b>				
<b>CHAIRPERSON</b>		<b>58,596</b>	<b>53,220 - 56,544</b>	<b>71,500</b>	<b>63,879</b>
<b>COUNCIL MEMBERS</b>		<b>52,446</b>	<b>47,928 - 50,928</b>	<b>66,500</b>	<b>56,781</b>

<sup>1</sup>State of Hawaii, Department of Budget and Finance, The Operating and Capital Budget - Statewide Summaries, Amendments by the Abercrombie Administration to the Executive Biennium Budget FB 2011-13 Budget in Brief; job count for positions under the administration of the Department of Human Resources Development, excluding University of Hawaii positions

<sup>2</sup>City and County of Honolulu, Executive Operating Budget and Program for the Fiscal Year July 1, 2012 to June 30, 2013

<sup>3</sup>Department of Labor and Industrial Relations, Job Count by Industry (CES), 2011 Annual Average



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## 2012 State Legislator Compensation and Per Diem Table

State	Base Salary (annual or daily rate)	Session Per Diem Rate
Alabama	\$10/day (C)	\$4,308/month plus \$50/day for three days during each week that the legislature actually meets during any session (U). Effective April 1, 2012
Alaska	\$50,400/year	\$238 or \$253 /day (depending on the time of year) tied to federal rate. Legislators who reside in the Capitol area receive 75% of the federal rate.
Arizona	\$24,000/year	\$35/day for the 1st 120 days of regular session and for special session and \$10/day thereafter. Members residing outside Maricopa County receive an additional \$25/day for the 1st 120 days of reg. session and for special session and an additional \$10/day thereafter (V). Set by statute.
Arkansas	\$15,869 /year	\$136/day (V) plus mileage tied to federal rate.
California	\$95,291/year	\$141.86/day for each day they are in session.
Colorado	\$30,000/year	\$45/day for members living in the Denver metro area. \$150/day for members living outside Denver. Effective 7/1/12 non-metro per diem will be 85% of federal per diem for Denver.
Connecticut	\$28,000/year	No per diem is paid.
Delaware	\$42,750/year	\$7,334 expense allowance annually.
Florida	\$29,687/year	\$131/day earned based on the number of days in session. Travel vouchers are filed to substantiate.
Georgia	\$17,342/year	\$173/day (U) set by the Legislative Services Committee.
Hawaii	\$46,272.60/year	\$150/day for members living outside Oahu during session; \$10/day for members living on Oahu during the interim while conducting official legislative business.
Idaho	\$16,116/year	\$122/day for members establishing second residence in Boise; \$49/day if no second residence is established and up to \$25/day travel (V) set by Compensation Commission.
Illinois	\$67,836/year Members are mandatorily required to forfeit one day of compensation per month	\$111/per session day
Indiana	\$22,616.46/year	\$152/day (U) tied to federal rate.
Iowa	\$25,000/year	\$135/day (U). \$101.25/day for Polk County legislators (U) set by the legislature to coincide with federal rate. State mileage rates apply.
Kansas	\$88.66(C)	\$123/day (U) tied to federal rate.
Kentucky	\$188.22day (C)	\$135.30/day (U) tied to federal rate (110% Federal per diem rate).

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Louisiana	\$16,800/year + additional \$6,000/yr (U) expense allowance.	\$149/day (U) tied to federal rate (26 U.S.C. Section 162(h)(1)(B)(ii))
Maine	\$13,852/year for first regular session; \$9,661/year for second regular session.	\$38/day housing, or mileage and tolls in lieu of housing (at rate of \$0.44/mile up to \$38/day) plus \$32/day for meals. Per diem limits are set by statute.
Maryland	\$43,500/year	Lodging \$101/day; meals \$42/day (tied to federal rate and compensation commission). Out of state travel per diem is \$225/day for meals and lodging.
Massachusetts	\$61,133/year	From \$10/day-\$100/day, depending on distance from State House (V) set by the legislature.
Michigan	\$71,685/year	\$10,800 yearly expense allowance for session and interim (V) set by compensation commission.
Minnesota	\$31,140.90/year	Senators receive \$96/day and Representatives receive \$66/legislative day set by the legislature.
Mississippi	\$10,000/year	\$109/day (U) tied to federal rate.
Missouri	\$35,915/year	\$104.00/day (U) tied to federal rate. Verification of per diem is by roll call.
Montana	\$82.64/day (L)	105.31/day (U).
Nebraska	\$12,000/year	\$123/day outside 50-mile radius from Capitol; \$46/day if member resides within 50 miles of Capitol (V) tied to federal rate.
Nevada	\$146.29/day maximum of 60 days of session.	Federal rate for Capitol area (U). Legislators who live more than 50 miles from the capitol, if require lodging, will be paid Hud single-room rate for Carson City area for each month of session.
New Hampshire	\$200/two-year term	No per diem is paid.
New Jersey	\$49,000/year	No per diem is paid.
New Mexico	None	\$154/day (V) tied to federal rate & the constitution.
New York	\$79,500/year	\$171/per full day and \$61/per half day.
North Carolina	\$13,951/year	\$104/day (U) set by statute. \$559.00/month expense allowance.
North Dakota	\$152/day during legislative sessions (C) and \$152/day for attending interim committee meetings	Lodging reimbursement up to 30 times 65 percent of the daily lodging rate (\$1,351 per month as of 8/1/2011 (V).
Ohio	\$60,583.70/year	No per diem is paid.
Oklahoma	\$38,400/year	\$147/day (U) tied to federal rate.
Oregon	\$21,936/year	\$123/day (U) tied to federal rate
Pennsylvania	\$82,026/year	\$159/day (V) tied to federal rate. Can receive actual expenses or per diem.
Rhode Island	\$14,185.95/year	No per diem is paid.
South Carolina	\$10,400/year	\$131/day for meals and housing for each statewide session day and committee meeting tied to federal rate.
South Dakota	\$12,000/two-year term	\$110/legislative day (U) set by the legislature.
Tennessee	\$19,009	\$173/legislative day (U) tied to federal rate.
Texas	\$7,200/year	\$150/day (U) set by Ethics Commission.

Utah	\$117/day (C)	\$96/day (U) lodging allotment for each calendar day, tied to federal rate, \$61/day meals (U).
Vermont	\$604.79/week during session \$112 per day for special sessions or interim committee meetings	Federal per diem rate for Montpelier is \$101/day for lodging and \$61/day for meals for non-commuters; commuters receive \$61/day for meals plus mileage.
Virginia	\$18,000/year Senate, \$17,640/year House	House - \$135/day (U) tied to federal rate. Senate \$178 (U) tied to federal rate.
Washington	\$42,106/year	\$90/day
West Virginia	\$20,000/year	\$131/day during session (U) set by compensation commission.
Wisconsin	\$49,943/year	\$88/day maximum (U) set by compensation commission (90% of federal rate). Per diem authorized under 13.123 (1), Wis. Statutes, and Leg. Joint Rule 85. 20.916(8) State Statutes and Joint Committee on Employment Relations (JCOER) establishes the max. amount according to the recommendations of the Director of the Office of State Employment Relations. The leadership of each house then determines, within that maximum, what amount to authorize for the session.
Wyoming	\$150/day during session. Members other than leadership receive \$300/mo when not in session	\$109/day (V) set by the legislature, includes travel days for those outside of Cheyenne.

Source: National Conference of State Legislatures

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