

Commission on Salaries Meeting Minutes
January 29, 2019
9:00 a.m.

Department of Human Resources Development
235 S. Beretania Street, Room 1403
Honolulu, Hawaii 96813

1. Call to Order

Meeting was called to order by Chairperson, Michael Irish, at 9:00 a.m.

Members present: Michael Irish, Rachael Wong, Cameron Nekota, Dwayne Yoshina, Danna Holck, and Haunani Apoliona.

Members missing: Beth Tokioka

Others present: Joy Inouye, Eliza Campos, Sunah Cheng, Wes Machida.

2. Approval of Meeting Minutes for January 10, 2019

Chairperson moved to approve meeting minutes.

The following are items on the January 10, 2019 minutes for edits:

- Section 3 – b. – clarify Wes Machida’s past and present position(s) (former Finance Director, current ERS Board member and works with the House Speaker, Scott Saiki);
- Section 6 – b. – correct the typo “next meeting will be held on January 22, 2019.”

The move was seconded and with a unanimous vote, minutes were approved as amended.

3. Presentation by the Senate Committee on Ways and Means on State budget priorities

Cancelled.

4. Public Testimony

Wes Machida passed out additional updated sheets to include the executive branch in the comparison of salaries for all three branches over the last 20 years.

5. Continue Discussion and Work Session on Commission Recommendations for Legislative (Legislators), Executive (Governor, Lt. Gov, Dept & Deputy Heads), and Judicial (Justices and Judges) Branch Positions.

Compensation staff went over reference materials that were distributed to the members - comparative data with Hawaii versus the other States for executive and legislative branches. She explained that similar data for the judicial branch was already in the binder.

There was a recap of the last meeting (1/22) for those members who were not present:

- Members are motivated by what is best for Hawaii. All Commission members are responsible to look at all branches of government. Use data and rationale to make decisions and/or recommendations. Fairness is key.
- Consider responsibility but not workload. In the past, it was based on number of employees supervised and size of budget. One criterion that will not be considered is the individual in the position.
- The Commission would like to look at the disparities between the State and the counties.
- The Commission considered eliminating the tiers for the executive branch department heads by bringing everyone in tier 2, up to tier 1. After that, give everyone a 2.75% increase per year.

Since the last meeting, it was shared that one side of the legislature may not support the elimination of the tiers for the department heads. They believe that there should be a tiered approach with the Attorney General and the Finance Director in the top tier. If tiers are eliminated, the whole report may be at risk for not being approved.

The Commission was informed that the report can only be rejected by a concurrent resolution of the house and senate. The report does not need to be approved nor can it be amended. If rejected, the salaries will be "status quo" for all positions in the three branches under the Commission for the next six years.

There was discussion of a taskforce meeting prior to the convening of the next Commission. There was also discussion about the necessity of the Commission to begin on time (November instead of January). Starting in January did not give the Commission enough time to consider everything they

wanted to look into.

There was consensus to give 2.50% increase per year to all branches.

Currently there is only a 2.50% difference between the Governor's salary versus the Lt. Governor, Attorney General (AG), and B&F Director salaries. There was a suggestion to give the Governor a possible pay increase of \$10,000 (6.3% increase) to bring that position up to "par."

There was further discussion regarding the differences between the top position of each branch and the next level:

Executive: 2.50% between Governor and Tier 1 (Lt. Governor, AG, B&F Director)

Legislative: \$7500 or 12% between House Speaker/Senate President and Representatives/Senators

Judicial: 15% between Chief Justice and Circuit Court Judges

6. Discuss Next Steps

Decisions to be made at the next meeting:

- 2.50% increase per year for executive and judicial branches (6 years);
- 3.75% increase per year for legislative branch (4 years);
- Higher increases (possibly 4%) for the "CEOs" of each branch (first year); thereafter 2.50% per year (executive & judicial) or 3.75% (legislature); should there be parity between branches?

Each member to share their proposal/recommendation for each branch at the next meeting for the Commission to make final recommendations.

7. Adjournment

With no further business, the meeting was adjourned at 11:16 a.m.