

## 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. Additionally, the Commission did seek advice from the Office of the Attorney General during its deliberations. Copies of the opinions are attached hereto.

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. It is important to note that if the Legislature disapproves the recommendation of the 2025 Commission, there will be no salary adjustment for the next six (6) years

The 2025 Commission was convened on November 4, 2024, at 9:00 AM at 235 South Beretania Street, Honolulu, Hawai‘i on the 14<sup>th</sup> Floor. The Commission is submitting its report and recommendations to the Governor for submission to the 2025 State Legislature.

The intent of the 2025 Commission is to recommend salaries that are fair, with an emphasis on parity, considering the following:

- a. Scope and complexity of duties and responsibilities of elected and appointed officials, legislature, and judges/justices under the Commission on Salaries including workload past trends and projections.
- b. Consumer Price Index for All Urban Consumers (CPI-U) and cost of living - Hawaii rates and projections.
- c. Recruitment trends – past and projected.
- d. Salaries of comparable positions nationwide, and the City and County of Honolulu and other counties in Hawaii; comparable private sector salary trends and projections
- e. State budget projections, including revenue projections, and actual and possible policy decisions locally and nationally.
- f. Past and present trends in salaries that were recommended and determined by the State Constitution, Legislature, and commissions.

The above-mentioned criteria were adopted after much deliberations among the Commissioners.

Unless disapproved by the legislature, the recommendations of 2025 Commission will go into effect on July 1, 2025, for the executive and judicial branch officials. The recommendations for the legislative branch officials will go into effect on January 1, 2027, because Article XVI of the Constitution states that any salary change shall not apply to the legislature to which the recommendations were submitted. The Commissioners engaged in debate as to the fairness of the Judiciary salary recommendations for the 2019 Commission. It is the consensus of the Commission that an attempt should not be made to compensate for the past 6 years with 2025 recommendations. Instead as to all of the branches, it should moving forward.

The following recommendations were adopted by the 2019 Commission:

A. EXECUTIVE BRANCH RECOMMENDATIONS

- Effective July 1, 2025, to June 30, 2026, increase the salary of the governor by 20%.
- Effective July 1, 2025, to June 30, 2026, increase the salary for the Lieutenant Governor by 15%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Tier 1 Directors by 10%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Tier 1 Deputy Directors by 8%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Tier 2 Directors by 9%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Tier 2 Deputy Directors by 7%.
- Effective July 1, 2026, to June 30, 2027, increase the salary for the Governor by 10%.
- Effective July 1, 2027, to June 30, 2028, increase the salaries for the Lieutenant Governor, Tier 1 and 2 Directors and Deputy Directors by 6%.
- Effective July 1, 2028, to June 30, 2031, increase all Executive Branch officials by 4%.
- The salaries and future salary increase for the Adjutant General and Deputy Adjutant General will 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, 2025, to June 30, 2026, increase the salary of the Chief Justice by 15%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Associate Justices of the Supreme Court by 12%.
- Effective July 1, 2025, to June 30, 2026, increase the salary of the Chief Judge of the Intermediate Court of Appeals by 11%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Associate Judges of the Intermediate Court of Appeals by 10%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Circuit Court Judges by 8%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the District Court Judges by 7%.
- Effective July 1, 2027, to June 30, 2028, increase the salaries of all Judicial Branch officials by 6%.
- Effective July 1, 2028, to June 30, 2031, increase all Judicial Branch officials by 4%.

C. LEGISLATIVE BRANCH RECOMMENDATIONS

By HRS 26-56(d), the 2025 Commission can only make recommendations for the House and Senate from January 1, 2027, until December 31, 2030. Legislators, unlike the other branches, are on a calendar year versus a fiscal year.

What should be reflected is Effective January 1, 2025, Legislator is “0” increase and Effective January 1, 2026, Legislator is “0” increase.

- Effective January 1, 2027, increase the salaries of all senators and representatives, including the President of the Senate and Speaker of the House of Representatives by the percentage comparable to the Governor. Note that Legislators had no salary increase for 2025 and 2026 calendar years.
- January 1, 2028; January 1, 2029; and January 1, 2030, increase the salaries of all senators and representatives, including the President of the Senate and Speaker of the House of

Representatives by 4% each year. This 4% is what all other branches will receive beginning fiscal year 2028 which means beginning July 1, 2027.

#### D. SALARY COMMISSION RECOMMENDATIONS

- Provide data from all branches as to why qualified individuals do not wish to apply for the positions.
- Solicit and receive a formal opinion from the Attorney General as to whether the Legislature can determine that the salary increases will be suspended or deferred. This opinion should address how such an action by the Legislature, no matter how politically correct it may be, does not violate the intent of the Constitutional Amendment. The concern is without a criteria set in the Constitution for such action, this in essence can be a yearly review of the work of Salary Commission.
- Solicit feedback on salary recommendation criteria and salaries ahead of the 2031 Commission's convening.
- The attempts of the prior Salary Commissions have been to establish a base and to have the increases be uniform among all branches.
- Explore whether the Commissions should rely upon CPI-U index for Hawai'i in setting increases.
- Determine whether the Commissions should be influenced by actions of other governmental salary commissions.

## 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 (“House Speaker”), 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 2024.
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 conflicts 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.

### 2025 Commission on Salaries

This is the report and recommendations of the 2025 Commission, which covers the executive, judicial and legislative branches.

#### Process

The Commission convened on November 7, 2024. Commissioner Colleen Hanabusa was elected as Chairperson and Commissioner Wesley Machida 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 which included the Sunshine law, the Commission on Salaries statutes, and salary comparisons and data for the executive, judicial, and legislative branches.

The Commission expressed their interest in scheduling representatives from the branches of government, along with representatives from the Council on Revenues. The Council on Revenues did not appear per the Commissions' request; however, their report of January 10, 2025, was made available. The Commission did hear from various representatives and resource persons who are identified below.

The DHRD staff presented the Commission with various charts and information. These have been appended to this report.

The summary of the meetings of the 2025 Commission are as follows:

1. November 7, 2024: The Board received a folder from the DHRD Staff. The Board received an overview of the Sunshine law and the Commission's Responsibilities.
2. November 22, 2024: The Board had the following presenters: Chief Justice Mark Recktenwald and Brandon Kimura (Judiciary); Ronald Kouchi (Senate President); Nadine Nakamura (Speaker of House); Brooke Wilson (Chief of Staff/Governor

Green); Luis Salaveria (Director Budget & Finance); Scott Saiki (Speaker Emeritus)' Brenna Hashimoto (Director DHRD); Eugene Tian (Economist, DBEDT).

3. December 6, 2024: Elise Amemiya (Deputy AG-legal parameters); Florence Nakakuni (JSC);
4. December 19, 2024: Elise Amemiya (Deputy AG on criteria for setting salary); Brandon Kimura (Judiciary); DHRD Staff (salary data).
5. December 30, 2024: Brian Yee (Deputy AG on Legislature acting on yearly basis to defer compensation); Brandon Kimura (Judiciary on Tiers);
6. January 8, 2025: Elise Amemiya (Deputy Attorney General-Legislature's action to defer salary on a yearly basis);
7. January 16, 2025: Council on Revenues Report dated January 10, 2025; Discussion on salary scenarios.

### General Rationale

The Commission reminds itself that the State of Hawai'i is comprised of three co-equal branches of government which each branch serving a distinct Constitutionally mandated function. The functions of the three branches were determined by the voters, as is the duties of the Salary Commission. In fulfilling its Constitutionally mandated duty, it is setting salaries for approximately 300 individuals. They are the Elected Officials who serve in the Legislature and the Governor and Lieutenant Governor of the State; the Department Heads and Deputies Directors; the Justices and Judges of this State. They are the individuals who set the policies of this State; implement those policies; and ensure the Constitution and laws are followed. The Commission understands that the individuals serving in this position are motivated to perform public service. Notwithstanding, the Commission's general rationale is that salary must not be the reason why the State is not attracting the best talent for the running of this State. The most recent Budget of State of Hawai'i has the year's expenditures appropriated at Operating of about \$20 Billion and Capital Improvement (CIP) of about \$3.4 Billion. No City or County within this State compares to the responsibility of the State government. The Commission reviewed the public and private sector salaries at both the local and national level for the three branches of government. The Commission believes 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 and their primary motivation of performing public service.

### Decision-Making Criteria

- a. Scope and complexity of duties and responsibilities of elected and appointed officials, legislature, and judges/justices under the Commission on Salaries including workload past trends and projections.
- b. Consumer Price Index for All Urban Consumers (CPI-U) and cost of living - Hawaii rates and projections.
- c. Recruitment trends – past and projected.
- d. Salaries of comparable positions nationwide, and the City and County of Honolulu and other counties in Hawaii; comparable private sector salary trends and projections
- e. State budget projections, including revenue projections, and actual and possible policy decisions locally and nationally.
- f. Past and present trends in salaries that were recommended and determined by the State Constitution, Legislature, and commissions.

### Proposed Recommendations



In applying the above stated decision-making criteria, the Commission also addressed the following:

- Separation of salaries between the levels of government to address the positions scope and responsibilities. For example, the Governor's and Chief Justice's salaries.
- Legislators' salaries are not aligned with the responsibilities borne by the policy makers of the State. The Commission is aware of the sensitivity the pay of the Legislators in that they are the disapproving body of this Report. Notwithstanding, Article XVI of the Constitution was enacted by the voters of this State to ensure that the Legislature is aware that this Report not only addresses their salary but also that of the other branches of government.
- Salary adjustments should be minimally based upon the CPI-U for Hawai'i.

### Council on Revenues

The general fund tax revenue projections from January 8, 2025, meeting of the Council on Revenues show projected increases of 6.4% for FY 2025 and the following growth for the relevant remaining term of this Report: FY 2026 -1.5%; FY 2027 2.9%; FY 2028 2.5%; FY 2029 2.6%; FY 2030 1.9%. These projections are at a compounded rate. Note that the FY 2025 growth rate of 6.4% was adjusted upward from the prior report's 3.5% (almost doubling the projected growth). This Report of the Salary Commission may not have the benefit of the March meeting of the Council on Revenues but ask that those numbers be taken into consideration. It is anticipated that given the historical trend of the COR's projections will change.

### Executive Branch

In reaching its recommendations for the "executive salaries," the Commission reviewed the compensation of county executives (i.e., mayors, deputy managing directors, department directors, deputy department directors, prosecuting attorneys) for the City and County of Honolulu, Hawai'i County, Maui County and Kaua'i County. *The Book of the States 2018* 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, et al., administer programs that affect the health and welfare of our residents, and which have annual budgets that collectively exceed \$14 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', PhDs in various fields) and several years of specialized experience qualifying them for the positions. Because of these reasons, it can be very difficult to attract and recruit for director and deputy director 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.

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

- Effective July 1, 2025, to June 30, 2026, increase the salary of the governor by 20%.
- Effective July 1, 2025, to June 30, 2026, increase the salary for the Lieutenant Governor by 15%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Tier 1 Directors by 10%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Tier 1 Deputy Directors by 8%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Tier 2 Directors by 9%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Tier 2 Deputy Directors by 7%.
- Effective July 1, 2026, to June 30, 2027, increase the salary for the Governor by 10%.
- Effective July 1, 2027, to June 30, 2028, increase the salaries for the Lieutenant Governor, Tier 1 and 2 Directors and Deputy Directors by 6%.
- Effective July 1, 2028, to June 30, 2031, increase all Executive Branch officials by 4%.
- The salaries and future salary increase for the Adjutant General and Deputy Adjutant General will 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 Pos	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029	7/1/2030
Governor	1	227,376	250,114	260,118	270,523	281,344	292,598
Lieutenant Governor	1	216,660	229,660	238,646	248,400	258,336	268,669
Tier 1 Admin. Director of the State, Attorney General, Director of Budget and Finance	3	207,240	219,674	228,461	237,600	247,104	256,988
Tier 2 Dept. Directors DAGS, DBEDT, DCCA, DHHL, DHRD, DHS, DLIR, DLNR, DOA, DOH, DOT, PSD, TAX	13	195,585	207,320	215,613	224,238	233,207	232,114
Tier 1 Deputy Dept. Directors Attorney General, Budget and Finance	2	187,181	198,412	206,349	214,603	223,187	232,114
Tier 2 Deputy Dept. Directors DAGS, DBEDT, DCCA, DHHL, DHRD, DHS, DLIR, DLNR, DOA, DOH, DOT, PSD, TAX	24	176,601	187,197	194,685	202,473	210,572	218,995

Details regarding historical executive salary increases may be found in Appendices

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.

The salaries set forth by preceding Commissions for the judicial branch was an attempt to equalize the salaries of the judicial branch with the other branches of government. In that light, the Judicial branch was given a \$2000 a year increase across all positions.

This Commission recognizes the intent of the 2019 Commission and will deem the equalization has been completed. With that, this Commission recommend the judicial salaries as follows:

- Effective July 1, 2025, to June 30, 2026, increase the salary of the Chief Justice by 15%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Associate Justices of the Supreme Court by 12%.
- Effective July 1, 2025, to June 30, 2026, increase the salary of the Chief Judge of the Intermediate Court of Appeals by 11%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Associate Judges of the Intermediate Court of Appeals by 10%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the Circuit Court Judges by 8%.
- Effective July 1, 2025, to June 30, 2026, increase the salaries for the District Court Judges by 7%.
- Effective July 1, 2027, to June 30, 2028, increase the salaries of all Judicial Branch officials by 6%.
- Effective July 1, 2028, to June 30, 2031, increase all Judicial Branch officials by 4%.

The Commission did note and accept that the role of the Chief Justice of the Hawai'i Supreme Court is that of the administrative head of the Judiciary for the State of Hawai'i. The Commission deemed it appropriate to Chief Justice's compensation reflects that responsibility in addition to his role as a jurist.

**Figure 2 - Judicial Salary Recommendations**

Position	No. of Pos	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029	7/1/2030
Chief Justice, Supreme	1	285,343	302,463	314,562	327,144	340,230	353,839
Associate Justice, Supreme	4	268,451	284,558	295,940	307,777	320,089	332,892
Chief Judge, Intermediate	1	256,716	272,119	283,004	294,324	306,097	318,341
Associate Judge, Intermediate	5	245,084	259,789	270,181	280,988	292,228	304,917
Circuit Court Judge	33	234,472	248,541	258,482	268,822	279,574	290,757
District/Family/Per Diem Court Judge	48	219,667	232,847	242,161	251,847	261,921	272,398

Details regarding historical judicial salary increases may be found in Appendices

Legislative Branch

In formulating recommendations on salary adjustments for members of the State legislature, the Commission sought to provide recommendations that are fair and equitable given the duties, time commitment, responsibilities, and historical and comparative pay of legislators.

The Commission is aware that due to the constitutionally mandated schedule of the Legislature, there is a misperception that the Legislature is a 5 month body and does not work year-round. In calculating the constitutionally required meeting dates and reviewing the Legislature's internal calendar, the Commission is convinced that the Legislature is in fact a year-round entity. Legislators work on projects before, during and after the Legislative session. Moreover, the scope and responsibilities of the Legislature exceeds that of any County Council in the State.

The annual salary for State legislators is currently between \_\_\_\_% below the salaries of Council members from each of the four Counties. Annual salary for the Senate President and House Speaker is currently between \_\_\_\_% below the Council Chairs. The Commission sought to address some of this disparity, recognizing the scope of legislators' responsibilities through its recommendations.

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

By HRS 26-56(d), the 2025 Commission can only make recommendations for the House and Senate from January 1, 2027, until December 31, 2030. Legislators, unlike the other branches, are on a calendar year versus a fiscal year. The Commission recognizes the constitutional mandate; however, it does believe that the Legislature as the policy making body for the State of Hawai'i must attract the talent and salary should not be a handicap.

As with the Governor and the Chief Justice, the Senate President and the Speaker of the House are the administrative heads of their respective Chambers and have additional responsibilities to their legislative duties. They hold their positions due to the election of their peers and should be compensated for their additional duties.

- Effective January 1, 2027, increase the salaries of all senators and representatives, including the President of the Senate and Speaker of the House of Representatives shall be comparable to the Governor. Note that Legislators had no salary increase for 2025 and 2026 calendar years. Likewise with the next Commission, the Legislature will receive no pay raise for the calendar years 2031 and 2032.
- January 1, 2028; January 1, 2029; and January 1, 2030, increase the salaries of all senators and representatives, including the President of the Senate and Speaker of the House of Representatives by 4% each year. This 4% is what all other branches will receive beginning fiscal year 2028 which means beginning July 1, 2027.

**Figure 3 - Legislative Salary Recommendations**

Position	No. of Empl.	1/1/2027	1/1/2028	1/1/2029	1/1/2030
House Speaker/Senate President	2	117,175	121,862	126,737	131,806
Representative/Senator	74	104,630	108,815	113,167	117,694

By comparison, at the end of this Commission’s report (July 1, 2030), the Legislature will be making what the City Council of the City and County of Honolulu makes today. Again, with all due respect to the City Council, the Commission does not believe their scope of responsibility exceeds that of the Legislature of the State of Hawai‘i.

**Conclusion**

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