

**2016 Office of Hawaiian Affairs Salary Commission**

February 19, 2016

The Honorable David Y. Ige  
Governor, State of Hawai‘i  
Executive Chambers, Hawai‘i State Capitol  
Honolulu HI 96813

The Honorable Ronald D. Kouchi  
Senate President  
Room 409, Hawai‘i State Capitol  
Honolulu HI 96813

The Honorable Joseph M. Souki  
Speaker of the House  
Room 431, Hawai‘i State Capitol  
Honolulu HI 96813

Subject: Report and Recommendations of the 2016 OHA Salary Commission

Aloha Governor Ige, President Kouchi and Speaker Souki:

The 2016 Salary Commission for the Board of Trustees of the Office of Hawaiian Affairs (OHA), in furtherance of its statutory duties and responsibilities, has completed its study and review and submits this proposed salary recommendation for the OHA Trustees. On February 17, 2016, the Commission voted to approve the “Final Report and Recommendations Regarding the Salary of the Board of Trustees of the Office of Hawaiian Affairs.” (attached).

Commissioners were appointed on January 15, 2016 and our recommendations were due to the Legislature by February 22, 2016. The Commission took its duty seriously and strongly recommends that ample time be provided for public comment. Given the importance of the task and the need for timely public input, we strongly urge that Commissioners to the 2020 OHA Salary Commission be appointed in 2019 as provided for by law.

The process and deliberations of the 2016 Salary Commission were open and prudent. The Commission carefully reviewed the duties and responsibilities of the OHA Trustees, their current compensation and benefit package, the financial and programmatic growth of the organization, current staff compensation, the recommendations of past OHA Salary Commissions, the compensation of comparable state and county elected officials, as well as economic indicators, including the consumer price index, the forecast of the Council on Revenues and Social Security cost of living adjustments. On February 10 - 15, 2016, Commissioners solicited public comment through the Commission’s notice of opportunity to submit written comments via email at [ohasalarycommission2016@oha.org](mailto:ohasalarycommission2016@oha.org). The Commission considered the input received and made appropriate revisions prior to finalizing its recommendations.

In sum, the Commission believes that the salaries recommended by the 2016 OHA Salary Commission for the OHA Board of Trustees are fair, equitable, reflect the importance of the duties and fiduciary responsibilities of the Trustees to the OHA Trust and its beneficiaries, and give prudent consideration to the statutory definition of the Trustees’ role and information concerning the past, current, and projected economic environment.

With its approval of the salary recommendations, the 2016 OHA Salary Commission was sunset and dissolved by unanimous vote at the adjournment of its meeting on February 17, 2016.

Mahalo nui loa,

2016 Office of Hawaiian Affairs Salary Commission

Kippen de Alba Chu  
Commissioner

Dennis Fern  
Commissioner

Moses K. N. Haia, III  
Commissioner

Neil J. Hannahs  
Commissioner

Jalna Keala  
Commissioner

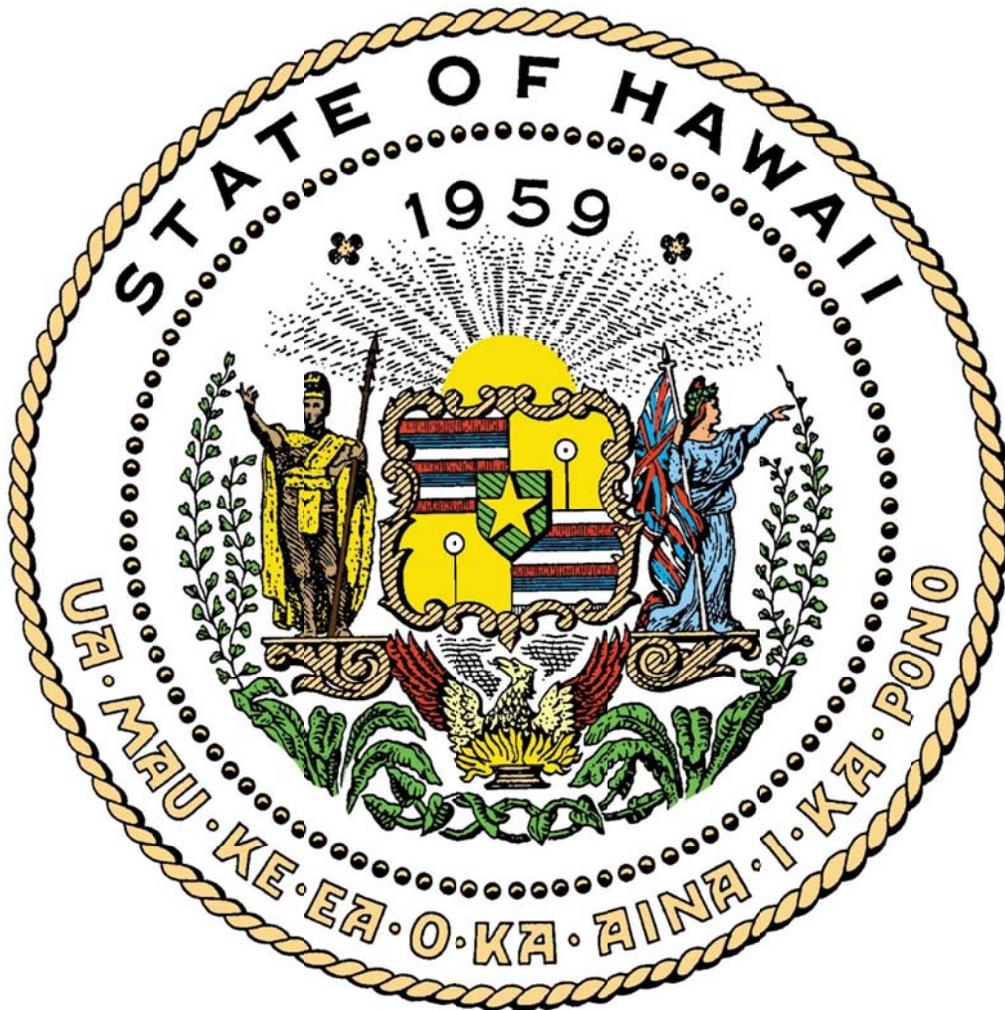
Diane S. L. Paloma  
Commissioner

Wendell W. Perry, Jr.  
Commissioner

Attachment – Report and Recommendations of the 2016 OHA Salary Commission

- c: The Honorable Robert K. Lindsey, Jr., Chairperson, Office of Hawaiian Affairs
- The Honorable Dan Ahuna, Vice-Chairperson, Office of Hawaiian Affairs
- The Honorable Lei Ahu Isa, Trustee, Office of Hawaiian Affairs
- The Honorable Rowena Akana, Trustee, Office of Hawaiian Affairs
- The Honorable Peter Apo, Trustee, Office of Hawaiian Affairs
- The Honorable Haunani Apoliona, Trustee, Office of Hawaiian Affairs
- The Honorable Carmen Hulu Lindsey, Trustee, Office of Hawaiian Affairs
- The Honorable Colette Machado, Trustee, Office of Hawaiian Affairs
- The Honorable John Waihe'e, IV, Trustee, Office of Hawaiian Affairs
- Kamana'opono M. Crabbe, Ph.D., Ka Pouhana, Office of Hawaiian Affairs

**REPORT AND RECOMMENDATIONS  
REGARDING THE SALARY OF THE  
BOARD OF TRUSTEES OF THE  
OFFICE OF HAWAIIAN AFFAIRS**



Prepared by:

**2016 OHA SALARY COMMISSION  
FEBRUARY 17, 2016**

**2016 OHA Salary Commission  
Report and Recommendations  
Regarding the Salary of the  
Board of Trustees for the Office of Hawaiian Affairs**

February 17, 2016

**I. Salary Recommendations:**

The 2016 Office of Hawaiian Affairs (OHA) Salary Commission (Commission) has completed its analysis, discussion and findings, and on February 17, 2016 approved the recommendations regarding the salary of the OHA Trustees (Trustees).

These recommendations include:

<b>Table 1: Salary Recommendations for OHA Trustees</b>			
Starting	Ending	Chairperson	Trustees
July 1, 2015	June 30, 2016	\$64,164	\$56,280
July 1, 2016	June 30, 2017	\$64,164	\$56,280
July 1, 2017	June 30, 2018	<b>\$(see formula below)</b>	<b>\$(see formula below)</b>
July 1, 2018	June 30, 2019	<b>\$(see formula below)</b>	<b>\$(see formula below)</b>
<p><b><u>Formula for Fiscal Year 2018.</u></b> Regarding the Trustee salary for the period 7/1/2017 – 6/30/2019: Starting with the base of \$64,164 for the Chairperson and \$56,280 for each of the other OHA Trustees, the Trustee percentage salary increase shall be the lesser of: the average of any across the board percentage annual salary increase that may be afforded to OHA staff for the period 7/1/2017 – 6/30/2019 or the annual Honolulu Consumer Price Index (CPI) for the prior year ending 12/31/2017, but not less than zero.</p> <p>Note: July 1, 2019 is the date the 2020 OHA Salary Commission recommendations go into effect.</p>			

In summary, the recommendations maintain the current salary of \$64,164 for the OHA Chairperson and the current salary of \$56,280 for the other OHA Trustees, for Fiscal Year 2016 and Fiscal Year 2017 to keep in alignment with the percentage of increase for staff salaries. Fiscal Year 2018 and Fiscal Year 2019 should use the formula determined above so long as this same formula was the base for calculating staff salary increases, if any.

In accordance with Hawai‘i Revised Statutes (HRS) Chapter 10-9.5, these salary recommendations are effective as of the date of the recommendations unless the legislature disapproves the recommendation by adoption of a concurrent resolution prior to its adjournment sine die in May 2016.

The details of the Commission’s study and the basis for its recommendations are provided in the report below.

II. Background:

The Governor appointed the 2016 OHA Salary Commission on January 15, 2016. The Commission urges the Governor to begin the process of appointment of the OHA Salary Commission in August of the year prior to the date the Commission Report and Recommendations are due to the Legislature. Given the appointment date and the date the Commission must make its recommendation (the 20<sup>th</sup> legislative day, February 22, 2016), the turn-around time was extremely short; and ensuring due diligence required each Commissioner and the staff assisting it to complete its task in a severely limited timeframe. This compressed timeframe also resulted in the shortening of the public comment period. The shortened time frame made it difficult to find meeting dates that worked for all seven Commissioners. Thanks to the flexibility and willingness of each Commissioner and each OHA staff member who assisted the Commission, it was able to set meeting dates to accommodate most Commissioners, and provided public notice consistent with Hawai‘i’s Sunshine Law. The Commissioners planned their task and conducted their business prudently within the allotted time. The Commission publicly noticed and convened meetings on February 2, 8, 16, and 17, 2016.

During the course of these meetings, the Commission reviewed its statutory mandate, the history and recommendations of previous commissions, pertinent sections of Hawai‘i Revised Statutes Chapter 10, the Bylaws of OHA Board of Trustees, the 2015 OHA Annual Report, the OHA Strategic Plan 2010 – 2018, the duties and responsibilities of the OHA Trustees and their current compensation and benefits, OHA statistics on staffing numbers and salary changes, researched and analyzed the salaries of comparable elected officials and OHA staff, reviewed economic indicators and forecasts, and engaged in healthy discussions of each. This Commission adopted five of the six principles the 2012 Commission used to prepare and finalize their recommendations<sup>1</sup>.

OHA Salary Commissioners noted that beneficiaries hold their elected OHA Trustees to a high standard as leaders and, as such, viewed their kuleana as salary Commissioners as one demanding prudent and fair decision-making, with OHA’s mission of the betterment of conditions of Native Hawaiians always in mind.

Commissioners agreed that they are not conducting a performance evaluation because the Salary Commission kuleana is to set the salary rate for the positions of Trustee and Chairperson, and not to evaluate the performance of any individual. However, one Commissioner felt it important to note that “modern compensation has a greater focus on results and impact and not just activity as seems to be the case in the 2012 report, which focused on presence, attendance, and time. Is there a way to tie compensation to results,

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<sup>1</sup> See page 5 of the 2012 OHA Salary Commission Report and Recommendations, V. Guiding Principles and Considerations: Letter “e” not adopted by the 2016 Commission; e. Compensation needs to be sufficient to attract (or at least not discourage) candidates from seeking the elected office of the OHA Trustee.

to consider a role that is focused on outcome versus input? Are we fostering the impact we desire and need within our lāhui?” Another responded with “[t]he difficulty with a results-oriented focus is that the Commission would have to look back to see whether or not projected results were achieved, and then anticipate results for the next four years in order to determine appropriate Trustee compensation.”

In the discussion, more than one Commissioner expressed the belief that they expected these leaders to lead by example, and that the percentage of increase for Chairmanship and Trustees should align with the percentage increase of staff salaries, if any.

Commissioners reviewed data, OHA’s activities, OHA pay and staffing, the 2012 report and recommendation from the prior OHA Salary Commission and a host of other relevant factors. The current economic conditions and forecasts were considered.

III. The 2016 OHA Salary Commission and its Statutory Responsibilities

The Commission was established pursuant to HRS Chapter 10-9.5 to study and make recommendations to the State Legislature on appropriate salary for the Board of Trustees of OHA. The Commission is formed every four years and consists of seven members appointed by the Governor from nominations submitted by Native Hawaiian organizations.

On January 15, 2016, Governor David Y. Ige appointed the following seven members to the Commission:

1. Mr. Kippen de Alba Chu, Friends of ‘Iolani Palace nominee
2. Mr. Dennis Fern, Queen Lili‘uokalani Children’s Center nominee
3. Mr. Moses K. N. Haia, III, Native Hawaiian Legal Corporation nominee
4. Mr. Neil J. Hannahs, Kamehameha Schools’ nominee
5. Ms. Jalna Keala, Association of Hawaiian Civic Clubs’ nominee
6. Mrs. Diane Paloma, The Queen’s Health Systems’ nominee
7. Mr. Wendell W. Perry Jr., Hawai‘iniūiākea School of Hawaiian Knowledge nominee

The salary recommendations of the Commission are due by the twentieth legislative day of the 2016 Legislative Session (February 22, 2016) and become effective as of the date of the recommendations unless the Legislature disapproves the recommendations by adoption of a concurrent resolution prior to adjournment sine die of the Legislative Session. The Commission is dissolved upon the completion and submission of its recommendations.

IV. Past OHA Salary Commissions

The first Advisory Commission on OHA Trustees’ Compensation was appointed in 1992 and provided recommendations to the State Legislature in 1993. The 1993 Legislature set the OHA Trustees’ salaries at \$32,000 per year, with the Chairperson receiving an additional \$5,000, and made provision for regular adjustment of the salaries every four

years by a salary commission. In 1996, no appointments were made. In 1999, the Legislature amended the HRS Chapter 10-9.5 in order that the next duly appointed Salary Commission would submit recommendations to the 2000 Legislature. The Salary Commission appointed in 2000 recommended no salary adjustment.

The Salary Commission formed in 2004 recommended that the Trustees annual salary be established at \$41,000 and \$47,000 for the Chairperson. The Commission recommended that this salary remain constant for the statutorily mandated, four-year period.

The 2008 OHA Salary Commission recommendations included a base or starting annual salary of \$57,000 for the Chairperson and \$50,004 for the Trustee. Additionally, the Commission recommended a 3.5% annual increase effective at the start (July 1) of the 2009, 2010 and 2011 fiscal years. These salaries are specified in the Table 2 below:

Starting	Ending	Chairperson	Trustees
February 11, 2008	June 30, 2009	\$57,000	\$50,004
July 1, 2009	June 30, 2010	\$59,004	\$51,756
July 1, 2010	June 30, 2011	\$61,068	\$53,568
July 1, 2011	Effective Date*	\$63,204	\$55,440
* This is the date the 2012 OHA Salary Commission recommendations go into effect.			

The 2012 OHA Salary Commission recommendations maintain the current salary of \$63,204 for the OHA Chairperson and the current salary of \$55,440 for the other OHA Trustees, for Fiscal Year 2012, Fiscal Year 2013 and Fiscal Year 2014. For Fiscal Year 2015 the salary amount for the Chairperson and Trustees is determined by the formula in the Table 3 below.

Starting	Ending	Chairperson	Trustees
July 1, 2011	June 30, 2012	\$63,204	\$55,440
July 1, 2012	June 30, 2013	\$63,204	\$55,440
July 1, 2013	June 30, 2014	\$63,204	\$55,440
July 1, 2014	June 30, 2015	<b>\$(see formula below)</b>	<b>\$(see formula below)</b>
<p><b><u>Formula for Fiscal Year 2015.</u></b> Regarding the Trustee salary for the period 7/1/2014 – 6/30/2015: Starting with the base of the \$63,204 for the Chairperson and \$55,440 for the other OHA Trustees, the Trustee percentage salary increase shall be the lesser of: the average of any across the board percentage annual salary increase that may be afforded to OHA staff for the period 7/1/2012 – 6/30/2015 or the annual Honolulu Consumer Price Index (CPI) for prior year ending 12/31/2013, but not less than zero.</p> <p>Note: July 1, 2015 is the date the 2016 OHA Salary Commission recommendations go into effect.</p>			

V. Guiding Principles and Considerations:

The Commission adopted the following guiding principles to conduct their work:

- a. The salary of OHA Trustees needs to be fair and equitable.
- b. The recommendations of the Commission are for the position of OHA Trustee and not reflective of the OHA Trustee currently in office.
- c. The recommendations of the Commission are solely for the salary of the OHA Trustees as expressed in statute.
- d. The compensation needs to adequately reflect the fiduciary responsibility maintained by the OHA Trustees.
- e. Annual cost-of-living increases should be considered as a possibility.

VI. Duties and Responsibilities of OHA Trustees:

Pursuant to State law (HRS §10-5 and §10-6), the Trustees for the Office of Hawaiian Affairs are charged with broad powers, duties and responsibilities, among which include in part, and in summary:

- Managing the income and proceeds from the pro rata portion of the Public Land Trust;
- Controlling real property held by OHA;
- Formulating policies related to Hawaiians;
- Providing grants and technical and financial assistance to individuals, organizations, and agencies;
- Developing and continually updating a strategic plan for OHA;
- Assisting in the development of state and county agency plans for native Hawaiian and Hawaiian programs and services;
- Advising and coordinating with Federal, State, and County officials regarding Hawaiians and Hawaiian programs; and
- Promoting and assisting the establishment of agencies to serve native Hawaiians and Hawaiians.

In carrying out their fiduciary responsibilities, Trustees serve in a year round capacity. In addition to regular Board of Trustee meetings, there are two standing committees of the whole: 1) Beneficiary Advocacy and Empowerment and 2) Resource Management. Further, the two committees periodically hold joint meetings.

In addition to regular internal meetings, OHA Trustees are also called upon by the Executive and Legislative Branches to serve on various Boards and Commissions.

Trustees convene and attend periodic community meetings on each island statewide, and travel to Washington, D.C. to advocate with Members of Congress and the Administration.

VII. Trustee Current Salary and Fringe Benefit Package:

In addition to the salary, OHA Trustees also receive a cash fringe in the form of an allowance and, for the Chairperson, a protocol fund. Both the allowance and protocol fund are intended to assist the Trustees in the functions of their office and are not considered as part of their annual salary.

OHA Trustees receive a fringe benefit package comparable to OHA employees and other State government officials. These benefits are described in Attachment A.

VIII. Analysis Methodology:

- a. Review of select elected official salaries from 2012 to present.

This analysis evaluated the four County Councils of Hawai‘i and the Hawai‘i State Legislature.

The State Legislature was considered for comparison because the State Salary Commission (March 2007) had reasoned that the Legislature, in their function, duties, and responsibilities is equivalent to those of the four county councils, with the exception that the calendar and agenda are compressed into a four-month period. As a result, the State Salary Commission recommended that the salary of the Legislators should be comparable to those of county council members.

It should be noted that there are differences in the salaries, annual adjustments (if any), and timing of the salary increases between each county and the State Legislature.

A review of the notes below Table 4 shows that although the State Legislature took a 5% pay cut in 2009 remaining through December 31, 2013 pursuant to Act 57. Act 57 was later amended to end the reduction effective June 30, 2013. Legislators made up for the deficit in 2014 with a 3% increase, and an additional 2% effective every January starting with 2015, 2016, to end in January of 2017. 7/1/2012 was the last increase implemented for the Honolulu Council; in 2013 the Maui County Council

received a 15% salary increase, 7/1/2014 the Hawaii County Council approved an 11.5% (Council Chair) and 8.3% (Council Member) salary increase.

For the purposes of conducting analyses, the salaries of the four county councils and State Legislature were reviewed and average calculations conducted. A total of two averaging analyses were performed:

- All four counties plus the Legislature at their current salary;
  - All four counties plus the Legislature at their current salary with the high and low salaries deleted;
- b. Analyzing the Concept of a Possible Annual Adjustment:

In reviewing and researching cost of living for Hawai'i, estimated values have ranged over time as well as geographic location (i.e., island). The Social Security Administration, County and State Salary Commissions, collective bargaining agreements, and other agencies, like OHA, have varied interpretations of a cost of living and the application to annual pay increases. These estimates have typically ranged from three to five percent. The annual Honolulu Consumer Price Index varies and could be applied. Also, the Hawai'i Employers Council Survey and national business articles were reviewed suggesting 2% annual salary increases were a possibility in the up-coming year for the private sector.

Consequently, a cost of living percentage of 3.6 as well as a 2.8 adjustment consistent with Honolulu CPI, could be applied to the base and varied in future years as described in scenarios below. It is noted that these indicators change annually, with CPI possibly a negative.

It was noted that during OHA's biennium budgeting process, staff could receive an across-the-board percentage increase that is not necessarily consistent with other state employees.

Upon inquiry of OHA Corporate Counsel, it was learned that an annual 3.5 increase in Trustee salary recommended by the 2008 OHA Salary Commission, and affirmed by the State Legislature, could not be rejected or refused by Trustees because it was a legislative decision and set by statute. In other words, neither individual Trustees nor the Board of Trustees as a body could reduce Trustee salaries by personal choice or vote because salary is set by statutory process with the legislature as final decision-maker.

## IX. Analysis Discussion

Given the methodology outlined above, the analysis discussion is presented in two sections: a) Base Salary; and b) Base salary and the concept of a possible annual or periodic adjustment.

<b>TABLE 4: ANALYSIS OF ELECTED OFFICIALS</b>			
	<b>Annual Salary 2/06/2012</b>	<b>Salary Effective 7/01/2013</b>	<b>Current Annual Salary, as of 2/5/2016</b>
<b>State Legislature – 1</b>			
Senate President/House Speaker	\$56,208	\$63,396	<b>\$67,680</b>
Senators/Representatives	\$48,708	\$55,896	<b>\$60,180</b>
<b>Honolulu City Council – 2</b>			
Chair	\$55,666.08	\$58,596	<b>\$58,596</b>
Council Members	\$49,823.52	\$52,446	<b>\$52,446</b>
<b>Maui County Council – 3</b>			
Chair	\$71,500	\$82,225	<b>\$82,225</b>
Council Members	\$66,500	\$76,475	<b>\$76,475</b>
<b>Hawai'i County Council–4</b>			
Chair	\$53,220 - \$56,544	\$52,008	<b>\$58,008</b>
Council Members	\$47,928 - \$50,928	\$48,000	<b>\$52,008</b>
<b>Kaua'i County Council – 5</b>			
Chair	\$63,879	\$63,879	<b>\$63,879</b>
Council Members	\$56,781	\$56,781	<b>\$56,781</b>
<b>Averages:</b>			
			<b>Option 1</b>
<b>Chair/Leadership</b>			<b>\$66,078</b>
<b>Members</b>			<b>\$59,578</b>
<b>Averages without High &amp; Low:</b>			
			<b>Option 2</b>
<b>Chair/Leadership</b>			<b>\$63,385</b>
<b>Members</b>			<b>\$56,469</b>

Note 1: STATE LEGISLATURE

State Legislators extended 5% pay reduction through 12/31/2013, Act 57. Amended to end reduction effective 6/30/2013.

In January 2014, the **State Legislature** received the following increase:

- i. Senate President/House Speaker: \$63,396 to \$65,352 3% increase
- ii. Senators/Representatives: \$55,896 to \$57,852 3% increase
- iii. Effective January, 2015, 2016, and 2017 – 2% increase

Note 2: HONOLULU CITY COUNCIL

Eff. 7/1/2011 took 5% less than Salary Commission approved. Reduction ended 6/30/2013.

In April 2014, **Honolulu** Salary Commission approved an 8% salary increase. City Council rejected. No raise implemented. No raise since 7/1/2012 (see Attachment pg. 254).

In April 2015, **Honolulu** Salary Commission approved a 2.5% salary increase. City Council rejected. No raise implemented.

Note 3: MAUI COUNTY COUNCIL

In 2013, **Maui County** Council members received a 15% salary increase. No increase since

Note 4: HAWAI'I COUNTY COUNCIL

In June 2014, **Hawai'i County** Salary Commission approved an 11.5% (Council Chair) and 8.3% (Council Member) salary increase effective 7/1/2014. County Council approved. No increases since.

Note 5: KAUAI COUNTY COUNCIL

In January 2016, **Kauai County** Salary Commission proposed the following salary increases be effective December 1, 2016:

- i) Chair Council member \$63,879 to \$71,033 - 12.8%
- ii) Council Member \$56,781 to \$69,140 - 10.8%
- iii) Same increases were proposed in 2015 but was rejected by County Council.
- iv) No salary increase since 12/1/2009.

**Info:** September 2015-HI Council on Revenues: revenue growth projection = 6% for FY 16 and 5.5% for FY17; January 20, 2016-BLS DOLIR – HNL CPI-W =0.5% CY 15; SSN COLA effective 2016 = 0 due to the decrease in CPI.

a. 2016 Base Salary:

The comparison of elected officials current salaries reveals a range for chair/leadership from \$82,225 to \$58,008 and remaining members from \$76,475 to \$52,008, and the average salaries for the chair/leadership ranging between \$66,078 and \$63,385; and for the remaining members between \$59,578 and \$56,469. These results are shown in Table 4, Option 1 and 2.

It was felt that care should be taken to view OHA as a whole organization. Trustees are elected leaders, who should lead by example. OHA is an organization consisting of Trustees and staff. Beneficiaries depend on the work of OHA Trustees and OHA staff in unison, and salaries and budgeting parameters should move on the same trajectory.

X. Findings

In reviewing the various options, the Commission decided it was fair and equitable, to maintain the current Trustee salary amount for the Chairperson and Trustees for Fiscal Year 2016, and Fiscal Year 2017 to keep in alignment with the percentage of increase for staff salaries. Fiscal Year 2018 and Fiscal Year 2019 should use the following formula as long as the same formula was the base for calculating staff salary increases, if any. starting with the base of \$63,204 for the Chairperson and \$55,440 for the other OHA Trustees, the Trustee percentage salary increase shall be the lesser of: the average of any

across the board percentage annual salary increase that may be afforded to OHA staff for the period 7/1/2017 – 6/30/2019 or the annual Honolulu Consumer Price Index (CPI) for prior year ending 12/31/2017, but not less than zero.

XI. Draft Salary Recommendations and Solicitation of Public Comments

As a result of the above analysis, discussion and findings, the OHA Salary Commission approved a draft report and draft recommendations for the salary of the OHA Trustees on February 8, 2016.

The Commission directed that the draft recommendations be made available for public review and comment. A public notice of the availability of the Draft Report and Recommendations was released on February 10, 2016. In the notice, interested persons were invited to submit their comments via email at ohasalarycommission2016@oha.org.

XII. Review of Draft Salary Recommendations and Public Comments

On February 16, 2016, the Salary Commission convened its third meeting to review the Draft Report and Recommendations and consider the community comments and testimony submitted before finalizing the report and recommendations.

It should be noted that Commissioners worked intensively within the short time available for them to conduct review and analysis, seek and review public comments and complete their kuleana. Between February 10, 2016 and February 15, 2016 general input on Trustee salary was sought from the public. No oral or written testimony was provided by the public at the three publicly noticed 2016 OHA Salary Commission meetings. Comments were received via email as follows:

PLACEHOLDER FOR EMAILED COMMENTS

Commissioners are very appreciative that these individuals took the time to review the report and recommendations, and submit written comment. Commissioners reviewed the current duties and responsibilities of the Trustees as elected officials and fiduciaries working for the betterment of conditions of native Hawaiians and Hawaiians as set forth by the state Constitution and statutes, and the OHA Board of Trustees Bylaws, and considered a salary reflective of the work and expertise required for the position. The full phrase on the Board of Trustees powers and duties relative to policy in Hawai'i Revised Statute section 10-5 reads, "(4) *Formulate policy relating to the affairs of native Hawaiians and Hawaiians, provided that such policy shall not diminish or limit the benefits of native Hawaiians under article XII, section 4, of the state Constitution.*"

Commissioners reviewed and considered the above comments at the February 17, 2016 meeting of the 2016 OHA salary Commission.

XIII. Recommendations

As a result of the analysis, discussion and findings described in this report, the 2016 OHA Salary Commission approved the recommendations for the salary of the OHA Trustees on February 17, 2016.

These recommendations are:

<b>Table 1: Salary Recommendations for OHA Trustees</b>			
Starting	Ending	Chairperson	Trustees
July 1, 2015	June 30, 2016	\$64,164	\$56,280
July 1, 2016	June 30, 2017	\$64,164	\$56,280
July 1, 2017	June 30, 2018	<b>\$(see formula below)</b>	<b>\$(see formula below)</b>
July 1, 2018	June 30, 2019	<b>\$(see formula below)</b>	<b>\$(see formula below)</b>

**Formula for Fiscal Year 2018.** Regarding the Trustee salary for the period 7/1/2017 – 6/30/2019: Starting with the base of \$64,164 for the Chairperson and \$56,280 for each of the other OHA Trustees, the Trustee percentage salary increase shall be the lesser of: the average of any across the board percentage annual salary increase that may be afforded to OHA staff for the period 7/1/2017 – 6/30/2019 or the annual Honolulu Consumer Price Index (CPI) for the prior year ending 12/31/2017, but not less than zero.

Note: July 1, 2019 is the date the 2020 OHA Salary Commission recommendations go into effect.

In summary, the recommendations maintain the current salary of \$64,164 for the OHA Chairperson and the current salary of \$56,280 for the other OHA Trustees, for Fiscal Year 2016 and Fiscal Year 2017 to remain consistent with the percentage of increase in staff salaries for those years. Fiscal Year 2018 and Fiscal Year 2019 should use the formula outlined above as long as this same formula was the base for calculating staff salary increases, if any.

In accordance with Hawai‘i Revised Statutes (HRS) Chapter 10-9.5, these salary recommendations are effective as of the date of the recommendations unless the legislature disapproves the recommendation by adoption of a concurrent resolution prior to the adjournment sine die in May 2016.

With the approval of the salary recommendations, the 2016 OHA Salary Commission sunset and dissolved by unanimous vote at the adjournment of its meeting on February 17, 2016.