

2016 Office of Hawaiian Affairs Salary Commission

February 17, 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).

By Hawai‘i law, Hawai‘i Revised Statutes (HRS) Section 10-9.5, the Hawai‘i Governor appoints an OHA Salary Commission every four years. The 2016 OHA Salary Commission was appointed on January 15, 2016, and tasked with making recommendations for the salaries of the Board of Trustees for the Office of Hawaiian Affairs before the 20th legislative day, or February 22, 2016, of the regular session. The Commission took its duty seriously and strongly recommends that ample time be provided for public comment. Specifically, the late January appointments severely constrained analysis, created a bias for the status quo and suggested that the Commission’s work is of little consequence. 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 as provided for by law on or before August 31, 2019.

Pursuant to HRS Chapters 92, 92-F, and 94, the process and deliberations of the 2016 OHA 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. The Commission shares the concerns of the public comment received on February 17, 2016, that [he was] “*disturbed by the fact that the public comment period was only 5 days and that complete community input will suffer as such and not*

fully reflect the sentiments of OHA's Native Hawaiian beneficiaries", and urges greater attention be given to the timeliness of all future salary commission appointments to ensure a more meaningful and democratic form of participation by the public in this process.

In sum, the 2016 OHA Salary Commission for the OHA Board of Trustees recommends that Trustee salary levels be calibrated with OHA staff adjustments and changes with the Honolulu Consumer Price Index.

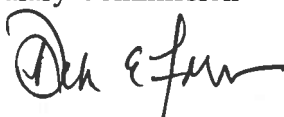
With its approval of the salary recommendations, the 2016 OHA Salary Commission dissolved by unanimous vote at the adjournment of its meeting on February 17, 2016.

Mahalo nui loa,

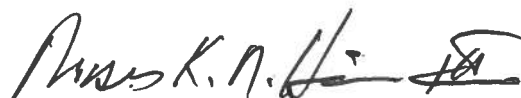
2016 Office of Hawaiian Affairs Salary Commission



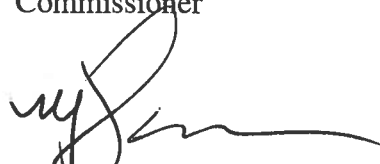
Kippen de Alba Chu
Commissioner



Dennis Fern
Commissioner



Moses K. N. Haia, III
Commissioner



Neil J. Hannahs
Commissioner



Jalna Keala
Commissioner



Diane S. L. Paloma
Commissioner

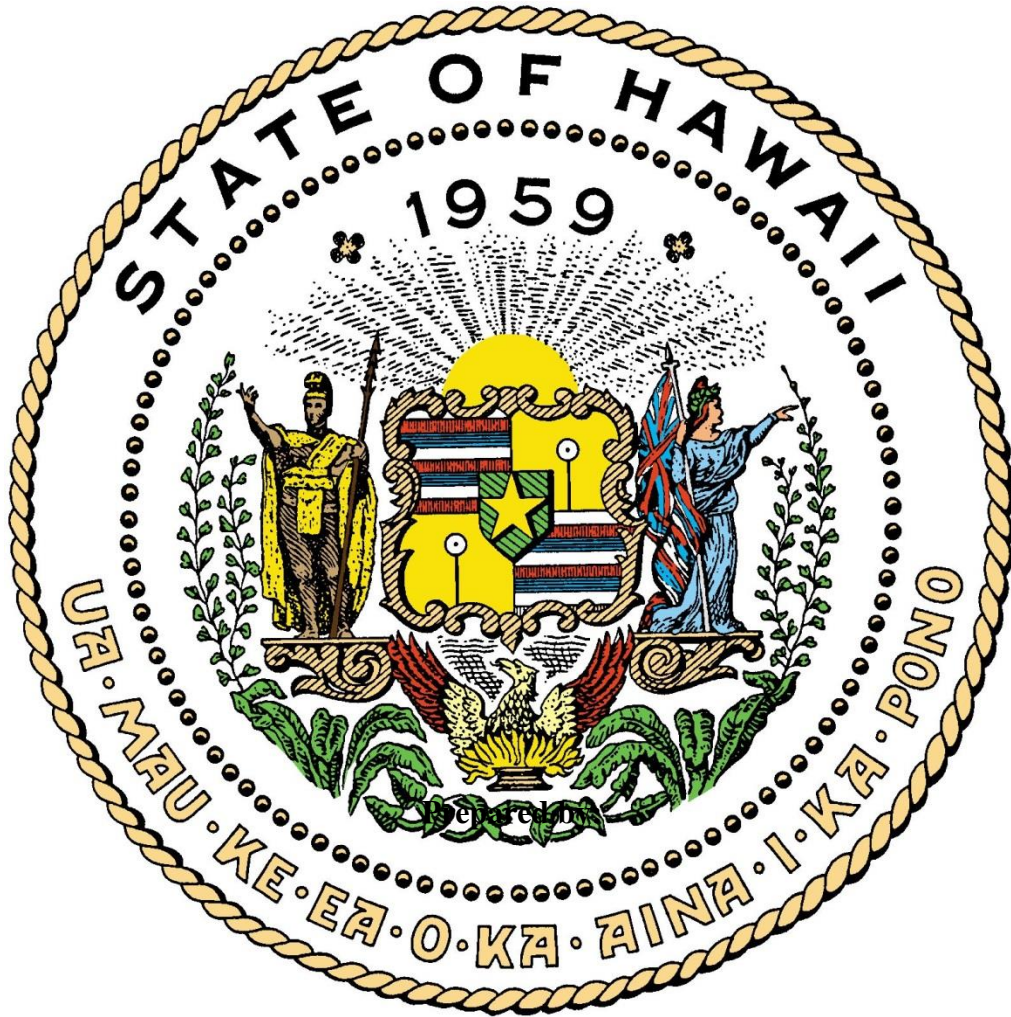


Wendell W. Perry, Jr.
Commissioner

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**



**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. 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).

a. Process

By Hawai'i law, Hawai'i Revised Statutes (HRS) Section 10-9.5, the Hawai'i Governor appoints an OHA Salary Commission every four years. The 2016 OHA Salary Commission was appointed on January 15, 2016, and tasked with making recommendations for the salaries of the Board of Trustees for the Office of Hawaiian Affairs before the 20th legislative day, or February 22, 2016, of the regular session. The Commission took its duty seriously and strongly recommends that ample time be provided for public comment. Specifically, the late January appointments severely constrained analysis, created a bias for the status quo and suggested that the Commission's work is of little consequence. 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 as provided for by law on or before August 31, 2019.

b. Salary

Table 1: Salary Recommendations for OHA Trustees			
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	\$(see formula below)	\$(see formula below)
July 1, 2018	June 30, 2019	\$(see formula below)	\$(see formula below)
<p>Formula for Fiscal Year 2018. Regarding the Trustee salary for the period 7/1/2017 – 6/30/2018: 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 7/1/2016 – 6/30/2018 or the annual Honolulu Consumer Price Index (CPI) for the prior year ending 12/31/2016, but not less than zero.</p> <p>Formula for Fiscal Year 2019. Regarding the Trustee salary for the period 7/1/2018 – 6/30/2019: 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. Fiscal Year 2018 and Fiscal Year 2019 should use the formula determined above.

In accordance with 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 20th 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 HRS 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 recommendations¹.

OHA Salary Commissioners noted that beneficiaries hold their elected OHA Trustees to a high cultural and fiduciary standard. As leaders who have a mandate to better the conditions for native Hawaiians, the Board continually balances Hawaiian cultural views with their fiduciary oversight responsibilities of a large trust fund. For those reasons the

¹ 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.

Commission viewed its kuleana as demanding prudent and fair decision-making to compensate equitably.

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” puts greater weight 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. This suggests that Trustees’ compensation should be linked to their contributions to fostering the achievement of organizational goals and enhancement of the well-being of our lāhui. Unfortunately, the Commission was unable to determine how to incorporate this best practice without exceeding its charter by requiring performance goal-setting and assessment of the trustees.

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 S. L. Paloma, The Queen’s Health Systems’ nominee
7. Mr. Wendell W. Perry Jr., Hawai‘inuiākea School of Hawaiian Knowledge nominee

The Commission held its first meeting on February 2, 2016, at which time the simple majority agreed to act as equals on the Commission and not elect a Chair. OHA staff facilitated all meetings of the Commission.

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	\$(see formula below)	\$(see formula below)

Formula for Fiscal Year 2015. 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.

Note: July 1, 2015 is the date the 2016 OHA Salary Commission recommendations go into effect.

V. Guiding Principles and Considerations

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

- a. The salary of OHA Trustees should 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 should adequately reflect the fiduciary responsibility maintained by the OHA Trustees.
- e. Annual cost-of-living increases should be considered if possible.

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 and balancing cultural views, 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.

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

Trustees also 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 compensation of comparable state and county elected officials.
- b. Analyzing the Concept of a Possible Annual Adjustment:
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 using Base Salaries.

TABLE 4: ANALYSIS OF ELECTED OFFICIALS			
	Annual Salary 2/06/2012	Salary Effective 7/01/2013	Current Annual Salary, as of 2/5/2016
State Legislature – 1			
Senate President/House Speaker	\$56,208	\$63,396	\$67,680
Senators/Representatives	\$48,708	\$55,896	\$60,180
Honolulu City Council – 2			
Chair	\$55,666.08	\$58,596	\$64,872
Council Members	\$49,823.52	\$52,446	\$58,056
Maui County Council – 3			
Chair	\$71,500	\$82,225	\$82,225
Council Members	\$66,500	\$76,475	\$76,475
Hawai'i County Council–4			
Chair	\$53,220 - \$56,544	\$52,008	\$58,008
Council Members	\$47,928 - \$50,928	\$48,000	\$52,008
Kaua'i County Council – 5			
Chair	\$63,879	\$63,879	\$63,879
Council Members	\$56,781	\$56,781	\$56,781
Averages:			
Chair/Leadership			\$67,333
Members			\$60,700

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 2015, **Honolulu** Salary Commission approved a 2.5% salary increase.

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, **Kaua'i County** Salary Commission proposed the following salary increases be effective December 1, 2016:

- i) Chair Council member \$63,879 to \$71,033 - 11.2%
- ii) Council Member \$56,781 to \$63,140 - 11.2%
- iii) Same increases were proposed in 2015 but were 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

In comparison to the current average salaries of other elected officials, the OHA Chair's base salary is 95% of other Chair salaries, and OHA Trustees' base salary is 93% of other member salaries. These results are shown in Table 4.

b. Consistency with OHA Staff

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 collaborative work of OHA Trustees and OHA staff, and salaries and budgeting parameters should move on the same trajectory.

X. Findings

After careful review and deliberation, the Commission recommends utilization of the formula defined in Table 1.

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; all comments were due by Monday, February 15, 2016.

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, as well as consider written and oral public comment. Commissioners worked intensively within the short time available for them to conduct review and analysis, seek and review public comment, and complete their kuleana. The Commission was deeply concerned over the limitations that the tight timeline posed; which the Commission felt strongly contributed to the minimal written comments and oral testimony submitted before finalizing the report and recommendations. The Commission emphasizes the importance and need for timely public input, and strongly urges that

Commissioners to the 2020 OHA Salary Commission be appointed on or before August 31, 2019, as provided for by law.

Between February 10, 2016 and February 15, 2016 general input on Trustee salary was sought from the public. The Commission duly notes that no written comments were received during those five days; nor did they receive oral testimony at the four publicly noticed 2016 OHA Salary Commission meetings. After the deadline of February 15, ohasalarycommission2016@oha.org received one comment. Commissioners were very appreciative that this individual took the time to review the report and recommendations, and submit the following comment:

Received on February 17, 2016
2016 Office of Hawaiian Affairs Salary Commission

Aloha Commissioners,

Mahalo for all the work that was accomplished in the short time allowed. That being said, I'm disturbed by the fact that the public comment period was only 5 days and that complete community input will suffer as such and not fully reflect the sentiments of OHA's Native Hawaiian beneficiaries.

Moreover, after reviewing the Commission's report, I do not feel that there is just compensation for OHA Trustees. It's unfair that Hawaiians always seem to take the brunt of kuleana in the private and public sectors but do so at the expense of low-pay, high expectations, performance and productivity demands. The fiduciary duties and responsibilities of OHA's trustees year-round are indeed even more formidable than any comparable Ali'i Trust trustee, state legislator or county councilmember that are well-compensated for their time and effort.

The current compensation package discourages current and future generations of Native Hawaiians to look toward the OHA trustee position. The Honolulu median income to live in Hawai'i for a family four is approximately \$82,600 (according to HUD) and median home price at \$360,000. Trustees also do not earn the state employee's benefit of 21 vacation days. Making it even more difficult for a candidate to consider the position and leaving it to be filled by a retiree or a previously accomplished business person. It's shameful and degrading for those aspiring for higher office.

I recommend that the Commission revisit the possibility of at least compensating individual OHA trustees at a salary commensurate with the cost-of-living and comparable to trustees in the private sector, namely those of the Ali'i Trust.

As a possible salary and benefit recommendation:

*OHA Chair - \$100,000 or a low six-figure income
Trustee - \$88,000
Add 21 vacation days.*

I urge the Commission to take into consideration that there are qualified Native Hawaiian candidates that are willing to take the step into public service if given the incentive to do so.

Mahalo for allowing me the opportunity to comment.

*Me ka ha'aha'a,
Don Aweau*

XIII. 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).

a. Process

By Hawai'i law, Hawai'i Revised Statutes (HRS) Section 10-9.5, the Hawai'i Governor appoints an OHA Salary Commission every four years. The 2016 OHA Salary Commission was appointed on January 15, 2016, and tasked with making recommendations for the salaries of the Board of Trustees for the Office of Hawaiian Affairs before the 20th legislative day, or February 22, 2016, of the regular session. The Commission took its duty seriously and strongly recommends that ample time be provided for public comment. Specifically, the late January appointments severely constrained analysis, created a bias for the status quo and suggested that the Commission's work is of little consequence. 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 as provided for by law on or before August 31, 2019.

b. Salary

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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. Fiscal Year 2018 and Fiscal Year 2019 should use the formula determined above.

In accordance with 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 dissolved by unanimous vote at the adjournment of its meeting on February 17, 2016.

Attachment A – Summary Comparison of OHA Trustee Salary and Fringe Benefits (OHA Inception to Present)

	*1993 – 2004		2004 – 2008		7/1/08 – 6/30/09		7/1/09 – 6/30/10		7/1/10 – 6/30/11		7/1/11 – 6/30/14		7/1/14-present		
Categories	CHR	TRS	CHR	TRS	CHR	TRS	CHR	TRS	CHR	TRS	CHR	TRS	CHR	TRS	Authority
Wage/Salary	37,000	32,000	47,000	41,000	57,000	50,004	59,004	51,756	61,068	53,568	63,204	55,440	64,164	56,280	HRS §10-9(a)
Cash Fringe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Trustee Allowance	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	22,200	22,200	HRS §10-9(b)
Protocol Fund		0		0		0		0		0	3,500	0	3,500	0	HRS §10-9(b)
Total Cash		39,200		48,200		57,204		58,956		60,768	75,604	62,640	86,364	78,480	
Non-Cash Fringe (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
State Health Fund (EUTH)			Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	HRS Chapter 87A
State Retirement Plan (ERS)	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	Yes ⁽²⁾	HRS §§88-54.5
Group Term Life Ins.			Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽³⁾	HRS § 10-9(b)
Paid Holidays			Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	HRS §8-1
Workers Compensation	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	Yes ⁽⁵⁾	HRS Chapter 386
Temporary Disability Insurance (TDI)	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	Yes ⁽⁶⁾	HRS § 10-9(b), and §§ 392-5, 392-27
Island Saving Plan (Deferred compensation)			Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	Yes ⁽⁷⁾	HRS § 10-9(b)
Mileage reimbursement	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	Yes ⁽⁸⁾	HRS § 10-9(b)
Vacation and Sick Leave	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	No ⁽⁹⁾	HRS §78-23

Notes:

*7/01/1989 to 6/30/1993: Section 10-9 HRS, members of the Board shall be allowed compensation at the rate of \$100/day for each day’s actual attendance at meeting.

*Prior to 7/01/1989: OHA Trustees’ compensation was at the rate of \$50/day for each day’s actual attendance at meeting.

- (1) State contribution toward premium depends on the type of plan selected by Trustee. A wide range of health care plans is offered to eligible employees and their families. Plans include Medical, Prescription Drug, Vision, and Dental. There is no enrollment waiting period, coverage is immediate.
- (2) State contribution toward a plan depends on the type of plan in which Trustee is enrolled. Premiums are pre-tax contributions. The benefits Trustees receive are identical to those received by other State elected officials (i.e., State Legislature). Additionally, Trustees who were in office prior to being included in the Employee Retirement System have been allowed to “buy back” into the system. Upon retirement, medical coverage is identical to any other State retiree if eligibility requirements are met. Effective July 1, 2002, OHA Trustees may choose to become a member of ERS, Section 88-43 HRS.

- (3) Trustees are provided group term life insurance at no cost. Benefit amount is dependent upon the age. Portability is also offered with this plan.
- (4) Trustees receive 13 days paid holidays in a non-election year and 14 days in an election year.
- (5) Trustees are covered by OHA self-insurance workers compensation plan.
- (6) Trustees are covered by TDI law and subject to eligibility requirements.
- (7) Trustees can decide how much of their salary they wish to contribute to the savings plan (pre-tax basis) and how to invest their contribution.
- (8) Trustees receive 57.5 cents per mile for reimbursement in 2015. Trustees receive 54 cents per mile for reimbursement in 2016.
- (9) Unlike other State employees, Trustees do not receive 21 days of vacation and 21 days of sick leave.