

STAND. COM. REP. NO.

1167

Honolulu, Hawaii

March 2, 2007

RE: H.B. No. 1660  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1660 entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this bill is to address the Employees' Retirement System's (ERS) ability to eliminate its unfunded liability by:

- (1) Increasing state and county contributions to the ERS for all their employees;
- (2) Repealing the provision allowing the employer contribution rates to be reduced even if the period required to amortize the unfunded actuarial liability falls below 25 years;
- (3) Placing a ban on any new employee benefit enhancements until the ERS becomes fully funded; and
- (4) Allowing the ERS Board of Trustees to adopt the actuary's recommendations for the salary scale assumptions.



The Office of Hawaiian Affairs testified in support of this bill. The Department of Budget and Finance, Maui Police Department, and the Hawaii Police Department supported the intent of this measure. The Honolulu Police Department opposed this bill. ERS provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2008; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1660, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1660, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



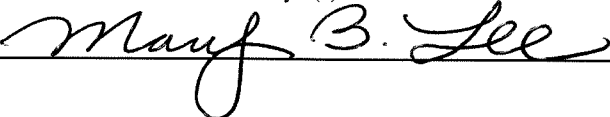
MARCUS R. OSHIRO, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

**HB 1167**

**Record of Votes of the Committee on Finance**

Bill/Resolution No.: <b>HB 1660</b>		Date: <b>2/24/07</b>		
Committee Referral: <b>LAB, FIN</b>		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. BELATTI, Della Au	✓	✓		
4. BROWER, Tom	✓	✓		
5. CARROLL, Mele	✓			
6. CHONG, Pono	✓			
7. HANOHANO, Faye P.	✓			
8. HAR, Sharon E.	✓			
9. MAGAOAY, Michael Y.	✓			
10. MANAHAN, Joey	✓			
11. MIZUNO, John	✓			
12. NAKASONE, Bob	✓			
13. RHOADS, Karl	✓			
14. SAGUM, Roland D., III	✓			
15. TOKIOKA, James Kunane				✓
16. AWANA, Karen Leinani		✓		
17. MEYER, Colleen Rose		✓		
18. WARD, Gene, Ph.D.	✓			
TOTAL	13	4	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
				
Vice Chair's or designee's signature:				
Distribution:    Original (White) – Committee    Duplicate (Yellow) – HMSO    Duplicate (Pink) – Clerk's Office				