Honolulu, Hawaii

Feb 15, 2008

RE: H.B. No. 3247
        H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

    Your Committee on Labor & Public Employment, to which was
referred H.B. No. 3247 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 assist in the recruitment and
retention of police officers by providing police officers with a
retirement allowance of five percent of the retiree's average
final compensation for each year of service.

    The State of Hawaii Organization of Police Officers supported
this bill. The Department of Budget and Finance, Department of
Budget and Fiscal Services of the City and County of Honolulu,
Finance Department of the County of Hawaii, and Hawaii Government
Employees Association opposed this measure. The Employees'
Retirement System (ERS), Department of Finance of the County of
Maui, and Hawaii Fire Fighters Association commented on this bill.

    Currently, Hawaii faces a shortage of police officers in each
county. The Honolulu Police Department, alone, has approximately
200 vacancies. This is due to a number of factors, including
compensation issues and recruitment of Hawaii's highly trained
officers by other jurisdictions. Since a decrease in the total
number of police officers equates to less police officers
protecting Hawaii's highways, streets, and communities, finding a
way to recruit and retain these individuals is of high importance.

One way to retain current police officers and recruit new officers is to enhance the retirement benefits available to them.

Although your Committee notes that Act 256, Session Laws of Hawaii 2007, prohibits benefits enhancements for any members of the ERS until 2011, the importance of this matter warrants further discussion of this issue.

Your Committee has amended this bill by:

(1)   Changing the percent of the retirement allowance as a police officer from five percent of the retiree's average final compensation for each year of service to an unspecified amount;

(2)   Changing its effective date to July 1, 2059, to encourage further discussion; and

(3)   Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3247, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

_____
ALEX M. SONSON, Chair

State of Hawaii
House of Representatives
The Twenty-fourth Legislature

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Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 3247	Committee Referral: LAB, FIN	Date: 02/12/08

☐ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☐ Pass, unamended (as is) ☒ Pass, with amendments (HD) ☐ Hold
☐ Pass short form bill with HD to recommit for future public hearing (recommit)

LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SONSON, Alex M. (C)	X			
2. NAKASONE, Bob (VC)				X
3. EVANS, Cindy	X			
4. HAR, Sharon E.	X			
5. LEE, Marilyn B.	X			
6. LUKE, Sylvia	X			
7. McKELVEY, Angus L.K.	X			
8. NISHIMOTO, Scott Y.	X			
9. SOUKI, Joseph M.	X			
10. TAKAMINE, Dwight Y.	X			
11. TAKUMI, Roy M.	X			
12. MEYER, Colleen Rose	X			
13. PINE, Kymberly Marcos	X			
TOTAL (13)	12	0	0	1

The recommendation is: ☒ Adopted ☐ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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