

Date of Hearing: March 18, 2008

Committees: Senate Judiciary & Labor and
Intergovernmental & Military
Affairs

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: H.B. 2710, HD2 (HSCR1009), Relating to the re-employment of retirees

Purpose: To allow the State and county governments to hire retired state or county government employees if the employer abides by certain conditions: requires a one-year waiting period before rehiring, prohibits re-employment agreements prior to retirement, requires rehiring for civil service positions according to civil service and employment laws and the certification of such, requires employers to continue to make retirement contributions, and requires rehired employee to join collective bargaining unit if applicable. Requires annual report. Sunsets on June 30, 2013.

Department's Position: The Department of Education (Department) supports HB 2710, HD 2, which allows state and county governments to hire retirees without suspension of their retirement benefits. The Department appreciates the inclusion of state employers to this bill, which have the same staffing issues and concerns as the counties. The Department has concerns with some provisions in H.B. 2710, HD2 (HSCR1009-08), primarily provisions that would be in conflict with Act 286, Session Laws of Hawaii 2006. Act 286, which became effective July 1, 2006 and sunsets on June 30, 2011, allows the "rehiring of retired teachers and administrators to fill certain positions."

The Department recommends the following revisions to H.B. 2710, HD2:

1. On page 4, line 5, please delete the word "only" to clarify that the rehired retiree positions may range from at least one-half to a full-time equivalent. The

current phrasing may be misinterpreted to prohibit employment in less than half-time positions, which are not affected by this bill. Appointments of less than half-time are not affected by retirement plan membership.

2. On page 4, lines 4-7 state that "retired state or county government employees shall only be eligible for a position of at least one-half of a full-time equivalent with a state or county government after one calendar year of retirement." Under Act 286, the Department "may employ for positions up to one hundred per cent full-time equivalency," retirees in shortage areas, and that "to qualify for **full-time** rehiring," a person shall have been retired for at least one calendar year. Provisions of Act 286 are not as clear as the provisions of HB2710, HD2.

3. On page 5, lines 10-13 state that "each employer shall contribute to the pension accumulation fund the required percentage of the rehired employee's compensation to amortize the system's unfunded actuarial accrued liability." It is our understanding that should this bill be enacted, the unfunded actuarial accrued liability percentage would be 9.25%. Under Act 286, the Department of Education's contribution rate is statutorily set at 13.75% of the rehired employee's compensation. If H.B.2710, HD2 and Act 286 are not amended, the DOE would pay a higher unfunded actuarial accrued liability for teachers and administrators than for other classes of workers.

LINDA LINGLE
GOVERNOR



MARIE C. LADERTA
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

March 17, 2008

TESTIMONY TO THE
SENATE COMMITTEE ON JUDICIARY AND LABOR
SENATE COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS
For Hearing on March 18, 2008
10:00 a.m., Conference Room 016

BY

MARIE C. LADERTA, DIRECTOR

House Bill No. 2710, HD 2
Relating to the Re-Employment of Retirees

TO CHAIRPERSONS TANIGUCHI AND INOUE AND MEMBERS OF THE
COMMITTEES:

The Department of Human Resources Development (DHRD) supports passage of HB 2710, H.D. 2. This measure would allow state and county government employers to hire state or county retirees without negatively affecting their retirement and health fund benefits.

DHRD is appreciative that HB 2710, H.D. 2 includes the State employers, since the original version of the bill was limited to the counties. Given Hawaii's geographic separation from the mainland states, all Hawaii public employers face the same difficulty in attracting and retaining a qualified workforce on each of our islands. We compete among the same pools of applicants in a highly competitive labor market. Any provision that allows hiring retirees should therefore be applicable to both state and county

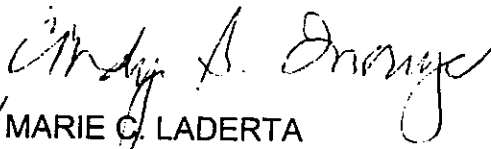
employers, particularly because both state and county retirees are members of a shared Employees' Retirement System.

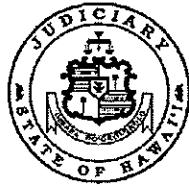
The State Executive Branch systems administered by DHRD, Hawaii Health Systems Corporation, Board of Education, and Board of Regents comprise Hawaii's largest employer with 50,551 employees (collectively) as of June 30, 2006. Of these employees, 17,400 or 34.4% are employed by the personnel system administered by DHRD. According to the 2006 Executive Branch Workforce Profile, it is projected that 4,302 or 24.7% of these employees will be eligible for retirement by June 2011. By the end of the current fiscal year (June 2008), 2,724 employees or 15.7% of the total workforce will be eligible for full retirement. The ability to hire retirees will provide an invaluable tool in facing this on-going and future workforce crisis, as well as support our mentoring efforts and succession planning with our current employees.

With the revisions contained in H.D. 2 of this bill, it is our understanding that the concerns expressed by the Board of Trustees of the Employees' Retirement System have been addressed.

Thank you for the opportunity to testify. We respectfully request your support of this measure.

Respectfully Submitted,


for MARIE C. LADERTA



The Judiciary, State of Hawaii

Testimony to the Twenty-Fourth Legislature, 2008 Session

Senate Committee on Judiciary and Labor

The Honorable Brian T. Taniguchi, Chair

The Honorable Clayton Hee, Vice Chair

Senate Committee on Intergovernmental and Military Affairs

The Honorable Lorraine R. Inouye, Chair

The Honorable Shan S. Tsutsui, Vice Chair

Tuesday, March 18, 2008, 10:00 a.m.

State Capitol, Conference Room 016

by

Sharen M. Tokura

Human Resources Director

Bill No. and Title: House Bill No. 2710, H.D. 2, Relating to the Re-Employment of Retirees

Purpose: This bill allows the state and county governments to hire retired state or county government employees in compliance with certain conditions.

Judiciary's Position:

The Judiciary strongly supports House Bill No. 2710, H.D. 2, which permits the hiring of retirees by the County and State governments without suspension of their retirement benefits.

In the bill's earliest form, the initiative was limited to the county government employers. House Draft 1 included the State employers, and this addition has been carried forward in House Draft 2. We greatly appreciate this inclusion, as the Judiciary faces the same or similar challenges as the counties.

We respectfully point out a potential issue with the proposed language in Section 2(c), "*Retired state or county government employees shall only be eligible for a position of at least one-half of a full-time equivalent with a state or county government after one calendar year of retirement.*" A simple reading may imply that retirees are prohibited from employment in less



House Bill No. 2710, H.D. 2, Relating to the Re-Employment of Retirees
Senate Committee on Judiciary and Labor
Senate Committee on Intergovernmental and Military Affairs
Page 2

than half-time positions. As we do not believe that this is the intent, we suggest that the word “only” be stricken from this passage. Appointments of less than half time are not covered by this bill inasmuch as these appointments are not affected by retirement plan membership. However, as this is the only provision speaking directly to the hiring of retirees, we believe it would be best to strike this limitation.

Additionally, we suggest the inclusion of “under this section” in Section 2(e) to provide clarity and consistency with other paragraphs in this section: “*Retired state or county government employees hired for civil service positions under this section shall be recruited, selected, and employed pursuant to applicable civil service and employment laws.*” Current personnel rules permit the short-term temporary “emergency” hiring of individuals, including retirees, without recruitment.

We appreciate the efforts of this committee in crafting a measure that balances the needs of public employers to effectively staff programs to serve the public, ensures the viability of the Employee’s Retirement System (ERS), does not exacerbate the extent of unfunded liability, and protects the tax-exempt status of the ERS for the benefit of all government workers.

Thank you for the opportunity to testify on House Bill No. 2710, H.D. 2. The Judiciary supports this measure.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Every Day"

THE SENATE

Committee on Judiciary and Labor
Senator Brian T. Taniguchi, Chair
Senator Clayton Hee, Vice Chair

Committee on Intergovernmental and Military Affairs
Senator Lorraine R. Inouye, Chair
Senator Shan S. Tsutsui, Vice Chair

March 18, 2008, 10:00 a.m.
Conference Room 016
Hawaii State Capitol

TESTIMONY SUPPORTING

H.B. 2710, H.D. 2: Relating to the Re-Employment of Retirees

JANICE WAKATSUKI

Vice President and Director of Human Resources
Hawaii Health Systems Corporation

Chair Taniguchi and members of the Senate Committee on Judiciary and Labor, Chair Inouye and members of the Senate Committee on Intergovernmental and Military Affairs, my name is Janice Wakatsuki, Vice President and Director of Human Resources for the Hawaii Health Systems Corporation (HHSC). Thank you for the opportunity to present this testimony in strong support of House Bill 2710, H.D. 2.

This measure proposes to allow the rehiring of county and state government retirees on a full-time basis without jeopardizing their retirement and health fund benefits. Sixty percent of our current workforce ("Baby Boomers" and "Traditionalists") are 43 years or older. The number of employees who are retirement eligible will increase tremendously over the next five years; we estimate that 1,456 employees or 39% of our total workforce could conceivably retire by the year 2013. As such, we are appreciative and fully supportive of this measure being applicable to all State and county governments.

The Hawaii Health Systems Corporation, along with all the other healthcare organizations, is facing a critical nation-wide shortage of qualified healthcare professionals and technicians.

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HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • WAILUKU • KULA • LANAI • HONOLULU
www.hhsc.org <<http://www.hhsc.org>>

These shortages, coupled with our aging workforce, are major concerns for HHSC. The passage of H.B. 2710, H.D. 2, would help to provide an excellent potential labor source, especially since our retirees would require minimal training, if any, upon re-joining our employee ohana.

Currently, retired government personnel who are willing to work on a temporary basis without any benefits are allowed to do so with per diem (temporary, intermittent) and casual hire (working less than half time or for 89 days or less without benefits) appointments. This does not provide the necessary incentives for working for HHSC or any other local government entity since per diem or casual hire appointments do not provide any leave benefits and are only temporary in nature. The proposed legislation would provide the needed incentives for retirees to return to government service and greatly expand the potential labor pool.

We understand that this current measure addresses the Employees' Retirement System (ERS) Board of Trustees' major concerns. We strongly support the passage of H. B. 2710, H.D. 2. Thank you again for the opportunity to testify on this measure.

HAWAII COUNCIL OF MAYORS



March 14, 2008

Testimony of the
Hawaii Council of Mayors
 Bryan Baptiste, Mayor of Kauai
 Mufi Hannemann, Mayor of Honolulu
 Harry Kim, Mayor of Hawaii
 Charmaine Tavares, Mayor of Maui

Before the
Senate Committee on Judiciary and Labor
Senate Committee on Intergovernmental and Military Affairs

H.B. 2710, H.D. 2: Relating to the Re-employment of Retirees

The Hawaii Council of Mayors—Bryan Baptiste, Mufi Hannemann, Harry Kim, and Charmaine Tavares—supports H.B. 2710, H.D. 2, which would enable the county governments to rehire retiring employees.

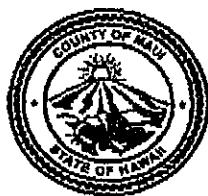
The county governments continue to face a protracted shortage of skilled workers caused by the retirements of baby boomers and competition from the private sector and other government jurisdictions. The shortfalls are acute in the construction-related occupations engineers, inspectors, planners, and the like— and in our police forces.

We respectfully request your consideration in continuing favorable action on this measure.

Mahalo.



Mayor Mufi Hannemann
 City and County of Honolulu
 530 South King Street
 Honolulu, Hawaii 96813



Mayor Charmaine Tavares
 County of Maui
 200 South High Street, 9th Floor
 Wailuku, Hawaii 96793



Mayor Harry Kim
 County of Hawaii
 25 Aupuni Street
 Hilo, Hawaii 96720



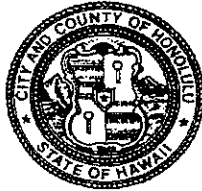
Mayor Bryan J. Baptiste
 County of Kauai
 444 Rice Street
 Lihue, Hawaii 96766

DEPARTMENT OF HUMAN RESOURCES

CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET 10TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8500 • FAX: (808) 527-5563 • INTERNET: www.honolulu.gov/hr

MUFI HANNEMANN
MAYOR



KENNETH Y. NAKAMATSU
DIRECTOR

March 18, 2008

The Honorable Brian T. Taniguchi, Chair
and Members
Committee on Judiciary and Labor
The Honorable Lorraine R. Inouye, Chair
and Members
Committee on Intergovernmental and Military Affairs
The Senate
State Capitol
Honolulu, Hawaii

Dear Chair Taniguchi, Chair Inouye, and Members of the Committees:

I am Ken Y. Nakamatsu, Director of Human Resources of the City and County of Honolulu, and I am speaking on behalf of the Council of Mayors. House Bill 2710, House Draft 1, proposes to allow the rehire of retirees under certain circumstances. This is an important measure that will assist the county governments in meeting our workforce needs, and we strongly support this measure and are suggesting some amendments that will make it even more effective.

The retirement of the baby boomer generation and the unprecedented challenges it will create for all employers has been widely discussed. In the City and County of Honolulu, we estimate that by 2012, over a quarter of our workforce will be eligible to retire—an even more sobering figure is that an estimated 40% of our managers and administrators could retire TODAY. (The other counties have shared with the Legislature their own, similarly troubling, statistics.) When these many individuals retire they will take with them a wealth of knowledge and experience. The counties would like to tap into the knowledge and experience these retirees have gained while in our service—doing so will help to ensure the continuation of the services upon which our public relies.

The Mayors recognize not just the problem, but the opportunity as well. However, in order to take advantage of the opportunity of hiring back willing retirees in areas that are especially hard-to-fill, the Mayors understand that a change in the law is required.

Honorable Brian T. Taniguchi, Chair
Honorable Lorraine R. Inouye, Chair
and Members of the Committees

-2-

March 18, 2008

Accordingly, the Mayors have made the passage of this bill a priority. They view this bill as an essential tool that will put us on equal footing with the private sector and federal government employers as we compete for the sought after skills held by our retirees. Currently, we are at a distinct disadvantage as retirees who return to full-time work for us for more than three months must give up their pension and retiree medical benefits—a loss not required if they go to work for a private employer or the federal government.

We recognize that the Employees Retirement System (ERS) had some concerns about the original bill and some of their suggestions have been incorporated into this draft. To address their concerns, the Mayors met with the ERS and have continued to be in communication with them. The Mayors are concerned that the bill as currently written—with its one year wait period—will result in us losing our retirees to others who may hire them more expeditiously. Recognizing the ERS has concerns about preserving the ERS tax exempt status (as do we); we are proposing amendments to the bill that would meet the IRS requirements as well as our own. The amendments are to provide for: no wait period for retirees over 62 years of age; a six month wait period for those between age 58 and 62, and a one year wait period for those under age 58.

We understand that although this proposal meets the IRS requirements, the ERS may have additional concerns regarding the effect on the actuarial valuations. We believe that this may be addressed by placing a reasonable cap on the number of retirees each jurisdiction may rehire—so we are proposing a cap as a compromise. The ERS is reviewing with their actuaries a number of issues we discussed with them—including the cap. The Mayors are optimistic about the use of the cap to address the ERS concerns and believe that our discussions with the ERS will be enhanced by including these amendments in the bill. As they have always been, the Mayors want to keep the lines of communications open with the ERS and other interested parties (such as the Unions).

In light of the forgoing we urge you to pass this measure with amendments.

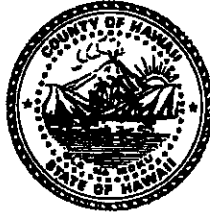
Thank you for the opportunity to testify on H.B. 2710, H.D.1.

Sincerely,



KEN Y. NAKAMATSU
Director of Human Resources

Harry Kim
Mayor



Dixie Kaetsu
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i

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March 17, 2008

The Honorable Brian T. Taniguchi, Chair
Committee on Judiciary and Labor
Hawaii State Capitol
415 S. Beretania Street
Honolulu, HI 96813

The Honorable Lorraine Inouye, Chair
Committee on Intergovernmental
and Military Affairs
Hawaii State Capitol
415 S. Beretania Street
Honolulu, HI 96813

Dear Chair Taniguchi, Chair Inouye, and Committee Members:

Re: HB 2710, HD 1

The ability to rehire retirees is an issue that is very important for every county. That being the case, the four Mayors have joined together and are trying to work through the issues raised in HB 2710 as they affect the Employee's Retirement System.

Because we have not yet been able to reach agreement with ERS, I support the testimony submitted by Ken Nakamatsu, Director of Human Resources of the City and County of Honolulu, and urge you to keep this issue alive by passing HB 2710, HD 1, with the suggested amendments.

Aloha,


Harry Kim
MAYOR

**TESTIMONY OF THE
COUNTY OF KAUA'I
OFFICE OF THE MAYOR**

**TO THE SENATE COMMITTEES ON JUDICIARY AND LABOR
AND INTERGOVERNMENTAL AND MILITARY AFFAIRS**

**TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008**

March 18, 2008
10:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 2710, HD 2, RELATING TO THE RE-EMPLOYMENT
OF RETIREES.**

**TO THE HONORABLE BRIAN T. TANIGUCHI, CHAIR, THE HONORABLE LORRAINE R.
INOUE, CHAIR, AND MEMBERS OF THE COMMITTEES:**

My name is Bryan J. Baptiste, Mayor of the County of Kaua'i (County), testifying on House Bill No. 2710, HD 2. I support the intent of the measure, but I have concerns about some of its requirements. The intent of the bill is to allow the county or State to hire retired state or county government employees without penalty to the employee.

Our county would appreciate the relief offered by this bill. In the next five years, approximately 32 per cent of our employees will be eligible for retirement. Many of these employees occupy key, one-of-a kind positions which require in-depth knowledge of the County and its operations, such as fiscal officers and division heads. In addition, other retirement-eligible employees, including engineers and police officers, are in hard to recruit job categories. As a small neighbor island county, the applicant pool available to us is very small and limited. Thus, we support the intent of the bill, which is to allow the County to retain selected employees until we can hire qualified replacements in a challenging recruiting environment.

However, we have concerns, particularly about two aspects of the bill which (1) imposes a one-year waiting period (page 4, lines 6-7) and (2) requires employer contributions to the Employees' Retirement System (ERS) (page 5, lines 10-13). We request deletion of these provisions.

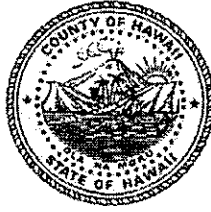
In the case of our county, we need to rehire retirees to fill labor shortage or difficult to fill positions, primarily police officers, engineers, and planners. Currently, these retirees go to the TSA (in the case of police) or the private sector (in the case of engineers and planners) immediately after retiring. It is our hope that ERS can quickly obtain a legal opinion as to whether waiting periods could be waived for employees of normal retirement

age or a shorter waiting period imposed. Otherwise, we will not be able to compete, because employees will not wait for one year, but will leave to other employers who can offer full-time employment immediately after retirement.

On the second point of employer contributions, we do not see the logic of requiring employer contributions when the re-hired retiree will not receive any additional retirement benefits or enhancements. The ERS is in a fiscally neutral situation. It incurs no additional payment, and therefore needs no additional contribution. While we understand the ERS' concern regarding its unfunded liability, that is a separate issue that can be dealt with by the ERS through other measures.

We thank the Committees for the opportunity to present testimony on this matter.

Harry Kim
Mayor



Michael R. Ben, SPHR
Director of Human Resources

Ronald K. Takahashi
Deputy Director of Human Resources

County of Hawai'i Department of Human Resources

Aupuni Center * 101 Pauahi Street, Suite 2 * Hilo, Hawai'i 96720 * (808) 961-8361 * Fax (808) 961-8617
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March 18, 2008

The Honorable Brian T. Taniguchi, Chair
And Members of the Committee on Judiciary and Labor

The Honorable Lorraine R. Inouye, Chair
And Members of the Committee on Intergovernmental and Military Affairs
The Senate
State Capitol
Honolulu, HI 96813

Dear Chairpersons Taniguchi and Inouye, and Members of the Committees:

Re: HB 2710 HD 2 Relating to the Re-employment of Retirees

I am Michael R. Ben, Director of Human Resources for the County of Hawai'i. I am testifying in support of re-hiring certain retirees as HB 2710 HD 2 would allow us to do.

With people living much healthier and longer lives than ever before, and with that, seeking new careers, challenges, and opportunities to pursue, it is a shame that we cannot offer our retirees the same opportunities as the private sector. The private sector is able to hire our very well trained and talented employees and offer them gainful employment while our former employees suffer no loss in their retirement and health benefits they enjoy as retirees from government service.

This bill provides us with the ability to recruit back some of our retirees for shortage category and hard-to-fill positions. There are some aspects of this bill that remain troublesome, but we intend to continue working with all interested in obtaining a bill that everyone can buy into.

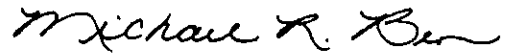
Hawai'i County is an Equal Opportunity Provider and Employer.

Chairpersons Taniguchi and Inouye
March 18, 2008
Page 2 of 2

As such, I ask for your favorable consideration of HB 2710 HD 2 to enable us to continue working with all interested parties on this matter.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Michael R. Ben".

Michael R. Ben, SPHR
Director of Human Resources

Harry Kim
Mayor



Darryl J. Oliveira
Fire Chief

Glen P. L. Honda
Deputy Fire Chief

County of Hawai'i
FIRE DEPARTMENT

25 Aupuni Street • Suite 103 • Hilo, Hawai'i 96720
(808) 981-8394 • Fax (808) 981-2037

March 14, 2008

The Honorable Brian T. Taniguchi, Chair
Committee on Judiciary and Labor
The State Senate
State Capitol, Room 219
Honolulu, Hawaii 96813

The Honorable Lorraine R. Inouye, Chair
Committee on Intergovernmental and Military Affairs
The State Senate
State Capitol, Room 201
Honolulu, Hawaii 96813

Dear Chairs Taniguchi and Inouye:

SUBJECT: HB 2710, HD 2 RELATING TO THE REEMPLOYMENT OF RETIREES

As the Fire Chief of the Hawaii Fire Department, I would like to ask for your support of HB 2710, HD 2, which proposes to allow county governments the ability to hire retired state or county government employees without restriction as to the length of employment or the number of hours worked per week. This will remedy the county governments' need to hire qualified and experienced personnel without the current limitations of an 89-day contract and will benefit retirees who desire to continue working without incurring negative retirement consequences. We believe this proposal to be a win-win situation for employers and employees.

We respectfully urge your favorable consideration on this matter and thank you for the opportunity to testify on this very important issue.

Sincerely,


DARRYL OLIVEIRA
Fire Chief

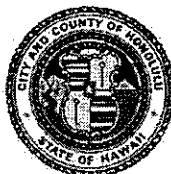
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HONOLULU FIRE DEPARTMENT
CITY AND COUNTY OF HONOLULU

636 South Street
Honolulu, Hawaii 96813-5007
Phone: 808-723-7139 Fax: 808-723-7111 Internet: www.honolulu.gov/hfd

MUFI HANNEMANN
MAYOR



KENNETH G. SILVA
FIRE CHIEF

ALVIN K. TOMITA
DEPUTY FIRE CHIEF

March 14, 2008

The Honorable Brian T. Taniguchi, Chair
Committee on Judiciary and Labor
The State Senate
State Capitol, Room 219
Honolulu, Hawaii 96813

The Honorable Lorraine R. Inouye, Chair
Committee on Intergovernmental and
Military Affairs
The State Senate
State Capitol, Room 201
Honolulu, Hawaii 96813

Dear Chairs Taniguchi and Inouye:

Subject: H.B. 2710, H.D. 2 Relating to the Reemployment of Retirees

I am Kenneth G. Silva, Fire Chief of the Honolulu Fire Department (HFD). The HFD supports H.B. 2710, H.D. 2, which proposes to allow county governments the ability to hire retired state or county government employees without restriction as to the length of employment or the number of hours worked per week. This will remedy the county governments' need to hire qualified and experienced personnel without the current limitations of an 89-day contract and will benefit retirees who desire to continue working without incurring negative retirement consequences. The HFD believes this proposal to be a win-win situation for employers and employees.

The HFD strongly urges your committees' passage of H.B. 2710, H.D. 2.

Should you have any questions, please call HFD Legislative Liaison Lloyd Rogers at 723-7171.

Sincerely,

A handwritten signature in black ink that reads "Kenneth G. Silva".

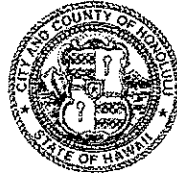
KENNETH G. SILVA
Fire Chief

KGS/LR:cn

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET · HONOLULU, HAWAII 96813
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MUFI HANNEMANN
MAYOR



BOISSE P. CORREA
CHIEF

PAUL D. PUTZULU
MICHAEL D. TUCKER
DEPUTY CHIEFS

GUR REFERENCE DK-PT

March 18, 2008

The Honorable Brian T. Taniguchi, Chair
and Members
Committee on Judiciary and Labor
The Honorable Lorraine R. Inouye, Chair
and Members
Committee on Intergovernmental and Military Affairs
The Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Taniguchi and Inouye and Members:

Subject: House Bill No. 2710, HD2, Relating to the Reemployment of Retirees

I am Dave Kajihira, Major of the Human Resources Division of the Honolulu Police Department, City and County of Honolulu.

The Honolulu Police Department submits the following testimony in strong support of House Bill No. 2710, HD2.

The purpose of the bill is to allow county or state governments to rehire state and county retired employees as permanent workers without the retirees incurring any negative impact on their normal retirement benefits.

All employers, including the Honolulu Police Department, are finding it very difficult to hire quality employees. Government agencies have to compete with the private sector employers. Rather than having our employees work for the private sector after they retire, they can be a solution to the government agencies' ongoing struggle to fill vacancies.

Serving and Protecting With Aloha

The Honorable Brian T. Taniguchi and Lorraine R. Inouye, Chairs
and Members

Page 2

March 18, 2008

Currently, the system does not allow government agencies to employ state and county retired employees for a meaningful length of time. They can only be rehired for up to 89 days at a time or for less than twenty hours a week without the retirees' retirement benefits being affected. This is too brief a period to make a difference. In the end, we will still have vacancies.

This bill provides a solution as it will allow government agencies to reemploy state and county retired employees as permanent workers without negatively affecting their retirement benefits. The Honolulu Police Department strongly supports House Bill No. 2710, HD2.

Sincerely,

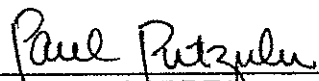


DAVE KAJIHIRO

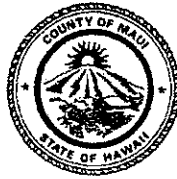
Major

Human Resources Division

APPROVED:

for: 
BOISSE P. CORREA
Chief of Police

CHARMAINE TAVARES
Mayor



LYNN G. KRIEG
Director

LANCE T. HIROMOTO
Deputy Director

COUNTY OF MAUI
DEPARTMENT OF PERSONNEL SERVICES

200 SOUTH HIGH STREET • WAILUKU, MAUI, HAWAII 96793-2155
PHONE (808) 270-7850 • FAX (808) 270-7969

Website: www.mauicounty.gov/departments/Personnel • Email: personnel.services@mauicounty.gov

March 17, 2008

The Honorable Brian T. Taniguchi, Chair
and Members of the
Committee on Judiciary and Labor
and

The Honorable Lorraine R. Inouye, Chair
and Members of the
Committee on Intergovernmental and Military Affairs
The Senate
Hawaii State Capitol
415 S. Beretania Street
Honolulu, Hawaii 96813

Dear Chair Taniguchi, Chair Inouye, and Members of the Committees:

RE: H.B. 2710, H.D. 2, Relating to the Re-employment of Retirees

I am Lynn G. Krieg, Director of Personnel Services for the County of Maui, testifying in regards to H.B. 2710, H.D. 2, and the recommendations of the Council of Mayors.

The counties have been working earnestly with the Employees Retirement System to address their concerns and assisting them in an effort to formulate solutions to the various problem items they have identified. We strongly believe that the parties will be able to work toward a solution and find common ground to avoid the certain crisis that will occur once the baby boomers begin their exodus.

In light of the foregoing, we urge you to pass this measure with amendments as proposed by the Council of Mayors.

Thank you for the opportunity to testify.

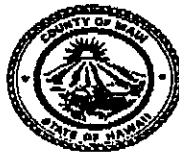
Sincerely,

A handwritten signature in black ink, appearing to read "Lynn G. Krieg".

LYNN G. KRIEG
Director of Personnel Services

cc: Mayor Charmaine Tavares

CHARMAINE TAVARES
MAYOR



NEAL A. BAL
Interim Chief

COUNTY OF MAUI
DEPARTMENT OF FIRE AND PUBLIC SAFETY

200 DAIRY ROAD
KAHULUI, MAUI, HAWAII 96732
(808) 270-7561
FAX (808) 270-7919
March 13, 2008

The Honorable Brian T. Taniguchi, Chair
Committee on Judiciary and Labor
The State Senate
State Capitol, Room 219
Honolulu, Hawaii 96813

The Honorable Lorraine R. Inouye, Chair
Committee on Intergovernmental and Military Affairs
The State Senate
State Capitol, Room 201
Honolulu, Hawaii 96813

Dear Chairs Taniguchi and Inouye:

Subject: H.B. 2710, H.D. 2 Relating to the Reemployment of Retirees

I am Neal A. Bal, Fire Chief of the County of Maui, Department of Fire and Public Safety. Our Department supports H.B. 2710, H.D. 2, which proposes to allow county governments the ability to hire retired state or county government employees without restriction as to the length of employment or the number of hours worked per week. This will remedy the county governments' need to hire qualified and experienced personnel without the current limitations of an 89-day contract and will benefit retirees who desire to continue working without incurring negative retirement consequences. Our Department believes this proposal to be a win-win situation for employers and employees.

We strongly urge your committee's passage of H.B. 2710, H.D. 2.

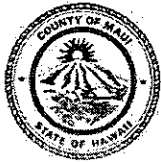
Should you have any questions, please me at (808) 2707561.

Sincerely,

Handwritten signature of Neal A. Bal in black ink.

NEAL A. BAL
Fire Chief

NAB:rgkm



CHARMAINE TAVARES
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT

COUNTY OF MAUI

55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
FAX (808) 244-6411

March 14, 2008



THOMAS M. PHILLIPS
CHIEF OF POLICE

GARY A. YABUTA
DEPUTY CHIEF OF POLICE

The Honorable Brian T. Taniguchi, Chair
And Members of the
Committee on Judiciary and Labor
The Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Taniguchi and Members of the Committee:

SUBJECT: House Bill No. 2710, HD2, Relating to the Re-Employment of Retirees.

I am Thomas M. Phillips, Chief of Police of the Maui County Police Department. We are supporting House Bill No. 2710, HD2, Relating to the Re-employment of Retirees.

The purpose of this bill is to allow the state and county governments to hire retired state and county government employees if the employer abides by certain conditions:

1. Requires a one year waiting period before rehiring,
 - (a) The Maui Police Department disagrees with this portion and opines that the eligible retirees be given an opportunity for re-employment as soon as possible;
2. Prohibits re-employment agreements prior to retirement;
3. Requires rehiring for civil service positions according to civil service and employment laws and the certification of such;
4. Requires employers to continue retirement contributions, the joining of collective bargaining units, if applicable; and
5. Requires an annual report.

For the past decade, the Maui Police Department has experienced a shortage in police and dispatcher applicants. As Maui County's unemployment rate is one of the lowest in the nation, competing with the private sector for qualified applicants has been challenging. Our continuous recruitment efforts have resulted in some gain in employment; however, these gains are often offset by retirements and normal separations.

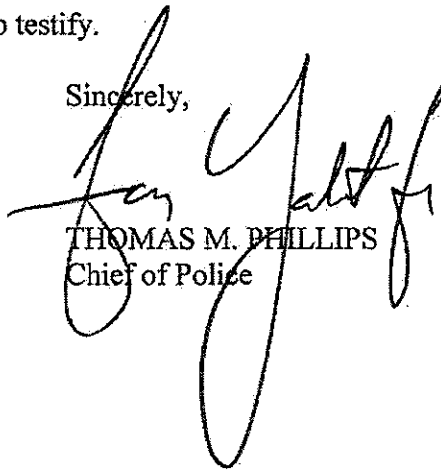
The Honorable Brian T. Taniguchi, Chair
And Members of the
Committee on Judiciary and Labor
March 14, 2008
Page 2

This bill will allow the Maui Police Department to fill essential positions with qualified and experienced employees, while continuing with our recruitment efforts. A stop gap measure, allowing our department to continue with the highest level of public service and to ensure that law enforcement in Hawaii will not lower its hiring standards. This is a positive measure for both the state and county and the citizens of Hawaii.

The Maui County Police Department urges you to support House Bill No. 2710, HD2, Relating to the Re-employment of Retirees.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Phillips', written over the typed name and title.

THOMAS M. PHILLIPS
Chief of Police



Working Together for Hawaii

888 Mililani Street, Suite 601
Honolulu, Hawaii 96813-2991
www.hgea.org

Telephone: 808.536.2351
Facsimile: 808.528.4059

Hawaii Government Employees Association
AFSCME Local 152, AFL-CIO

The Twenty-Fourth Legislature, State of Hawaii
Hawaii State Senate
Committee on Judiciary and Labor
Committee on Intergovernmental and Military Affairs

Testimony by
HGEA/AFSCME, Local 152, AFL-CIO
March 18, 2008

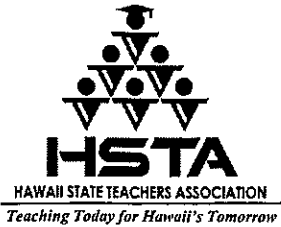
H.B. 2710, H.D. 2 – RELATING TO THE
RE-EMPLOYMENT OF RETIREES.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports this measure as amended by the Committee on Labor and Public Employment. H.B. 2710, H.D. 2 proposes rehiring state and county retirees into a vacant position without adversely affecting their retirement benefits. Changing demographics and low unemployment rates makes rehiring experienced and well-qualified retirees an important consideration. We appreciate that the bill allows hiring of retirees only for “difficult to fill” or “labor shortage” exempt or civil service positions.

The future of civil service depends upon active recruitment of those applicants with the skills, abilities and commitment to a government career. This includes current employees who should be considered for promotional opportunities under the civil service merit system. Reliance upon retirees will not encourage the recruitment and promotion of these career employees. Thank you for the opportunity to testify in support of H.B. 2710, H.D. 2.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director



1200 Ala Kapuna Street λ Honolulu, Hawaii 96819
Tel: (808) 833-2711 λ Fax: (808) 839-7106 λ Web: www.hsta.org

Roger K. Takabayashi
President

Wil Okabe
Vice President

Karolyn Mossman
Secretary-Treasurer

Mike McCartney
Executive Director

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE**

RE: HB 2710, HD1 – RELATING TO THE RE-EMPLOYMENT OF RETIREES.

February 26, 2008

**ROGER TAKABAYASHI, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION**

Chair Oshiro and Members of the Committee:

The Hawaii State Teachers Association supports HB 2710, HD1, that allows a county to hire retired state or county government employees without restriction as to length of employment or number of hours worked per week, and requires a one-year waiting period.

Experience, knowledge, and resolving the problem of meeting our workforce shortage problem are only a few major reasons we support the passage of this bill.

Thank you for the opportunity to testify.