

STAND. COM. REP. NO. 361

Honolulu, Hawaii

FEB 18, 2009

RE: H.B. No. 1738

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1738 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 repeal the January 2, 2011, sunset date on the prohibition on approving Employees' Retirement System (ERS) benefit enhancements while an unfunded accrued liability exists.

The Department of Budget and Finance and ERS Board of Trustees testified in support of this bill. The United Public Workers, AFSCME, Local 646, AFL-CIO opposed this measure.

The ERS Board of Trustees reported that the ERS' unfunded actuarial accrued liability on June 30, 2008, was \$5,168,000,000, and the actuarial funded ratio was 68.8 percent. Your Committee notes that a moratorium on retirement benefit enhancement proposals would greatly reduce the ERS' unfunded actuarial accrued liability, and finds that a permanent moratorium is prudent and necessary especially in light of the current economic crisis.

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. 1738 and recommends that it pass Second Reading and be referred to the Committee on Finance.

HB1738 HSCR LAB HMS 2009-2015



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

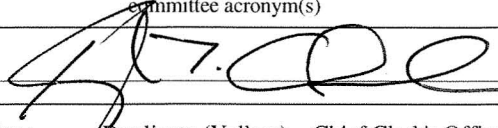
Karl Rhoads

KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 1738	Committee Referral: LAB, FIN	Date: 2-10-09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. AWANA, Karen Leinani	/			
5. HANOHANO, Faye P.		/		
6. KEITH-AGARAN, Gilbert S.C.		/		
7. LEE, Marilyn B.	/			
8. NAKASHIMA, Mark M.		/		
9. SAIKI, Scott K.	.			/
10. SOUKI, Joseph M.	/			
11. TAKUMI, Roy M.		/		
12. PINE, Kymberly Marcos	/			
TOTAL (12)	7	4	-	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				