

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2429
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2429 entitled:

"A BILL FOR AN ACT RELATING TO SEPARATION INCENTIVES,"

begs leave to report as follows:

The purpose of this bill is to provide the tools to address budget shortfalls, reduce the need for layoffs, and facilitate the restructuring of government by:

- (1) Authorizing the executive branch to offer a voluntary severance or a special retirement incentive benefit to state employees who elect to voluntarily separate from service when their positions are identified for abolishment or when they are directly affected by a reduction-in-force or workforce restructuring plan; and
- (2) Extending to the counties, the Department of Education, the Judiciary, the Hawaii Health Systems Corporation, the Office of Hawaiian Affairs, and the legislative branches of the state and county governments the option to provide a special retirement incentive benefit to their respective employees under a reduction-in-force or a workforce restructuring plan.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, United Public Workers, AFSCME Local 646, AFL-CIO, and a concerned individual testified in support of this bill. The



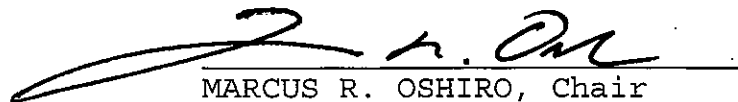
Employees' Retirement System and Department of Budget and Finance opposed this measure. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Deleting specific criteria relating to years of credited service as well as ages of employees needed to qualify for the special retirement incentive benefit;
- (2) Changing the effective date to July 1, 2020, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2429, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2429, H.D. 1.

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


MARCUS R. OSHIRO, Chair



