

Honolulu, Hawaii

Feb 48, 2010

RE: H.B. No. 2429

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

Sir:

Your Committee on Labor & Public Employment, 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 address budget shortfalls 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 to their respective employees under a reduction-in-force or a workforce restructuring plan.

The Hawaii Government Employees' Association supported this bill. The Employees' Retirement System and Department of Budget and Finance opposed this measure.



Your Committee finds that while this legislation provides government with an option to reduce workforce as a cost-saving measure there are many concerns regarding the loss of good employees and their institutional knowledge and necessary skills that may be difficult or even damaging to do without. However, in such economic times this issue warrants further discussion and this bill should move forward in the legislative process to receive more input and determine the true cost savings of such an initiative.

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. 2429 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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



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KARL RHOADS, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 173-10

**Record of Votes of the Committee on Labor & Public Employment**

Bill/Resolution No.: <b>HB 2429</b>	Committee Referral: <b>LAB, FIN</b>	Date: <b>2-2-2010</b>		
<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				/
<b>TOTAL (12)</b>	<b>8</b>	<b>3</b>	<b>-</b>	<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature:				
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