

STAND. COM. REP. NO. 144

Honolulu, Hawaii

Feb 10, 2009

RE: H.B. No. 849
H.D. 1

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. 849 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 change the representation on the Board of Trustees of the Employees' Retirement System (Board) to more adequately reflect the employers associated with the Employees' Retirement System (ERS) by:

- (1) Increasing Board membership from eight to 12 members;
and
- (2) Stipulating that the four additional members be composed of the directors of finance of the City and County of Honolulu and the counties of Maui, Hawaii, and Kauai.

The Mayor of the County of Hawaii, Hawaii Council of Mayors, Director of Finance for the County of Kauai, and Director of Finance for the County of Maui testified in support of this bill. The Hawaii State Teachers Association, Hawaii Firefighters Association, and a concerned individual testified in opposition to this measure. The Board submitted comments.



Although the current representation on the Board is established in such a way to ensure that a balance exists between members representing the interests of both public employers and employees, current Board membership lacks county representation. As counties contribute a considerable share to the ERS costs and their employees and retirees make up a large portion of the ERS membership, it seems only fair that some form of county representation be established on the Board.

However, while your Committee agrees that the membership of the Board should be adjusted to provide for greater county representation, the addition of four members to the Board, who represent each of the four counties, and in essence the public employers, skews the balance on the Board in favor of the public employer. Accordingly, your Committee has amended this measure by:

- (1) Deleting language increasing Board membership from eight to 12 members;
 - (2) Changing the composition of the Board by:
 - (A) Decreasing from three to two the number of Board members who are citizens of the State and not public employees; and
 - (B) Including a Board member appointed by the Hawaii Council of Mayors to represent the counties;
- and
- (3) Establishing the term of office for the Board member appointed by the Hawaii Council of Mayors.

Technical, nonsubstantive amendments were also made 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. 849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 849, 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,

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

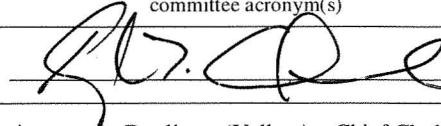
Bill/Resolution No.: HB 849	Committee Referral: LAB, FIN	Date: 2-3-09
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The committee is reconsidering its previous decision on the measure.

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. 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)	11	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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