

STAND. COM. REP. NO.

2097

Honolulu, Hawaii

FEB 09 2010

RE: S.B. No. 2833
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Labor, to which was referred S.B. No. 2833
entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF PENSION
OBLIGATION BONDS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the issuance of pension obligation bonds to fund the employer contributions of the State and counties to the Employees' Retirement System to reduce its unfunded actuarial accrued liability; and
- (2) Appropriate funds for the payment of the employers' contribution to the Employees' Retirement System.

Testimony in support of this measure was submitted by one private organization. Testimony in support of the intent of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the issuance of pension obligation bonds will create an additional liability for the State that would require fixed debt service payments over a long period. Your Committee also finds that, in accordance with section 88-122, Hawaii Revised Statutes, the amortization of the unfunded accrued



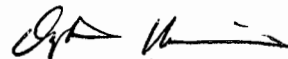
actuarial liability for State employees is currently included in the assessment rate for the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2833, S.D. 1, and be referred to the Committee on Ways and Means.

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



DWIGHT Y. TAKAMINE, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* SB2833	Committee Referral: LBR, WAM	Date: 2/4/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TAKAMINE, Dwight Y. (C)	✓			
TANIGUCHI, Brian T. (VC)		✓		
BUNDA, Robert				✓
HEE, Clayton			✓	✓
SLOM, Sam			✓	
TOTAL				
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes