

STAND. COM. REP. NO. 260

Honolulu, Hawaii
Feb 15, 2011

RE: H.B. No. 779

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 779 entitled:

"A BILL FOR AN ACT RELATING TO FRINGE BENEFIT CONTRIBUTIONS,"

begs leave to report as follows:

The purpose of this bill is to mitigate the State's carrying cost for contributions made to the Employees' Retirement System (ERS) by requiring:

- (1) State contributions to the ERS to be paid from the general fund on a quarterly basis, rather than monthly;
- (2) Payments to be made before the end of the fiscal quarter;
- (3) Departments and agencies whose employees are paid from state non-general funds to reimburse the state general fund for advance contributions; and
- (4) Departments and agencies to pay monthly interest at 0.25 percent on the reimbursements.

The Legislative Committee of the ERS and the Department of Budget and Finance opposed this bill.

The State is facing a budget deficit of \$71 million for fiscal year 2011, and a \$771 million shortfall over the next two-year budget cycle. The requirements listed in this bill would

HB779 HSCR LAB HMS 2011-2226



help alleviate the deficit with quarterly employer contribution payments to ERS, as opposed to the current payments on a monthly basis. It would also allow for other reimbursements to the state general fund.

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. 779 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,



KARL RHOADS, Chair



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State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Labor & Public Employment

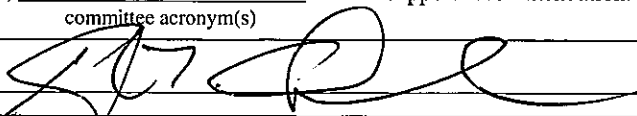
Bill/Resolution No.: HB 779	Committee Referral: LAB, FIN	Date: 2-11-11
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The committee is reconsidering its previous decision on the measure.

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. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia				/
8. SAIKI, Scott K.	/			
9. SOUKI, Joseph M.			/	
10. TAKUMI, Roy M.	/			
11. FONTAINE, George R.		/		
12. JOHANSON, Aaron Ling		/		
TOTAL (12)	8	2	1	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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