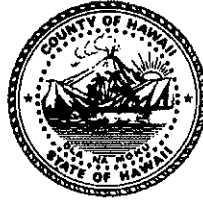


William P. Kenoi
Mayor



LATE

Nancy E. Crawford
Director

Deanna S. Sako
Deputy Director

County of Hawaii

Finance Department

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February 14, 2011

The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Education
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Tokuda and Members of the Committee:

RE: Testimony in Support of S.B. 1104, Relating to the Employees' Retirement System (ERS)
Hearing Monday, February 14, 2011, at 1:15 p.m., Conference Room 225

The County of Hawai'i strongly supports Senate Bill 1104, which proposes to segregate Teachers from General Employees for determining employer normal cost, accrued liability contributions and annual contributions to the Employees' Retirement System.

Though contributions and benefits for the Teachers category are currently the same as for those in the General category, the group is unique in both its retirement characteristics and in its employer. There may also be an adjustment in either contributions or benefits in the future that will further differentiate the Teacher category.

Due to this group's unique retirement characteristics, the Counties currently subsidize the State's retirement contributions. In response to similar concerns of the State, the Police/Fire category was previously broken out from General category to eliminate the State's subsidy of County retirement contributions.

Senate Bill 1104 properly addresses an issue of fairness in meeting government responsibilities and we urge you to pass this bill. Thank you for this opportunity to provide input.

Sincerely,

A handwritten signature in black ink that reads "Nancy E Crawford".

Nancy Crawford
Director of Finance