

Honolulu, Hawaii

FEB 15 2012

RE: S.B. No. 2751

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 2751 entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT  
SYSTEM, "

begs leave to report as follows:

The purpose and intent of this measure is to amend the  
statutory requirements for the Board of Trustees of the Employees'  
Retirement System to require one of the non-employee board members  
to possess substantial experience in finance rather than be a bank  
officer.

Your Committee received testimony in support of this measure  
from the Department of Budget and Finance, the Employees'  
Retirement System, and the Department of Budget & Fiscal Services  
of the City and County of Honolulu.

Your Committee finds that as the size and corpus of the  
Employees' Retirement System increases, so does the need for  
experienced trustees with desirable credentials in order to manage  
the system. The Board of Trustees has become more involved in the  
nature and substance of its investments as a means to garner the  
best possible return for beneficiaries while safeguarding the  
corpus to ensure long-term viability of the system. As such, this  
measure requires that one of the three non-employee members of the  
Board of Trustees to possess substantial experience in finance in  
order to be more contemporary with the requirements of managing a  
multi-billion dollar trust.



As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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

  
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CLAYTON HEE, Chair



