

STAND. COM. REP. NO.

324

Honolulu, Hawaii

February 12, 2013

RE: H.B. No. 806

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 806 entitled:

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

begs leave to report as follows:

The purpose of this measure is to authorize the board of trustees of the Employees' Retirement System to appoint investment officers.

This measure also changes the title of the "administrator" of the Employees' Retirement System to "executive director."

Your Committee received testimony in support of this measure from the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that the corpus of the Employees' Retirement System currently exceeds \$12,000,000,000. The investment staff which comprises a chief investment officer and an investment specialist is not adequate in light of the uncertainty and complexity of financial markets and the best practices of similarly-sized public pension funds. Expanding the investment staff will increase in-house knowledge and save up to \$1,000,000 per year in consultant fees. Your Committee further finds that changing the title of the "administrator" of the Employees' Retirement System to "executive director" will make the title



consistent with the titles of other administrative agencies and public pension funds.

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. 806 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,

  
MARK M. NAKASHIMA, Chair



