

Honolulu, Hawaii

March 22, 2013

RE: S.B. No. 1036

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 S.B. No. 1036 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 improve the administration of the Employees' Retirement System (ERS).

More specifically, this measure authorizes the ERS Administrator to appoint one or more investment officers to the ERS investment office. The measure also changes the title of the Administrator of the ERS to "Executive Director" to be consistent with the titles of other state agencies' administrative heads.

The Department of Budget and Finance and the Employees' Retirement System Board of Directors submitted testimony in support of the measure.

Your Committee finds that the ERS investment portfolio is becoming increasingly sophisticated and requires the management and expertise of additional professionals. Your Committee further finds that the current staffing structure of the ERS investment office is not consistent with the best practices of other similarly-sized public pension plans. A larger staff of investment officers would ensure that the investment portfolio is well-researched, monitored, and evaluated, resulting in a much needed reduction of the ERS's unfunded liability.



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 S.B. No. 1036 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,



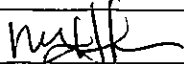
MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 1137

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 1036	Committee Referral: LAB, FIN	Date: 3/19/2013		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	X			
2. HASHEM, Mark J. (VC)	X			
3. AQUINO, Henry J.C.	✓			
4. ICHIYAMA, Linda	✓			
5. ING, Kaniela	✓			
6. TAKUMI, Roy M.	✓			
7. YAMANE, Ryan I.	✓			
8. YAMASHITA, Kyle T.	✓			
9. JOHANSON, Aaron Ling				✓
TOTAL (9)	8	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <u></u>				
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