

STAND. COM. REP. NO. 3025

Honolulu, Hawaii

MAR 23 2016

RE: H.B. No. 2446
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 2446, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SEPARATION BENEFITS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize an employee who is affected by Act 103, Session Laws of Hawaii 2015; entitled to reduction-in-force rights under chapter 76 or 89, Hawaii Revised Statutes; and receives official notification that the employee's position is being abolished or who is directly affected by a reduction-in-force or workforce restructuring plan, including privatization, to elect to receive a voluntary severance benefit; and
- (2) Authorize a vested member of the Employees' Retirement System who receives official notification that the employee's position is being abolished or who is directly affected by a reduction-in-force or workforce restructuring plan, including privatization, and is within five years of the employee's qualified retirement age on the employee's retirement date to elect to receive a special retirement benefit, notwithstanding the age and length of services requirements under chapter 88, Hawaii Revised Statutes.



Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and eleven individuals. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance. Your Committee received comments on this measure from the Employees' Retirement System's Board of Trustees and two individuals.

Your Committee finds that public employees whose positions are subject to layoff due to the consolidation or abolition of functions, or the privatization of the functions of the position, may face excessive economic hardship. Implementation of this measure will provide meaningful financial support to public employees who lose their jobs out of no fault of their own.

Your Committee notes that the companion to this measure, S.B. No. 2077, S.D. 1, which was previously passed by the Senate, is substantively similar to this measure but does not require an employee to be affected by Act 103, Session Laws of Hawaii 2015, to elect to receive a voluntary severance benefit.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 2077, S.D. 1, Regular Session of 2016, a substantively similar measure, which:

- (1) Authorizes an employee who is entitled to reduction-in-force rights under chapter 76 or 89, Hawaii Revised Statutes, and receives official notification that the employee's position is being abolished or who is directly affected by a reduction-in-force or workforce restructuring plan, including privatization, to elect to receive a voluntary severance benefit;
- (2) Authorizes a vested member of the Employees' Retirement System who meets certain criteria, including minimum years of service based on membership class type, and receives official notification that the employee's position is being abolished or who is directly affected by a reduction-in-force or workforce restructuring plan, including privatization, to elect to receive a special retirement benefit, notwithstanding the age and length of services requirements under chapter 88, Hawaii Revised Statutes;



- (3) Has a sunset date of July 1, 2018; and
- (4) Has an effective date of January 7, 2059, to encourage further discussion.

Your Committee further amended S.B. No. 2077, S.D. 1, by:

- (1) Reinserting the definition of "vested member";
- (2) Requiring that any employee who receives a special retirement benefit under this measure and returns to public service meets the age and service requirements in effect when the employee first entered state employment; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 H.B. No. 2446, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2446, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.


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


GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 2446 HD 2	Committee Referral: JDL, WAM	Date: 3/16/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)				/
GABBARD, Mike	/			
KAHELE, Kaiali'i	/			
KIM, Donna Mercado	/			
THIELEN, Laura H.	/			
SLOM, Sam			/	
TOTAL	5		1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes