

Honolulu, Hawaii

FEB 15 2017

RE: S.B. No. 1047
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 1047 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 require the actuary to conduct an annual stress test of the Employees' Retirement System (ERS) and the ERS Board to submit an annual report on the result of the test to the Legislature.

Your Committee received testimony in support of this measure from the University of Hawaii Professional Assembly and one individual. Your Committee received comments on this measure from the Employees' Retirement System.

Your Committee finds that the successful investment of the ERS funds is essential to the stability and sustainability of the ERS. Clarity and transparency regarding the information upon which ERS decisions are based are crucial to allow for employees, retirees, and the public to have an understanding of, and confidence in, the ERS. Your Committee further finds that an annual stress test will help to ensure that the ERS Board makes decisions based on widespread actuarial data and projections, rather than on data resulting from isolated events.

Your Committee has amended this measure by:



- (1) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (2) 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 S.B. No. 1047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1047, 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-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB1047	Committee Referral: JDL, WAM	Date: 2/7/17		
<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)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike				✓
KIM, Donna Mercado	✓			
THIELEN, Laura H.	✓			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="font-family: cursive; font-size: 1.2em; margin-left: 20px;">Karl Rhoads</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes