

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 1158

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committees on Public Safety and Intergovernmental and Military Affairs and Labor and Technology, to which was referred S.B. No. 1158 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide police officers who become members of the Employees' Retirement System after June 30, 2023, with retirement benefits similar to those provided for members of the Employees' Retirement System who became members before July 1, 2012, including but not limited to calculation of retirement allowance, minimum age or years of credited service requirements, and vesting period; and
- (2) Allow retired police officers hired after June 30, 2001, to be treated as if employment began before July 1, 2001, in order to maintain spousal health benefits.

Your Committees received testimony in support of this measure from the State of Hawaii Organization of Police Officers and two individuals. Your Committees received testimony in opposition to this measure from the Department of Budget and Finance and



Employees Retirement System. Your Committees received comments on this measure from the Department of the Attorney General and Grassroot Institute of Hawaii.

Your Committees find that the county police departments are suffering from critical officer shortages and are struggling to fill vacancies. Additionally, all four county police departments are losing experienced officers mid-career, as well as officers leaving the force on the day they become eligible to retire. Insufficient staffing means beats and neighborhoods across the State have inadequate police coverage, resulting in delayed response times to 911 calls and in some instances requiring officers to work twelve-hour shifts, six days a week. Your Committees believe that improving benefits will provide a much-needed incentive to recruit and retain more police officers. This measure will improve efforts to recruit and retain police officers by expanding certain retirement benefits for police officers.

Your Committees acknowledge the testimony of the Department of Budget and Finance and Employees' Retirement System expressing concerns that this measure may significantly increase annual fringe benefits costs for public employers in the future and set a precedent for other employee groups to request the same benefit amendments. Your Committees find that these issues raise concerns that merit further consideration and requests further examination by your Committee on Ways and Means.

Your Committees have amended this measure by:

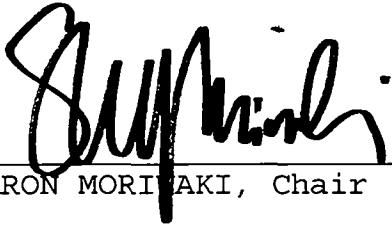
- (1) Deleting language that would have expanded police officer benefits under the Hawaii Employer-Union Health Benefits Trust Fund as the title of this measure is not broad enough for its inclusion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety and Intergovernmental and Military Affairs and Labor and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1158, as amended herein, and recommend that it pass Second



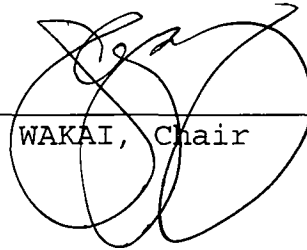
Reading in the form attached hereto as S.B. No. 1158, S.D. 1, and  
be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Public Safety and  
Intergovernmental and Military  
Affairs and Labor and  
Technology,



---

SHARON MORI WAKI, Chair



---

GLENN WAKAI, Chair





