

**JOSH GREEN, M.D.**  
GOVERNOR  
KE KIA'ĀINA



**MIKE LAMBERT**  
DIRECTOR

**SYLVIA LUKE**  
LT GOVERNOR  
KE KE'ENA

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII  
**DEPARTMENT OF LAW ENFORCEMENT**

*Ka 'Oihana Ho'okō Kānāwai*

715 South King Street  
Honolulu, Hawaii 96813

**JARED K. REDULLA**  
Deputy Director  
Law Enforcement

TESTIMONY ON HOUSE BILL 214, HOUSE DRAFT 1  
RELATING TO GOVERNMENT  
Before the House Committee on  
FINANCE

Tuesday, February 25, 2025, 2:00 p.m.

State Capitol Conference Room 308 & Videoconference

Testifier: Mike Lambert

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee:

The Department of Law Enforcement (DLE) strongly supports House Bill 214, House Draft 1, which allows retirants to be employed as school resource officers or investigators in labor shortage or difficult-to-fill positions without re-enrollment in the Employees' Retirement System (ERS) and without loss of retirement benefits.

This measure addresses a critical staffing challenge faced by law enforcement agencies across Hawaii by providing flexibility in hiring experienced personnel for crucial positions. School resource officers and investigators play vital roles in maintaining public safety and security, and the current labor shortage in these positions impacts our ability to effectively serve our communities.

The bill's provisions will enable the DLE to tap into a valuable pool of experienced law enforcement professionals who have retired but are willing to continue serving in these essential roles. This approach is particularly beneficial as these retirants bring extensive experience and institutional knowledge that would otherwise take years to develop in

new hires.

The measure includes appropriate safeguards, such as prohibiting pre-retirement agreements for return to work and requiring employer contributions to the pension accumulation fund, which ensures the system's financial integrity while addressing critical staffing needs.

Thank you for the opportunity to testify in strong support of this bill.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2025**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 214, H.D. 1, RELATING TO GOVERNMENT.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Tuesday, February 25, 2025      **TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Diane W. Wong or Jenny J..N. A. Nakamoto, Deputy Attorneys  
General

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Chair Yamashita and Members of the Committee:

The Department of the Attorney General (Department) supports the portion of this bill addressing investigators identified by the Department as a labor shortage or difficult-to-fill position, and takes no position regarding the portion of this bill addressing school resource officers identified by the Department of Education as a labor shortage or difficult-to-fill position.

This bill amends section 88-9, Hawaii Revised Statutes (HRS), to provide that a retirant may be employed without reenrollment in the Employees' Retirement System (ERS) and without suffering loss or interruption of benefits provided by the ERS or under chapter 87A, HRS, subject to certain conditions, if the retirant is employed as an investigator in a position identified by the Department as a labor shortage or difficult-to-fill position. This bill also provides remedies for ERS if the retirant is reemployed in violation of chapter 88, HRS, and the Internal Revenue Code. The bill also requires the Director of Human Resources Development to include details on the employment of retirants as investigators by the Department in the annual report to the Legislature required under section 88-9(f), HRS.

1. Investigators

The Department has identified certain positions of "investigator" as difficult to fill positions that are critically important to the Department's law enforcement capability and

objectives. This bill will allow the Department to rehire a retired law enforcement officer as an investigator without the investigator having to re-enroll in the ERS or suffer any loss of benefits so long as: (a) the retirant remains out of state or county employment for at least six consecutive calendar months prior to reemployment; (b) the Department identifies a labor shortage or difficult-to-fill position; and (c) the Department confirms that there was no agreement for the retirant to return to work after retirement. Given the Department's long-standing need for investigators, this bill will help to expedite the process of bringing trained, experienced investigators back to the work force.

The Department respectfully asks the Committee to pass the portion of this bill addressing investigators identified by the Department as a labor shortage or difficult-to-fill position, in its current form on page 5, line 10, through page 6, line 3, and with amendment on page 6, lines 10-11, to cross-reference to the portion of the bill addressing school resource officers should it be deemed appropriate.

## 2. Department of Education

The Department notes that neither the Department of Education (DOE) nor the Department of Law Enforcement (DLE) has a "school resource officer" position. We interpret the intent of the bill to allow the DLE to employ a retirant as a labor shortage or difficult-to-fill position, and to have that retirant/DLE officer stationed at a public school to assist with security. Currently, public schools enter into memoranda of agreement with local law enforcement to have active law enforcement officers serve in security positions known as school resource officers. Recently, however, public schools have not entered into these agreements due to a current shortage of law enforcement officers.

To effectuate the intent of the bill, the Department suggests the following revisions:

1. Replace the text on page 1, lines 8-11, with the following:

"The legislature further finds that there is a labor shortage that makes it difficult to fill investigator positions in the department of the attorney general and law enforcement officer positions that can be stationed at public schools as school resource officers."

2. On page 4, line 15, replace "As a school resource officer" with "As a law enforcement officer . . . ."
3. Add a new subparagraph to section 88-9(d)(6), HRS, by making the following revisions:
  - a. On page 5, line 4, delete "and"
  - b. On page 5, line 9, replace "or" with "and"
  - c. Add new subparagraph (D) after page 5, line 9, to read as: "The retirant will be stationed at a public school as a resource officer; or"

Thank you for considering our comments regarding this bill.



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
KA 'OIHANA HO'ONA'AUAO  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 02/25/2025

**Time:** 02:00 PM

**Location:** 308 VIA VIDEOCONFERENCE

**Committee:** House Finance

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Superintendent of Education

**Bill Title:** HB 0214, HD1 RELATING TO GOVERNMENT.

**Purpose of Bill:** Allows a retirant to be employed without reenrollment in the Employees' Retirement System and without loss or interruption of retirement benefits if the retirant is employed as a school resource officer or investigator in positions identified by the Department of Law Enforcement or the Department of the Attorney General, respectively, as a labor shortage or difficult-to-fill positions, subject to certain conditions. Requires the Director of Human Resources of the appropriate state jurisdiction or the human resources management chief executive of each county to include in their annual reports to the Legislature, details on the employment of retirants as school resource officers or investigators. Effective 7/1/3000. (HD1)

**Department's Position:**

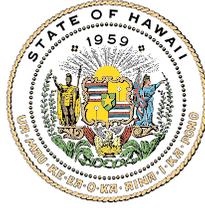
The Hawaii State Department of Education (Department) provides comments on HB 214, HD 1.

The Department supports any efforts to increase safety within its schools and appreciates that HB 214, HD 1 recognizes that school resource officer positions are more appropriately established within law enforcement but defers to the Department of Law Enforcement as to the implementation of this measure.

Thank you for the opportunity to provide testimony on HB 214, HD 1.

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



THOMAS WILLIAMS  
EXECUTIVE DIRECTOR

GAIL STROHL  
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII'  
EMPLOYEES' RETIREMENT SYSTEM**

**TESTIMONY BY THOMAS WILLIAMS  
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
PROVIDING COMMENTS ON  
HOUSE BILL NO. 214, H.D.1**

**February 25, 2025**

**2:00 P.M.**

**Conference Room 308 and VIA Videoconference**

RELATING TO GOVERNMENT.

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

The ERS Board of Trustees has reviewed this legislation and recognizes the staffing challenges experienced by agencies as a result of these vacancies but has concerns about the potential negative impact to ERS' tax qualification and respectfully offers the following comments.

H.B. 214, H.D.1 proposes to change from 12 months to 6 months the break required for ERS retirees to return to employment in ERS eligible positions of school resource officers and Attorney General Investigators, as designated by the Department of Law Enforcement and the Department of the Attorney General respectively to represent labor shortage or difficult-to-fill positions, without re-enrollment as a member of the system.

Current statute requires a 12-month break in service before a retirant may be re-employed in any ERS eligible position. This "break" addresses the Internal Revenue Service's general prohibition against "in-service distributions" and meets the IRS



**Employees' Retirement System**  
of the State of Hawaii

requirement for a bona fide break in service to exempt the payment of pensions while in-service as an employee of the system from constituting a disqualifying distribution.

To date, the IRS has refused to establish a published time limit for separation before a retiree may resume service without violation of IRS requirements. While a six-month break may meet IRS requirements, the existing 12-month period before returning in an ERS eligible position currently applied to all retirees in statute, is widely viewed as in compliance. That said, the ERS prefers that the more conservative 12-month period be retained and would oppose the adoption of any breaks shorter than six months.

As a qualified plan under section 401(a) of the Internal Revenue Code (IRC) of 1986, as amended, the ERS and our members enjoy a beneficial tax status which permits contributions to be made on a pre-tax basis and allows benefits to accrue as non-taxable events. Revocation of this tax status could result in irreparable harm to the system and additional tax liability for our members.

Thank you for the opportunity to provide testimony on H.B. 214, H.D.1.