

TESTIMONY BY DAVID SHIMABUKURO  
ADMINISTRATOR, EMPLOYEES' RETIREMENT SYSTEM  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON PUBLIC SAFETY & MILITARY AFFAIRS  
AND  
TO THE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT  
ON  
HOUSE BILL NO. 2790

FEBRUARY 14, 2008

RELATING TO ADULT CORRECTIONS OFFICERS  
AND YOUTH CORRECTIONS OFFICERS

Chairs Evans and Sonson and Members of the Committees:

The ERS Board of Trustees opposes H.B. 2790 which allows Noncontributory Plan and Hybrid Plan adult corrections officers and youth corrections officers to retire with 25 years of service regardless of age.

This Bill affords these members with an enhanced retirement benefit which will increase the State and county governments' contributions to the ERS and increase the ERS' \$5.1 billion unfunded liability. This is contrary to the provisions of Act 256, Session Laws of Hawaii 2007, which placed a moratorium on benefit enhancements until January 2, 2011.

Thank you for the opportunity to testify on this Bill.

WRITTEN ONLY

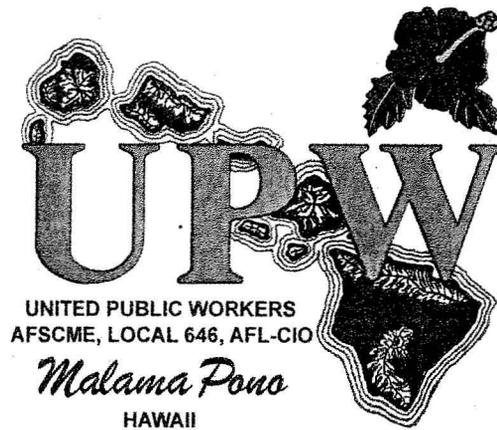
TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEES ON PUBLIC SAFETY AND MILITARY AFFAIRS  
AND LABOR AND PUBLIC EMPLOYMENT  
ON  
HOUSE BILL NO. 2790

February 14, 2008

RELATING TO ADULT CORRECTIONS OFFICERS AND YOUTH CORRECTIONS  
OFFICERS

House Bill No. 2790 allows adult and youth corrections officers in the non-contributory and hybrid plans to retire without penalty after 25 years of credited service, with no benefit reduction for age, as long as the last five years prior to retirement are in that capacity. Employee contributions will increase for members of the Hybrid plan from 6 percent to 9.75 percent. Combined with social security, approximately 17 percent of the member's salary will be devoted to retirement benefits. Currently, public service oriented positions -- firefighters; police officers; corrections officers; investigators for the Departments of the Prosecuting Attorney, the Attorney General, and Public Safety narcotics enforcement and investigations staff; and water safety officers are able to retire after 25 years of credited service, with no benefit reduction for age.

We are opposed to this bill. The Employees' Retirement System's unfunded liability remains at \$5.1 billion. Any enhancement in retirement benefits will increase costs to employers and increase the unfunded liability. Act 256, SLH 2007, prohibits benefit enhancements for any group of members for the period January 2, 2008 until January 2, 2011.



February 12, 2008

Representative Cindy Evens, Chair  
Representative Shar Har, Vice-Chair

Representative Alex M. Sonson Chair  
Representative Bob Nakasone, Vice-Chair

Committee on Public Safety & Military Affairs  
Committee on Labor & Public Employment:

DATE: Thursday 14, 2008  
TIME: 8:50 A.M.  
PLACE: Conference Room 309  
State Capitol

**TESTIMONY ON HOUSE BILL 2790 RELATING  
TO THE RETIREMENT; ADULT CORRECTIONS  
OFFICER; YOUTH CORRECTIONS OFFICERS**

Chairman and Members of the Joint Committee on Public Safety & Military Affairs and  
Labor & Public Employment Committee:

My name is Dayton M. Nakanelua and I am State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). UWP/AFSCME support House Bill 2790 relating to Retirement; Adult Corrections Officers and Youth Corrections Officers. This bill provides adult corrections officers and youth corrections officers with similar retirement benefits afforded other law enforcement and safety officers by allowing retirement after 25 years of credited service, unreduced for age. This measure also requires an increased percentage of contributions to ERS for hybrid plan adult corrections officers and youth corrections officers.

We believe that our adult corrections officers and youth corrections officers should be afforded the same benefits as other public safety officer. Our prisons are an essential part of our community and to maintain these facilities we need career-minded personnel. Many of the same stresses and hazards our law enforcement brothers and

sisters face our YCO and ACO face on a daily basis. In order to have excellence in personnel and performance we must maintain a fair balance of benefits. We respectfully ask this legislature to provide the same benefits other law enforcement agencies have.

UPW supports the passage of HB 2790.

LINDA LINGLE  
GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF PUBLIC SAFETY**  
919 Ala Moana Boulevard, 4th Floor  
Honolulu, Hawaii 96814

CLAYTON A. FRANK  
DIRECTOR

DAVID F. FESTERLING  
Deputy Director  
Administration

TOMMY JOHNSON  
Deputy Director  
Corrections

JAMES L. PROPOTNICK  
Deputy Director  
Law Enforcement

No. \_\_\_\_\_

TESTIMONY ON HOUSE BILL 2790  
RELATING TO ADULT CORRECTIONS OFFICERS  
AND YOUTH CORRECTIONS OFFICERS

by

Clayton A. Frank, Director  
Department of Public Safety

House Committee on Public Safety & Military Affairs  
Representative Cindy Evans, Chair  
Representative Sharon E. Har, Vice Chair

House Committee on Labor & Public Employment  
Representative Alex M. Sonson, Chair  
Representative Bob Nakasone, Vice Chair

Thursday, February 14, 2008, 8:50 a.m.  
State Capitol, Conference Room 309

Representatives Evans, Sonson, Har, Nakasone, and Members of the Committees:

The Department of Public Safety (PSD) appreciates the intent of House Bill 2790, but would like to express some concerns. PSD understands that the purpose of this bill is to provide Adult Corrections Officers and Youth Corrections Officers with similar retirement benefits that are afforded to other law enforcement and safety officers by allowing retirement after 25 years of credited service, unreduced for age. The bill also requires increased contributions to the Employees' Retirement System for hybrid plan Adult Corrections Officers and Youth Corrections Officers.

PSD is concerned as to the effect the enhanced benefit will have on unfunded liabilities facing the Employees' Retirement System. More importantly, PSD is concerned that the Adult Corrections Officers and Youth Correctional Officers may be unaware that they will be assessed increased contributions to the system as a result of this benefit, which may not make the plan economically feasible to them.

In closing, PSD respectfully requests that House Bill 2790 be held.

Thank you for allowing PSD to testify on this bill.



**TESTIMONY OF THE STATE ATTORNEY GENERAL  
TWENTY-FOURTH LEGISLATURE, 2008**

---

**ON THE FOLLOWING MEASURE:**

H.B. NO. 2790, RELATING TO ADULT CORRECTIONS OFFICERS AND YOUTH CORRECTIONS OFFICERS.

**BEFORE THE:**

HOUSE COMMITTEES ON PUBLIC SAFETY AND MILITARY AFFAIRS AND ON LABOR AND PUBLIC EMPLOYMENT

**DATE:** Thursday, February 14, 2008 **TIME:** 8:50 AM

**LOCATION:** State Capitol, Room 309  
*Deliver to: Committee Clerk, Room 313. 5 copies*

**TESTIFIER(S):** Mark J. Bennett, Attorney General  
or Diane S. Kishimoto, Deputy Attorney General

---

Chairs Evans and Sonson and Members of the Committees:

The title of this bill violates the requirement of section 14 of article III of the Hawaii Constitution that the title of a bill express a single subject. The bill's title describes two subjects: "adult corrections officers" and "youth corrections officers." It is possible a court would view it as one subject despite the conjunction.

In addition to this problem, there are technical drafting problems with the bill. The bill amends chapter 88, Hawaii Revised Statutes, to allow "adult corrections officers" and "youth corrections officers" who have twenty-five or more years of credited service and are in the so-called "noncontributory" and "hybrid" plans of the Employees' Retirement System to retire, regardless of age, without reduction of retirement benefits. "Corrections officers" is defined by section 88-21, Hawaii Revised Statutes, as "all regularly employed personnel who are designated as adult corrections officers pursuant to the classification of positions under chapter 76." Therefore, under the present definition of "corrections officers," the bill's reference to "adult corrections officer" on page 2, lines 18 and 19, page 4, line 9, and page 5, lines 21 and 22 is redundant. The bill does not, however, define

"youth corrections officer", used on page 2, line 19, page 4, lines 9 and 10, and page 5, line 22.

Because of the constitutional defect in the title of the bill, we recommend that the bill be held.

RECEIVED

HOUSE OF REPRESENTATIVES  
THE TWENTY-FOURTH LEGISLATURE  
REGULAR SESSION OF 2008

2008 FEB 11 P 7 22

COMMITTEE ON PUBLIC SAFETY & MILITARY AFFAIRS

Rep. Cindy Evans, Chair  
Rep. Sharon E. Har, Vice Chair

CLERK - AT - ARMS  
HOUSE OF  
REPRESENTATIVES

Rep. Marilyn B. Lee                      Rep. Joseph M. Souki  
Rep. Sylvia Luke                         Rep. Dwight Y. Takamine  
Rep. Angus L.K. McKelvey            Rep. Roy M. Takumi  
Rep. Bob Nakasone                     Rep. Lynn Finnegan  
Rep. Scott Y. Nishimoto               Rep. Kymberly Marcos Pine  
Rep. Alex M. Sonson

AMENDED NOTICE OF HEARING

DATE:        Thursday, February 14, 2008  
TIME:        9:15 a.m.  
PLACE:      Conference Room 309  
              State Capitol  
              415 South Beretania Street

A G E N D A

Amended to delete HB 2849

- |                |   |                         |
|----------------|---|-------------------------|
| <b>HB 2539</b> | <b>RELATING TO WORKPLACE TRAINING</b><br>Requires the department of public safety to develop a curriculum on ethnic and cultural diversity in the workplace and its implications on working with offenders and their families.  | PSM, FIN                |
| <b>HB 2530</b> | <b>RELATING TO CONTROLLED SUBSTANCES</b><br>Requires the narcotics enforcement division of the department of public safety to maintain an electronic purchase logbook for sales of pseudoephedrine and related substances. (HB2530 HD1)   | HLT, PSM, JUD           |
| <b>HB 2849</b> | <del><b>RELATING TO ALLOWANCE ON SERVICE RETIREMENT</b><br/>Makes police radio dispatchers class A members of the employees' Retirement system. Exempts Act from prohibition against benefit Enhancements, including reduction in retirement age when there is An unfunded liability established in section 88-122(e), HRS by Act 256, SLH 2007, section 3(2)</del> | <del>PSM/LAB, FIN</del> |
| <b>HB 2567</b> | <b>RELATING TO DISASTER PREPAREDNESS</b><br>Funds a study to assess the structural integrity of each hospital and nursing home facility to determine their ability to withstand hurricanes and earthquakes. (HB2567 HD1)  | HLT, PSM, FIN           |
| <b>HB 2963</b> | <b>RELATING TO NATURAL DISASTERS</b><br>Appropriate funds for structural and non-structural earthquake recovery and mitigation projects, provided that the projects include measures to ensure survivability in future disasters with a   | PSM, FIN                |



Persons wishing to offer comments should submit testimony at least 24 hours prior to the hearing with a transmittal cover indicating:

- Testifier's name with position/title and organization;
- The Committee the comments are directed to;
- The date and time of the hearing;
- Measure number; and
- The number of copies the Committee is requesting.

While every effort will be made to copy, organize, and collate all testimony received, materials received on the day of the hearing or improperly identified or directed to the incorrect office, may be distributed to the Committee after the hearing.

Submit testimony in ONE of the following ways:

PAPER: 5 copies (including an original) to Room 313 in the State Capitol; or

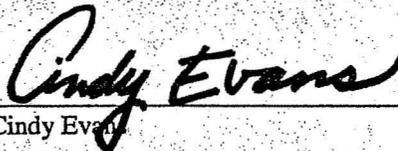
FAX: For comments less than 5 pages in length, transmit to 586-8504

EMAIL: For comments less than 5 pages in length, transmit to PSMtestimony@Capitol.hawaii.gov.

Testimony submitted will be placed on the Legislative Web site after the hearing adjourns. This public posting of testimony on the Web site should be considered when including personal information in your testimony.

If you require special assistance or auxiliary aids and/or services to participate in the House public hearing process (i.e., sign or foreign language interpreter or wheelchair accessibility), please contact the Committee Clerk at 586-6400 or email your request for an interpreter to at least 24 hours prior to the hearing for arrangements. Prompt requests submitted help to ensure the availability of qualified individuals and appropriate accommodations.

Selected meetings are broadcast live. Check the current legislative broadcast schedule on the "Capitol TV" Web site at OR call 550-8074.



Rep. Cindy Evans  
Chair

