STAND. COM. REP. NO. 668 -10

Honolulu, Hawaii FeG26, 2010

RE: H.B. No. 2429 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2429 entitled:

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

begs leave to report as follows:

The purpose of this bill is to provide the tools to address budget shortfalls, reduce the need for layoffs, and facilitate the restructuring of government by:

- (1) Authorizing the executive branch to offer a voluntary severance or a special retirement incentive benefit to state employees who elect to voluntarily separate from service when their positions are identified for abolishment or when they are directly affected by a reduction-in-force or workforce restructuring plan; and
- (2) Extending to the counties, the Department of Education, the Judiciary, the Hawaii Health Systems Corporation, the Office of Hawaiian Affairs, and the legislative branches of the state and county governments the option to provide a special retirement incentive benefit to their respective employees under a reduction-in-force or a workforce restructuring plan.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, United Public Workers, AFSCME Local 646, AFL-CIO, and a concerned individual testified in support of this bill. The

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Employees' Retirement System and Department of Budget and Finance opposed this measure. A concerned individual offered comments.

Your Committee has amended this bill by:

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- Deleting specific criteria relating to years of credited service as well as ages of employees needed to qualify for the special retirement incentive benefit;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2429, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2429, H.D. 1.

> Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO,

State of Hawaii House of Representatives The Twenty-fifth Legislature HSCR 668-10

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 2429	Committe	e Referral: B FIN	Da	te: 2/25	110
□ The committee is reconsidering its prev	ious decisior	n on the measure.			<u> </u>
The recommendation is to: A Pass, unamended (as is) Pass, with amendments (HD) U Hold					
Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)					
2. LEE, Marilyn B. (VC)			17.34158271.112 - 1	na porpagoa en activada	And an a second s
3. AQUINO, Henry J.C.		$\mathcal{L}^{\mathcal{A}}$			
4. AWANA, Karen Leinani	<u></u>	-		· · · ·	
5. BROWER, Tom					
6. CHOY, Isaac W.		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~			
7: COFFMAN, Denny		بسمع			
8. HAR, Sharon E.	1.11 PERSONAL AND A				
9. KEITH-AGARAN, Gilbert S.C.					
10. LEE, Chris	Republic of the				a an an an ann an Anna Anna Anna Anna A
11. NISHIMOTO, Scott Y.		4			
12. SAGUM, Roland D., III					
13. TOKIOKA, James Kunane 14. WOOLEY, Jessica					<u> </u>
15 VANASUITA Kylo T					
16. FINNEGAN, Lynn		tu s talif (199 6 , 1997). I			
17. WARD Gene					
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TOTAL (17)		14	1	1	
The recommendation is: Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature: Mail 3. Lee					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					