

TESTIMONY BY DAVID SHIMABUKURO
ADMINISTRATOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1904

RELATING TO GOVERNMENT

FEBRUARY 22, 2010

Chair Oshiro and Members of the Committee:

The ERS Board of Trustees supports the intent of H. B. 1904 which requires the set aside from general excise tax revenues of an amount equivalent to the State's annual employer contribution to amortize the ERS' \$6.2 billion unfunded actuarial accrued liability.

We would be happy to work with your Committee on any technical changes to carryout the purpose of this Bill.

Thank you for the opportunity to testify on this measure.

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1904

February 22, 2010

RELATING TO GOVERNMENT

House Bill No. 1904 sets aside from the general excise tax revenues an amount necessary to amortize the unfunded accrued liability for State employees during a fiscal year and deposits the funds into a separate account in the general fund starting on July 1, 2011.

We do not believe that this bill is necessary as amortization of the unfunded accrued liability for State employees is already included in the assessment rate for the Employees' Retirement System pursuant to Section 88-122, Hawaii Revised Statutes. Section 88-122 provides for a process to systematically review contribution requirements to ensure that the unfunded accrued liability can be repaid within the 30-year period specified by the Governmental Accounting Standards Board.