STAND. COM. REP. NO. 777

Honolulu, Hawaii Mark 8, 2011

RE: H.B. No. 174 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 174 entitled:

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

begs leave to report as follows:

The purpose of this bill is to improve the representation on the Board of Trustees of the Employees' Retirement System (ERS Board) by increasing the ERS Board membership from eight members to ten members, to include:

- (1) An additional member who is a general employee; and
- (2) A member who is appointed by unanimous agreement of the county mayors and approved by the Hawaii State Association of Counties (HSAC), subject to the advice and consent of the Senate in the same manner as trustees who are appointed by the governor.

The City and County of Honolulu Departments of Budget and Fiscal Services and Human Resources, HSAC, and the HSAC Treasurer testified in support of this bill. The ERS Board opposed this measure. The Department of Budget and Finance commented on this measure.



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Your Committee has amended this bill by:

- Requiring the counties to be responsible for all necessary expenses, including travel, board, and lodging expenses, and any other costs, incurred in the performance of the member of the counties' duties;
- (2) Changing its effective date to July 1, 2030, to encourage continued discussion; and
- (3) Making a technical, nonsubstantive amendment for clarity and consistency.

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. 174, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 174, H.D. 1.

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

MARCUS R. OSHIRO, Chair



State of Hawaii House of Representatives The Twenty-sixth Legislature

HSCR 111

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date	: /	/
HB 174	LAB, FIN		2/281	11
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) 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)				
3. CHONG, Pono				
4. CHOY, Isaac W.				
5. COFFMAN, Denny	<i>L</i>			
6. CULLEN, Ty	~			
7. HAR, Sharon E.				
8. HASHEM, Mark J.	V			
9. ICHIYAMA, Linda				
10. JORDAN, Jo				
11. LEE, Chris				
12. MORIKAWA, Dee	V			
13. TOKIOKA, James Kunane	V			
14. YAMASHITA, Kyle T.				
15. MARUMOTO, Barbara C.	V			· ·
16. RIVIERE, Gil			· <u> </u>	
17. WARD, Gene			-	
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TOTAL (17)	17	0	0	0
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Maily B. Lee				
Distribution: Original (White) Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) HMSO				