STAND. COM. REP. NO. 2209

Honolulu, Hawaii

FEB 1 5 2012

RE: S.B. No. 2751

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 2751 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the statutory requirements for the Board of Trustees of the Employees' Retirement System to require one of the non-employee board members to possess substantial experience in finance rather than be a bank officer.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Employees' Retirement System, and the Department of Budget & Fiscal Services of the City and County of Honolulu.

Your Committee finds that as the size and corpus of the Employees' Retirement System increases, so does the need for experienced trustees with desirable credentials in order to manage the system. The Board of Trustees has become more involved in the nature and substance of its investments as a means to garner the best possible return for beneficiaries while safeguarding the corpus to ensure long-term viability of the system. As such, this measure requires that one of the three non-employee members of the Board of Trustees to possess substantial experience in finance in order to be more contemporary with the requirements of managing a multi-billion dollar trust.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Judiciary and Labor,

CLAYTON HEE, Chair

The Senate Twenty-Sixth Legislature State of Hawaiʻi

Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No.:* SB215 \	Committee		Dat	e: 2/8/	10
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)					
SHIMABUKURO, Maile (VC)			· 2 2		
GABBARD, Mike					
IHARA, Jr., Les		<u> </u>			
SLOM, Sam					
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TOTAL		7		<u> </u>	
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
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Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes