

STAND. COM. REP. NO. 3024

Honolulu, Hawaii

MAR 23 2016

RE: H.B. No. 2445
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 2445, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,"

begs leave to report as follows:

The purpose and intent of this measure is to ensure that a public employee whose position is privatized by an action of the State or a county remains eligible for continued participation in the pension benefits provided by the Employees' Retirement System.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; United Public Workers, AFSCME, Local 646, AFL-CIO; and ten individuals. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance and Employees' Retirement System's Board of Trustees. Your Committee received comments on this measure from the Department of Budget and Fiscal Services, City and County of Honolulu.

Your Committee finds that public employees who are displaced through privatization or the closure of a state or county facility may face excessive economic hardship. Displaced employees may have only a few years of creditable service toward retirement or be close to retirement but still need additional years of service. Implementation of this measure addresses the complexity of



displaced employees who are at different life stages and will decrease economic hardship associated with layoffs.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee heard testimony that there may be other states that have implemented similar programs to address pension benefits and public employees whose positions are privatized by an action of the State or a county. Your Committee requests that your Committee on Ways and Means further examine how other states may have addressed the issue if it considers this measure for passage.

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 H.B. No. 2445, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2445, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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


GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 2445 HD1	Committee Referral: JDL, WAM	Date: 3/16/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)				/
GABBARD, Mike	/			
KAHELE, Kaiali'i	/			
KIM, Donna Mercado	/			
THIELEN, Laura H.	/			
SLOM, Sam			/	
TOTAL	5		1	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> Distribution: Original File with Committee Report </div> <div style="text-align: center;"> Yellow Clerk's Office </div> <div style="text-align: center;"> Pink Drafting Agency </div> <div style="text-align: center;"> Goldenrod Committee File Copy </div> </div>				

*Only one measure per Record of Votes