



## LATE TESTIMONY

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### TESTIMONY BEFORE THE SENATE COMMITTEE ON JUDICIARY AND LABOR

RE: HB 2006 - RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

TUESDAY, MARCH 22, 2016

COREY ROSENLEE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

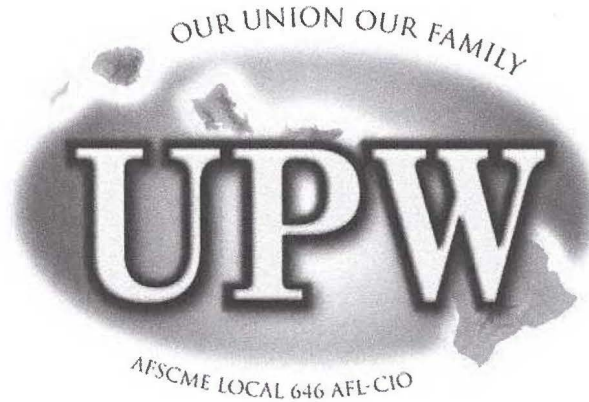
Chair Keith-Agaran and Members of the Committee:

The Hawaii State Teachers Association **opposes HB 2006, HD1**, relating to employees' retirement system.

The primary purpose of this bill is to reduce benefits for judges who first earn credited service or were appointed or reappointed after July 1, 2016. We strongly oppose the reduction of accrued benefits for all public employees. We are especially concerned about diminishing benefits for current judges, which would set a dangerous precedent for our state. Accrued benefits are not gifted. They are earned over time. Cutting retirement benefits for *any currently employed* public employee telegraphs the message that such benefits are no longer promised, but are subject to the fiscal whim of future legislatures.

While we understand the need to better account for our state's unfunded liability, we note that Hawai'i is in the midst of relative financial prosperity. In January, the Hawaii Council on Revenues upped the state's general fund revenue forecast for FY2016 from a growth rate of 6 percent to 6.7 percent, translating into about \$40 million in additional funding. Moreover, the state recently received an unexpected \$170 million in federal Medicaid reimbursements. We urge you to use part of this revenue to shore up retirement benefits and pay down the unfunded liability, rather than trimming benefits for state workers.

In solidarity with our public service colleagues, the Hawaii State Teachers Association asks your committee to **oppose** this bill.



THE HAWAII STATE SENATE  
The Twenty-Eighth Legislature  
Regular Session of 2016

COMMITTEE ON JUDICIARY AND LABOR

The Honorable Gilbert S.C. Keith-Agaran, Chair  
The Honorable Maile S.L. Shimabukuro, Vice Chair

DATE OF HEARING: Tuesday, March 22, 2016  
TIME OF HEARING: 9:00 a.m.  
PLACE OF HEARING: State Capitol, 415 South Beretania Street  
Conference Room 016

**TESTIMONY ON HB2006, HD1 RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM**

By DAYTON M. NAKANELUA,  
State Director of the United Public Workers (UPW),  
AFSCME Local 646, AFL-CIO

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, and AFL-CIO. The UPW is the exclusive bargaining representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector

HB2006, HD1 amends the ERS membership classification of public employees serving as judges on or after July 1, 2016 and make them hybrid members from the current contributory system. The bill also proposes to reduce the benefit multiplier from 3% to 2% for a member who first earned credited services as a judge after June 30, 2016, for each year of credited service as a judge. We believe that this reclassification contravenes Article XVI of the Hawaii State Constitution which prohibits the diminishing or impairment of accrued benefits.

For these reasons, the UPW strongly opposes HB2006, HD1.

We appreciate the opportunity to submit this testimony.

## LATE TESTIMONY

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** JDLTestimony  
**Cc:** [REDACTED]  
**Subject:** Submitted testimony for HB2006 on Mar 22, 2016 09:00AM  
**Date:** Tuesday, March 22, 2016 7:01:49 AM

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### **HB2006**

Submitted on: 3/22/2016

Testimony for JDL on Mar 22, 2016 09:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Bob Dukat	Individual	Support	No

Comments: The unfunded liabilities are increasing. This measure would slow sown the increase. Thank you.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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