DAVID Y. IGE GOVERNOR



THOMAS WILLIAMS EXECUTIVE DIRECTOR

KANOE MARGOL DEPUTY EXECUTIVE DIRECTOR

STATE OF HAWAII EMPLOYEES' RETIREMENT SYSTEM

TESTIMONY BY THOMAS WILLIAMS EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM STATE OF HAWAII

TO THE HOUSE COMMITTEE ON FINANCE ON

SENATE BILL NO. 2077, S.D. 1, H.D. 1

APRIL 1, 2016, 1:00 P.M.

RELATING TO SEPARATION BENEFITS

Chair Luke, Vice Chair Nishimoto and Members of the Committee,

S.B. 2077, S.D. 1, H.D.1 authorizes the State executive branch and other jurisdictions to offer a voluntary severance or special retirement benefit to its employees who elect to separate from service when their positions are identified for abolishment, affected by reductions-in-force or workforce restructuring, including privatization.

The Board of Trustees of the Employees' Retirement System (ERS) has not yet taken a formal position on the "special retirement benefit" offered by this proposal. However, the ERS Board has been unwavering in its position that any benefit provided must include the funding necessary to cover its cost and/or amortize the cost of the benefit over time thereby avoiding any increase in the plan's unfunded liability.

The loss to the ERS of ongoing employer and employee contributions as envisioned by Act 103, SLH 2015, even absent of other special provisions, is forecast to increase the plan's unfunded liability substantially. This increase in the unfunded liability may result in higher contribution requirements or the maintenance of existing contributions for a longer period of time.

The ERS staff has the following technical comments and concerns regarding Section 2 of S.B. 2077 S.D. 1, H.D. 1:



Employees' Retirement System of the State of Hawaii

City Financial Tower • 201 Merchant Street, Suite 1400 • Honolulu, Hawaii 96813-2980 Telephone (808) 586-1735 • Fax (808) 586-1677 • http://ers.ehawaii.gov

- 1. A preliminary review of the special retirement benefits provided by S.B. 2077, S.D. 1, H.D. 1, by the ERS actuary determines that the actuarial cost of these enhancements would be approximately \$11.2 million. The ERS would expect to see a decrease in its unfunded actuarial accrued liability (UAAL) of approximately \$35 million due to the termination of the impacted employees. However, the expected impact on ERS funding due to the loss of payroll for the employees and the employer will be significantly greater. With the loss of approximately \$100 million in covered payroll, the ERS will receive \$11 to \$15 million less in contributions in fiscal year 2017 towards the payment of its UAAL. The present value of these lost future contributions over the next 26 years is approximately \$213 million. In order to make the ERS whole, the contribution rates for the remaining employers would need to increase by an additional .39 percent.
- 2. This bill should be revised to make it clear that any retirement provisions would only be applicable to employees affected by Act 103, Session Laws of Hawaii 2015.
- 3. §___-3 uses the term "vested member of the employees' retirement system." There is no such term in chapter 88. This term should be defined in the bill. For example: "A member of the employees' retirement system of the State of Hawaii who has sufficient credited service to be eligible to receive the service retirement benefit in effect under section 88-74, 88-282, or 88-332, upon becoming eligible under section 88-73, 88-281, or 88-331, respectively, to receive a retirement allowance." (ERS staff would like to clarify that under this definition these terminated members would eventually have been eligible to receive a retirement allowance when the members reach the statutory retirement age without the special retirement allowance.)
- 4. §_-3, subsection (c): This subsection of special retirement benefit qualification criteria does not take into account the different "tiers" within each class of ERS members. Class A and H members who become members prior to July 1, 2012 have different retirement requirements and retirement benefits than Class A and H members who become members after June 30, 2012. For example, pre-7/1/2012 class A members with sufficient years of credited service can retire at 55. The respective retirement age for post-6/30/2012 members is 60. A post-6/30/2012 class A member would get a bigger "break" (qualifying 10 years earlier) than pre-7/1/2012 class A member if the early retirement age for both members is 50.

If the intent of this bill is to provide equivalent early (within 5 years of normal eligibility) retirement benefits for members of each class and tier, the retirement criteria must be addressed to each affected group specifically. Please refer to the attached suggested revisions to §____-3 subsection (c).

On behalf of the Board of Trustees and staff of ERS we wish to thank you for the opportunity to testify.

S.B. 2077, S.D. 1, H.D. 1. (Special retirement benefit requirements suggested amendment.)

§ -3 Special retirement benefit.

"(c) Notwithstanding the age and length of service requirements of sections 88-73, 88-281, and 88-331, an employee member shall qualify for the special retirement benefit if, on the employee's retirement date, the employee meets one of the following criteria:

- Has at least 5 years of credited service as a contributory class A or B member and is at least fifty years of age;
- (2) Has at least 25 years of service as a contributory class A or B member irrespective of age;
- (3) Has at least 10 years of service as a noncontributory class C member and is at least fifty-seven years of age;
- (4) Has at least 30 years as a noncontributory class C member and is at least fifty years of age;
- (5) A class H member who became a member prior to July 1, 2012, has at least 5 years of service and is at least fifty-seven years of age;

- (6) A class H member who became a member prior to July 1, 2012, has at least 30 years of service and is at least fifty years of age;
- (7) A class H member who became a member after June 30, 2012, has at least 10 years of service and is at least sixty years of age;
- (8) A class H member who became a member after June 30, 2012, has at least 30 years of service and is at least fifty-five years of age;"

DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND OFFICE OF THE PUBLIC DEFENDER



WESLEY K. MACHIDA DIRECTOR

RODERICK K. BECKER DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150 HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE HOUSE COMMITTEE ON FINANCE ON SENATE BILL NO. 2077, S.D. 1, H.D. 1

> April 1, 2016 1:00 p.m.

RELATING TO SEPARATION BENEFITS

Senate Bill No. 2077, S.D. 1, H.D. 1, authorizes public employees facing position abolishment, reduction-in-force (RIF), or workforce restructuring to opt to receive either severance benefits or a special retirement benefit in lieu of exercising any RIF rights; and requires the State, through the Department of Budget and Finance (B&F), to pay a monthly contribution for employees separated from service as a result of Act 103, SLH 2015. This measure will sunset on July 1, 2018.

B&F strongly opposes this bill.

First, based on the provisions of this measure, the cost could be significant as all affected employees would qualify (in the case of the Hawaii Health Systems Corporation's Maui Region Health Systems transitioning to Maui Health Systems) for the severance benefit or special retirement benefit. The provisions of the bill appear to be an overly broad approach to address a situation where only a limited number of the estimated 1,479 affected employees may not be re-employed by Maui Health Systems. A more cost effective solution may be looking at inter-jurisdictional employment agreements to address those who may not retain employment with Maui Health Systems.

A second concern is that previous RIFs were implemented without offering employees severance packages or retirement benefit enhancements. The provisions of this bill will establish a bad precedent for separation benefits for any future RIF.

Third, the cost of paying for severance benefits or special retirement benefits nullifies the intent of a RIF, which is to reduce the size and cost of government. While the voluntary severance package would only be a one-time cost, retirement benefit enhancements have a long-term cost to the State and result in a higher unfunded actuarial accrued liability (UAAL) for the Employees' Retirement System (ERS). Although the special retirement benefits are exempt from Section 88-99 and the bill requires that the State pay the ERS the additional actuarial present value of the benefit enhancements over a period of five years, the benefit enhancement is counter to the purpose of Section 88-99, Hawaii Revised Statutes, which places a moratorium on benefit enhancements until such time as the actuarial value of the ERS' assets is 100% of the ERS' UAAL. Each exception from Section 88-99 increases the ERS' UAAL and affects the efficacy of the moratorium.

-2-



The Hawaii State House of Representatives The Twenty-Eighth Legislature Regular Session of 2016

<u>COMMITTEE ON FINANCE</u> Representative Sylvia J. Luke, Chair Representative Scott Y. Nishimoto, Vice Chair

DATE OF HEARING: Friday, April 1, 2016 TIME OF HEARING: 1:00 p.m. PLACE OF HEARING: Conference Room 308

TESTIMONY ON SB2077, SD1, HD1 RELATING TO SEPARATION BENEFITS

By Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO

My name is Dayton M. Nakanelua, state director of the United Public Workers, AFSCME, Local 646, and AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 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 in the private sector.

SB2077 SD1, HD1 authorizes the state executive branch to offer a severance benefit or a special retirement benefit to its employees who elect to separate from service when their positions are identified for abolishment or when they are directly affected by a reduction in force or workforce restructuring plan including privatization. The UPW supports this measure in so far as it applies to only affected employees of the Hawaii Health Systems Corporation Maui Region.

Thank you for opportunity to submit this testimomony.

From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 10:45 AM
То:	FINTestimony
Cc:	juza@hgea.org
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Uza	Hawaii Government Employees Association	Support	No

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 10:24 AM
То:	FINTestimony
Cc:	bodret@hgea.org
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Paul T Matsuo	HGEA Retirees Unit	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 10:51 AM
То:	FINTestimony
Cc:	ftaele83@gmail.com
Subject:	Submitted testimony for SB2077 on Apr 1, 2016 13:00PM

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Francis Taele	PSD-Kulani (Hawaii) Unit 13	Support	No

Comments: As steward for HGEA Unit 13 PSD-Kulani Correctional Facility, I (and on behalf of the professional men and women) strongly support SB 2077!

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

From:	mailinglist@capitol.hawaii.gov
Sent:	Wednesday, March 30, 2016 7:24 PM
То:	FINTestimony
Cc:	mayd005@hawaii.rr.com
Subject:	Submitted testimony for SB2077 on Apr 1, 2016 13:00PM

Submitted on: 3/30/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David May	Individual	Support	No

Comments: To all our lawmakers and representatives, This bill is crucial to the on going lives of many on Maui that are seeing our jobs abolished and eliminated. The State had promised retirement at the time of employment, and now with the State's decision to withdraw from providing health care it's residents. it must endure the commitment it made in the beginning. The commitment to provide the end compensation should not be disregarded as the State has failed to be profitable to meet the once promised long range goals. We need your support to keep this promise alive. Health care is a commitment by all of us in the Maui region and now as a private entity enters, we need to see that a once promised future can be a reality.

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 10:27 AM
То:	FINTestimony
Cc:	csluyter@hgea.org
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Sluyter	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 10:28 AM
То:	FINTestimony
Cc:	championhome@hotmail.com
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Arnold Abe	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 10:34 AM
То:	FINTestimony
Cc:	rhartsell@hgea.org
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Rick	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 10:31 AM
То:	FINTestimony
Cc:	suzy.okino@gmail.com
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Suzy Okino	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 11:08 AM
То:	FINTestimony
Cc:	jlam572@yahoo.com
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Lam	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 12:07 PM
То:	FINTestimony
Cc:	mauilady3@gmail.com
Subject:	Submitted testimony for SB2077 on Apr 1, 2016 13:00PM

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Mary D Wagner	Individual	Support	No

Comments: Maui HHSC Employees deserve separation incentives and special retirement benefits as the privatization of their jobs occurred at the hands of the state government and through no faults of their action or work performance. Your passage of this measure is highly appreciated.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 1:32 PM
То:	FINTestimony
Cc:	ikang1960@gmail.com
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
isabel kang	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 1:23 PM
То:	FINTestimony
Cc:	khirayama@hgea.org
Subject:	Submitted testimony for SB2077 on Apr 1, 2016 13:00PM

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Hirayama	Individual	Support	No

Comments: I have Strong support for this Bill. Mahalo..Kevin Hirayama

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 1:57 PM
То:	FINTestimony
Cc:	juliaok@gmail.com
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Julia Sanchez	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 3:35 PM
То:	FINTestimony
Cc:	diane.nakashima@gmail.com
Subject:	Submitted testimony for SB2077 on Apr 1, 2016 13:00PM

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Nakashima	Individual	Support	No

Comments: Aloha, I support this bill to help HHSC Maui Region employees in separation incentives and special retirement benefits.

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 3:42 PM
То:	FINTestimony
Cc:	008jlk@gmail.com
Subject:	Submitted testimony for SB2077 on Apr 1, 2016 13:00PM

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
J	Individual	Support	No

Comments: This is the LEAST that can be done for the employees of the HHSC Maui region who have been SOLD OUT! Worst example of mismanagement by this state yet. The stress and distraction caused to the many many healthcare providers prior to the decision to privatize now pales in comparison to the agonizing decisions those same healthcare providers now face while deciding as to whether to disrupt lives and entire families by moving or having to give up many years of service to the state of Hawaii and the coressponding security expected in retirement.

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 3:41 PM
То:	FINTestimony
Cc:	dj.schwind@co.maui.hi.us
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
DJ	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Friday, April 01, 2016 10:15 AM
To:	FINTestimony
Cc:	mbnothnagel@hhsc.org
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*



Submitted on: 4/1/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing	
Miriam Bertram-Nothnagel	Individual	Support	No	

Comments:

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.

From:	mailinglist@capitol.hawaii.gov
Sent:	Friday, April 01, 2016 10:10 AM
To:	FINTestimony
Cc:	zsamante@hhsc.org
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*



Submitted on: 4/1/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Zelda Samante	Individual	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 5:07 PM
To:	FINTestimony
Cc:	tamurar007@gmail.com
Subject:	*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*



Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Su	Ibmitted By	Organization	Testifier Position	Present at Hearing
Ro	bert Tamura	Individual	Support	No

Comments:

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TESTIMONY BY Joshua Capp Employed by the Department of Human Services, State of Hawai'i HGEA Member

TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT AND THE HOUSE COMMITTEE ON FINANCE ON SENATE BILL NO. 2077 SD1 HD1 APRIL 1, 2016, 1:00PM

RELATING TO SEPARATION BENEFITS

My name is Joshua Capp, I am a State of Hawai'i employee and a member of the Hawai'i Government Employees Association. I write in strong support of Senate Bill 2077 SD1 HD1, as the employees at the Maui Memorial Hospital, Kula Hospital, and Lanai Hospital have been caught in the privatization of public services and now have their retirement security threatened.

The career plans of so many employees, who have given their entire professional lives to public service, find themselves wondering if they will be able to collect on the promises made to them and in which they have contributed financially towards since day one.

These public employees have never turned their backs on our communities and we should not turn our backs on them. We should stand beside them and thank them for all they have done for us for their entire career. I ask for your support for working families across Hawai'i and for Senate Bill 2077 SD1 HD1.

Thank you. Joshua Capp

From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 5:27 PM
To:	FINTestimony
Cc:	xhaled2000@hotmail.com
Subject:	Submitted testimony for SB2077 on Apr 1, 2016 13:00PM



Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Debra Kaiwi	Individual	Support	Yes

Comments: I STRONGLY support this bill.

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From:mailinglist@capitol.hawaii.govSent:Thursday, March 31, 2016 9:28 PMTo:FINTestimonyCc:werners002@hawaii.rr.comSubject:Submitted testimony for SB2077 on Apr 1, 2016 13:00PM

SB2077

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Werner	Individual	Support	No

Comments: To the members of the finance committee, I wish to voice my support for S.B. 2077 that will help employees of the HHSC who may be losing their jobs or facing early retirement through no fault of their own. The legislature helped to create the situation in which they find themselves, and the legislature can help to make the employees' transition less devastating. HHSC employees are every bit as deserving of your support as the workers from HC&S. So please vote to pass SB 2077. Thank you, Susan Werner Haiku, Maui

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From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 31, 2016 9:27 PM
To:	FINTestimony
Cc:	leonakirk@hawaiiantel.net
Subject:	Submitted testimony for SB2077 on Apr 1, 2016 13:00PM

SB2077

Submitted on: 3/31/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
kirk yagi	Individual	Support	No

Comments: SB2077 will assist soon to be terminated employees of MMMC in adjusting to the abolishment of their jobs and the dramatic change of future plans regarding their positioning within the State System pertaining to retirement and vesting situations. It also returns some of the trust loss between legislators and their constituants who viewed themselves as forgotten and tossed aside as everyone attempted to pass the glorified privatization bill. Please support SB2077. It is after all the right thing to do.

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From: mailinglist@capitol.hawaii.gov Friday, April 01, 2016 7:31 AM **FINTestimony** suekaulukukui@yahoo.com *Submitted testimony for SB2077 on Apr 1, 2016 13:00PM* Subject:

SB2077

Sent:

To:

Cc:

Submitted on: 4/1/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Suzanne Kaulukukui	Individual	Support	No

Comments:

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SB2077

Submitted on: 4/1/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Shelly Ogata	Individual	Support	No

Comments: I am in strong support of SB 2077 relating to separation incentives and special retirement benefits for the HHSC Maui Region employees.

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HAWAII GOVERNMENT EMPLOYEES ASSOCIATION AFSCME Local 152, AFL-CIO



RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Eighth Legislature, State of Hawaii House of Representatives Committee on Finance

Testimony by Hawaii Government Employees Association

April 1, 2016

S.B. 2077, S.D. 1, H.D. 1 – RELATING TO SEPARATION BENEFITS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 2077, S.D. 1, H.D. 1. Under this bill, employees whose positions are privatized by an action of state or county government will become eligible for a voluntary severance payment or a special retirement benefit.

This legislation is similar to the separation incentive program that previously existed in Hawaii Revised Statutes. As drafted, S.B. 2077, S.D. 1, H.D. 1 offers employees two basic options: a severance payment or special retirement benefits. Within the Hawaii Health Systems Corporation Maui Region privatization there are employees at different life stages and this bill addresses that complexity. Employees with only a few years of creditable service with the HHSC may opt for a severance payment, or for those who have more years of service, but need additional years before they can retire, there is a special retirement benefit to meet that important need. Without such assistance, employees may face economic hardship that will be permanent through no fault of their own. We cannot allow that to occur.

Thank you for the opportunity to testify in support of S.B. 2077, S.D. 1, H.D. 1.

ctfully **sy**bmitted.

Randy Perreira Executive Director



From: mailinglist@capitol.hawaii.gov Sent: Friday, April 01, 2016 8:26 AM **FINTestimony** bswasy@gmail.com *Submitted testimony for SB2077 on Apr 1, 2016 13:00PM* Subject:

SB2077

To:

Cc:

Submitted on: 4/1/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Brad D Swasy	Individual	Support	No

Comments:

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.



From:mailinglist@capitol.hawaii.govSent:Friday, April 01, 2016 8:39 AMTo:FINTestimonyCc:calee@hhsc.orgSubject:*Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

<u>SB2077</u>

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Submitted By	Organization	Testifier Position	Present at Hearing
Calvin Lee	Individual	Support	No

Comments:

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From: Sent: To: Cc: Subject: mailinglist@capitol.hawaii.gov Friday, April 01, 2016 11:10 AM FINTestimony pcrozier@hhsc.org *Submitted testimony for SB2077 on Apr 1, 2016 13:00PM*

<u>SB2077</u>

Submitted on: 4/1/2016 Testimony for FIN on Apr 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
P. Robyn Crozier	Individual	Support	No

Comments:

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.