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Honolulu, Hawaii

February 16 , 2017

RE: H.B. No. 1065 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1065 entitled:

"A BILL FOR AN ACT RELATING TO ACTUARIAL COSTS OF SEPARATION OF PUBLIC EMPLOYEES FROM SERVICE,"

begs leave to report as follows:

The purpose of this measure is to require employers who separate a significant number of employees from public service to pay the Employees' Retirement System any actuarial loss incurred due to the separation.

The Board of Trustees of the Employees' Retirement System testified in support of this measure. The Hawaii Health Systems Corporation testified in opposition.

Your Committee finds that this measure assists the Legislature in assessing the impact and costs associated with privatizing public services.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

HB1065 HD1 HSCR LAB HMS 2017-2078

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1065, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

AARON LINE TOHANSON, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 1665	Committee Referral:		Date: 09 FEB17		
☐ 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)					
LAB Members	Ayes	Ayes (WR)	Nays	Excused	
1. JOHANSON, Aaron Ling (C)					
2. HOLT, Daniel (VC)					
3. KEOHOKALOLE, Jarrett					
5. KEOHOKALOLE, Jarrett					
4. NAKASHIMA, Mark M.					
5. TAKUMI, Roy M.	1				
6. YAMASHITA, Kyle T.					
7. MATSUMOTO, Lauren Kealoh	iloni		Note the Color of American and the Color of		
7. MATSUMOTO, Lauren Kealon	mam V				
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TOTAL (7)		D		0	
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					