

### The Judiciary, State of Hawai'i

### Testimony to the Twenty-Ninth State Legislature, 2017 Session

House Committee on Finance Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice-Chair

Tuesday, April 4, 2017, 2:00 p.m. (Agenda #3) State Capitol, Conference Room 308

by Rodney A. Maile Administrative Director of the Courts

Bill No. and Title: Senate Bill No. 249, SD2, HD1, Relating to Retirement.

**Purpose:** Senate Bill No. 249, SD2, HD1 proposes to amend the provisions of chapter 88, Hawai'i Revised Statutes, to reduce the service retirement allowance for credited service as a judge.

### **Judiciary's Position:**

The Judiciary respectfully opposes Senate Bill No. 249, SD 2, HD1 because, for the second time in five years, it reduces pension benefits for judges, specifically the retirement allowance. (The retirement allowance was reduced from 3.5% to 3.0% under Act 163, Sessions Laws of Hawaii 2011, for judges appointed after June 30, 2012; this bill proposes another reduction from 3.0% to 2.0% for judicial appointments after a yet-undetermined date.)

Unlike Act 163, which created a new benefit structure and impacted all new members with Employees Retirement System (ERS) membership status after June 30, 2012, Senate Bill No. 249, SD2, HD1 would impact <u>only</u> judges.

In testimony on the original measure before the Senate Committee on Judiciary and Labor, the Employees' Retirement System stated: "Creating this new 'tier' of benefits and requirements for a relatively small segment of the total ERS membership will require computer and administrative modifications and counseling resource costs which, from a business perspective, the ERS believes may be disproportionate to the small number of members affected by this legislation."

Testimony to House Committee on Finance SB249, SD2, HD1, Relating to Retirement Tuesday, April 4, 2017, 2:00 p.m. (Agenda #3) Page 2

Further, although SB 249, SD2 would only affect individuals who become judges after June 30, 2017, HD1 changed that date to 2050. Thus, it is unclear exactly <u>who</u> the bill is intended to affect. If this bill were amended to apply to current judges, we are not aware of any other situation in recent memory in which current employees have had their retirement benefits reduced in this manner. Such reduction would be contrary to the reasonable expectations those employees had when they began working for the state, and could have significant unintended consequences.

Even if the bill has only prospective effect, as in SD2, it will negatively impact the Judiciary's ability to attract the most qualified individuals as judges.

If contributory plan members with ERS membership status before July 1, 2012 choose not to become judges after the determined cutoff date, i.e., they choose to stay in the contributory plan as general employees, they would already earn the same 2.0% retirement allowance and have less stringent vesting requirements of age 55 with 5 years of service. The proposed 2.0% retirement allowance for judges appointed after June 30, 2017, along with the more stringent vesting requirements of age 60 with 10 years of service, comparatively diminishes the attractiveness of a judgeship. The impact is significant to existing ERS members who may consider seeking a judgeship, such as prosecutors, public defenders, deputy attorneys general, and elected officials.

Maintaining a competitive retirement package for judges is reasonable and necessary to attract experienced public and private sector attorneys to serve as judges. Many experienced attorneys who might apply for judgeships seriously consider that as a judge they would be statutorily precluded from using their legal training to supplement their income, i.e., they must leave their prominent law practices, and that they would be subject to mandatory retirement from the bench at age 70.

At the 1978 Constitutional Convention, the Judiciary Committee declared that "[t]he public should not be deprived of having the most qualified candidate for judicial appointment." The proposed diminishment of retirement benefits could lessen the likelihood that the most qualified would apply, and in turn could deprive our community of the opportunity to have the most qualified serve as judges.

For reasons stated in our testimony, the Judiciary respectfully opposes Senate Bill No. 249, SD2, HD1.

Thank you for the opportunity to provide testimony on Senate Bill No. 249, SD2, HD1.

DAVID Y. IGE GOVERNOR



THOMAS WILLIAMS EXECUTIVE DIRECTOR

KANOE MARGOL DEPUTY EXECUTIVE DIRECTOR

#### STATE OF HAWAII EMPLOYEES' RETIREMENT SYSTEM

### WRITTEN ONLY

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

TO THE HOUSE COMMITTEE ON FINANCE ON

### SENATE BILL NO. 249, S.D. 2, H.D. 1

APRIL 4, 2017, 2:00 P.M. Room 308

### RELATING TO RETIREMENT

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

S.B. 249, S.D. 2, H.D. 1 would reduce the retirement benefits for judges who first earn credited service as a judge after June 30, 2017, by amending Section 88-74, Hawaii Revised Statutes.

The Employees' Retirement System (ERS) Board of Trustees has concerns regarding the current draft of this legislation as it is administratively inconsistent with other benefit provision subsections in Section 88-74. We appreciate the efforts of the House Committee on Labor and Public Employment by accepting most of our proposed language. However, to comprehensively include all aspects of changes to judges' benefits, including excess contribution refunds for their 75% limitation of benefits and the specifics of bifurcated benefit calculations, we recommend the complete language of attached revision.

On behalf of the Board of Trustees, thank you for the opportunity to testify.



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 Date: April 4, 2017

To: The House Committee on Finance

From: Employees' Retirement System of the State of Hawaii

Re: Proposed Amendment to S.B. 249, S.D. 2, H.D. 1 Section 1, Subsection 2

### ERS proposes the following amendments to S.B. 249, S.D. 2, H.D. 1:

2. By amending subsections (g) and (h) to read:

"(g) If a member, who becomes a member after June 30, 2012, has credited service as a judge[<del>,</del>]:

(1) For a member who first earned credited service as a judge prior to July 1, 2017, the member's retirement allowance shall be computed on the following basis:

- [(1)] (A) For each year of credited service as a judge, three per cent of the member's average final compensation in addition to an annuity that is the actuarial equivalent of the member's accumulated contributions allocable to the period of service. If the member has not attained age sixty, the member's retirement allowance shall be computed as though the member had attained age sixty, reduced for age as provided in subsection (i);
- [(2)] (B) For a judge with other credited service, as provided in subsection (f). If the member has not attained age sixty, the member's retirement allowance shall be computed as though the member had attained age sixty, reduced for age as provided in subsection (i); and
- [(3)] (C) For a judge with credited service as an elective officer or as a legislative officer, as provided in subsection (h)[-]; and

(2) For a member who first earned credited service as a judge after June 30, 2017, the member's retirement allowance shall be computed on the following basis:

- (A) For each year of credited services as a judge, two per cent of the member's average final compensation in addition to an annuity that is the actuarial equivalent of the member's accumulated contributions allocable to the period of service. If the member has not attained age sixty, the member's retirement allowance shall be computed as though the member had attained age sixty, reduced for age as provided in subsection (i).
- (B) For a judge with other credited service, as provided in subsection (f). If the member has not attained age sixty, the member's retirement allowance shall be computed as though the member had attained age sixty, reduced for age as provided in subsection (i); and
- (C) For a judge with credited service as an elective officer or as a legislative officer, as provided in subsection (h).

No allowance shall exceed seventy-five per cent of the member's average final compensation. If the allowance exceeds this limit, it shall be adjusted by reducing the annuity included in paragraphs [(1)] (1)(A) and (2)(A) and the portion of the accumulated contributions specified in paragraphs [(1)] (1)(A) and (2)(A) in excess of the requirements of the reduced annuity shall be returned to the member upon the member's retirement or paid to the member's designated beneficiary upon the member's death while in service or while on authorized leave without pay. The allowance for judges under this subsection, together with the retirement allowance provided by the federal government for similar service, shall in no case exceed seventy-five per cent of the member's average final compensation.

(h) If a member, who becomes a member after June 30, 2012, has credited service as an elective officer or as a legislative officer, the member's retirement allowance shall be derived by adding the allowances computed separately under paragraphs (1), (2), (3), [and] (4), and (5) as follows:

Irrespective of age, for each year of credited service as an elective officer, three per cent of the member's average final compensation as computed under section 88-81(f)(1), in addition to an annuity that is the actuarial equivalent of the member's accumulated contributions allocable to the period of service;

- (2) Irrespective of age, for each year of credited service as a legislative officer, three per cent of the member's average final compensation as computed under section 88-81(f)(2), in addition to an annuity that is the actuarial equivalent of the member's accumulated contributions allocable to the period of service;
- (3) For a member who first earned credited service as a judge prior to July 1, 2017, for each year of credited service as a judge, three per cent of the member's average final compensation as computed under section 88-81(f)(3), in addition to an annuity that is the actuarial equivalent of the member's accumulated contributions allocable to the period of service. If the member has not attained age sixty, the member's retirement allowance shall be computed as though the member had attained the age of sixty, reduced for age as provided in subsection (i)[-] ; and
- (4) For a member who first earned credited service as a judge after June 30, 2017, for each year of credited service as a judge, two per cent of the member's average final compensation as computed under section 88-81(f)(3), in addition to an annuity that is the actuarial equivalent of the member's accumulated contributions allocable to the period of service. If the member has not attained age sixty, the member's retirement allowance shall be computed as though the member had attained age sixty, reduced for age as provided in subsection (i); and
- [(4)](5)For each year of credited service not included in paragraph (1), (2), [or] (3), or (4), the average final compensation as computed under section 88-81(f)(4) shall be multiplied by one and three-fourth per cent for credited service earned as a class A or class H member, two and one-fourth per cent for credited service earned as a class B member, and one and one-fourth per cent for credited service earned as a class C member. If the member has not attained age sixty, the member's retirement allowance shall be computed as though the member had attained age sixty, reduced for age as provided in subsection (i).

The total retirement allowance shall not exceed seventy-five per cent of the member's highest average final compensation calculated under section 88-81(f)(1), (2), (3),  $[\Theta r]$  (4), or (5). If the allowance exceeds this limit, it shall be adjusted by reducing any annuity accrued under paragraphs (1), (2), [and] (3), and (4) and the portion of the accumulated contributions specified in these paragraphs in excess of the requirements of the reduced annuity shall be returned to the member upon the member's retirement or paid to the member's designated beneficiary upon the member's death while in service or while on authorized leave without pay. If a member has service credit as an elective officer or as a legislative officer in addition to service credit as a judge, then the retirement benefit calculation contained in this subsection shall supersede the formula contained in subsection (g)."

## Hawai'i State Trial Judges Association

**Testimony to the House Committee on Finance** 

Regarding SB249, SD2, HD1 Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice Chair

Hearing on Tuesday, April 4, 2017, 2:00 p.m. State Capitol, Conference Room 308

By

Board Members on Behalf of the Hawai'i State Trial Judges Association Hon. Jeannette H. Castagnetti, President Hon. Melvin H. Fujino, Vice President Hon. Joseph E. Cardoza, Secretary Hon. Catherine Remigio, Treasurer

On behalf of the Hawai'i State Trial Judges Association ("HSTJA"), thank you for the opportunity to comment on SB249, SD2, HD1 which proposes to amend HRS Chapter 88 relating to retirement for judges.

The HSTJA **opposes** SB249, SD2, HD1 and respectfully requests that committee members vote no on this bill.

The bill singles out judges (and only judges) for a reduction in retirement benefits. No other group of employees in the Employee Retirement System ("ERS"), including members of the legislature or government executives, receive an equal or similar reduction of pension benefits under the proposed bill.

There is no stated purpose or rationale in the bill or in any committee report for the reduction of judicial retirement benefits only. As far as we know, there has been no policy report or analysis indicating that reducing the retirement allowance for new judges will amount to any real savings or benefit to the State. Notably, in testimony on the original bill before the Senate Committee on Judiciary and Labor, the ERS questioned the efficacy of such a measure from a "business perspective" given the small number of members affected (new judges) versus the costs associated with computer and administrative modifications and counseling resources that would have to be undertaken by the ERS if the bill were passed.

Reducing retirement benefits for <u>only</u> a small group of employees (judges) in SB249, SD2, HD1 also stands in stark contrast to Act 163, passed by the legislature in 2011, which provided for changes to <u>all</u> categories of employees entering the ERS after June 30, 2012. While Act 163 was

grounded in policy decision making by the legislature, there is no stated policy reason for singling out a select group -- judges -- in SB249, SD2, HD1.

The bill in its current form reduces the retirement benefits available to all new judges who earned credited service as a judge after June 30, 2050 from 3.0 to 2.0. The prior version, SB249, SD2, applied to judges appointed after June 30, 2017.

Irrespective of the effective date, the measure provides for a significant reduction in compensation for future judges. Retirement benefits for judges are part of the overall compensation package that attract experienced and qualified attorneys to apply for judgeships and are taken into consideration by private practitioners when deciding to give up lucrative law practices for public service on the bench. The reduction will result in a diminishment of judicial positions and may likely deter experienced and highly qualified attorneys from seeking judgeships.

We further note that the bill as currently drafted creates uncertainty as to whether it may be amended to apply to current judges. To our knowledge, reducing retirement benefits for any group of existing employees (judges, police, fire fighters, legislators or others) would be <u>unprecedented</u>.

Finally, the heart of our democracy in the United States and in Hawai'i is that there are three separate and co-equal branches of government. It is essential to the functioning and legitimacy of our democracy that the judicial branch be independent from the executive and legislative branches. Judicial independence is not for the benefit of judges, but instead is for the public's trust and confidence that judges will decide cases fairly and based on the law.

Alexander Hamilton recognized the problem of financial influence over judges in *The Federalist No.* 79 when he wrote, "[n]ext to the permanency in office, nothing can contribute more to the independence of judges than a fixed provision for their support. . . . In the general course of human nature, a power over a man's subsistence amounts to a power over his will."

With all due respect to the legislature, singling out judges for a reduction in retirement benefits erodes the public trust in government and diminishes the role of the courts in our democracy.

For all of these reasons, we strongly oppose SB249, SD2, HD1.





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

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

Testimony by Hawaii Government Employees Association

April 4, 2017

S.B. 249, S.D. 2, H.D. 1 - RELATING TO RETIREMENT

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes the purpose and intent of S.B. 249, S.D. 2 H.D. 1 which reduces the average final compensation used to calculate the retirement benefit for newly hired judges.

As written, this bill represents the second time in five years that the Legislature has sought to reduce the retirement benefits for employees, however unlike the broad changes enacted for all employees hired after June 30, 2012 contained in Act 163, Session Laws of Hawaii 2011, the proposed changes contained in S.B. 249, S.D. 2, H.D. 1 singles out one class of employees: judges. We respectfully raise strong concerns over targeting one small group of employees, since it is not clear if the proposed changes in retirement calculation will have a significant impact on reducing the Employees' Retirement System's unfunded liability. Further, we firmly believe that compensation packages for all employees – judges included – must be competitive in order to attract and retain the best and the brightest workers in our state.

Thank you for the opportunity to testify in opposition to S.B. 249, S.D. 2, H.D. 1.

Respectfully submitted.

Randy Perreira Executive Director





### HOUSE OF REPRESENTATIVES THE TWENTY-NINTH LEGISLATURE REGULAR SESSION OF 2017

April 4, 2017

**Committee on Finance** 

### Testimony by Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO

S.B. No. 249 S. D. 2 H.D. 1 RELATING TO RETIREMENT

The Hawaii Fire Fighters Association (HFFA), Local 1463, IAFF, AFL-CIO represents more than 1,900 professional active-duty and 800 retired fire fighters throughout the State. On behalf of our members, HFFA **opposes S.B. No. 249 S.D. 2 H.D. 1**.

S. B. No. 249 S.D.2 H.D. 1 proposes to create an additional tier of pension benefits for judges by further reducing the percentage of average final compensation of a judge's benefits based on the stipulations of if a member earned credited years of service and attained age 60 or a member has not yet attained age 60 after June 30, 2017. HFFA believes that this change violates Article XVI, Section 2 of the Constitution of the State of Hawaii which provides that accrued benefits "shall not be diminished or impaired" and as a matter of public policy, this proposal is not fair and certainly not in the best interest of our community.

Reducing the retirement benefits for judges potentially opens the door for the reduction of benefits for other public sector employees.

HFFA urges your Committee to hold this bill. Thank you for the opportunity to testify.





The House Committee on Finance Tuesday, April 4, 2017 2:00 pm, Room 308

### RE: SB 249, SD2, HD1, Relating to Retirement

Attention: Chair Sylvia Luke, Vice Chair Ty Cullen and Members of the Committee

The University of Hawaii Professional Assembly (UHPA) **opposes SB 249 SD2, HD1**. As with all previous attempts to diminish retirement benefits for judges, UHPA cannot support the erosion of benefits that normally assist in attracting and retaining qualified individuals to serve as judges.

UHPA requests that the Committee oppose SB 249 SD2, HD1.

Respectfully submitted,

Juseman

Kristeen Hanselman Executive Director

### University of Hawaii Professional Assembly

1017 Palm Drive ✦ Honolulu, Hawaii 96814-1928 Telephone: (808) 593-2157 ✦ Facsimile: (808) 593-2160 Website: www.uhpa.org

### COMMUNITY ALLIANCE ON PRISONS

### P.O. Box 37158, Honolulu, HI 96837-0158

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**COMMITTEE ON FINANCE** Rep. Sylvia Luke, Chair Rep. Ty Cullen, Vice Chair Tuesday, April 4, 2017 2:00 pm Room 308

### **OPPOSITION TO HB 249 SD2, HD1 – JUDICIAL RETIREMENT**

Aloha Chair Luke, Vice Chair Cullen and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai`i for two decades. This testimony is respectfully offered on behalf of the almost 6,000 Hawai`i individuals living behind bars or under the "care and custody" of the Department of Public Safety. We are always mindful that more than 1,600 of Hawai`i's imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Native Hawaiians, far from their ancestral lands.

Community Alliance on Prisons opposes this measure because we see this bill as interfering with the Separation of Powers Doctrine. An old issue of "LRB Notes"<sup>1</sup> defines Separation of Powers.

"The principle of "separation of powers" is a term that is familiar to many, although its reach may not be realized. The framers of the United States Constitution wanted to safeguard against tyranny by separating the powers of government among three branches, so that each branch checks and balances the other two. This memo seeks to explain this doctrine in the context of the Hawaii Constitution and the role and powers of the Hawaii Legislature."

If memory serves, there were some recent adjustments to retirement benefits, which we recall covered all three branches of government - legislators, judges, senior executive branch officials, and general state and county employees. This bill targets only judges. Is there a reason for singling out judges? Does a policy analysis or report exist that indicates any benefit from the proposed legislation?

Community Alliance on Prisons is concerned about the unintended consequences of such legislation. This seems unusual and raises concerns that this bill is a further challenge to judicial independence.

We urge the committee to hold this bill. Mahalo for this opportunity to testify.

<sup>&</sup>lt;sup>1</sup> SEPARATION OF POWERS, By Mark Rosen, LRB Notes, Vo. 02-02, July 22, 2002. http://lrbhawaii.org/lrbnotes02/0202notes.pdf

### Testimony House of Representatives Committee on Finance Hearing: Tuesday, April 4, 2017, at 2:00 pm

- To: The Honorable Sylvia Luke, Chair The Honorable Ty J.K. Cullen, Vice Chair
- From: Jeffrey W. Ng, Esq. President, Hawai'i County Bar Association
- Re: SB 249, SD2, HD1, Relating to Retirement

Chair Luke, Vice Chair Cullen, and Members of the House of Representatives Committee on Finance, thank you for the opportunity to submit testimony on Senate Bill 249, SD2, HD1. The Hawai'i County Bar Association (HCBA) submits this testimony in opposition to Senate Bill 249, SD2, HD1.

The HCBA opposes SB249, SD2, HD1 because this bill may discourage qualified attorneys from seeking appointment to the bench because of financial considerations. Our communities are best served when many qualified candidates apply for judgeships because it encourages the appointment of only the most highly qualified candidates. As such, the HCBA believes that any legislation that discourages an otherwise qualified applicant from applying for a judgeship based upon an adverse financial impact is a disservice to both our communities and system of justice.

Thank you for your time and attention to this matter.

ary truly yours,



April 3, 2017

To Whom It May Concern:

The West Hawaii Bar Association, its general membership and its executive committee, by unanimous resolution, respectfully submits:

### **SB249, S.D 2, H.D.1: RELATING TO RETIREMENT** http://www.capitol.hawaii.gov/measure\_indiv.aspx?billtype=SB&billnumber=249&year =2017

The West Hawaii Bar Association hereby respectfully requests this body take action regarding the above legislation consistent with the best interests of the judiciary and our local communities. We humbly suggest that in accomplishing this, judicial compensation measures be maintained in a manner that most efficiently cultivates and maintains experienced, committed and knowledgeable individuals serving our communities as judges.

As we have expressed in the past, we understand the allocation of resources is a difficult task. However, we request that the compensation for those serving as judges be consistent, sufficient and appropriate incentives to maintain our investment in our judges.

We thank you for your time, attention, and consideration of this most important matter.

Very Truly Yours,

3015

Michael H. Schlueter President, West Hawaii Bar Association

### Testimony to the House Committee on Finance Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice-Chair

### Tuesday, April 4, 2017, 2:00 p.m. (Agenda #3) State Capitol, Conference Room 308

### SB 249, SD2, HD1, Relating to Retirement

I am Ronald T.Y. Moon, former Chief Justice of The Supreme Court of Hawai'i (1993–2010). I strongly oppose SB 249, SD2, HD1.

My experience of serving as a judge and justice for approximately 30 years convinces me that this bill that reduces employee benefits is unfair and unjust by singling out—and discriminating against—judges.

In 2011, the Legislature made a policy decision to reduce the retirement benefits across the board for Legislators, judges, and senior executive branch officials.

Unlike the 2011 legislation, this bill focuses solely upon and affects only judges. I submit that the bill is unconstitutional.

Further, the relatively small number of people it would affect will not meaningfully reduce the future fiscal responsibilities of the State. Indeed, I understand that the State Employees' Retirement System has testified as much by noting that, "from a business perspective, the ERS believes [the downward adjustment proposed in this bill] may be disproportionate to the small number of members affected by this legislation."

Thank you for the opportunity to submit testimony in opposition to SB 249, SD2, HD1.

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1003 Bishop Street, Suite 2300 Honolulu, HI 96813 Phone 808.524.5644 Fax 808.599.1881 info@bfrhawaii.com

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# Bronster Fujichaku Robbins

TESTIMONY OF MARGERY S. BRONSTER Regarding Senate Bill 249, SD 2, HD 1

Relating to Retirement

House Committee on Finance

Tuesday, April 4, 2017, 2:00 p.m. Conference Room 308, State Capitol

To Members of the Committee:

I strongly oppose Senate Bill 249, which is part of a package of bills that were aimed at diminishing the independence and integrity of the judiciary. Senate Bill 249, SD 2, HD 1, if passed into law, would compromise the independence of our state's judicial branch, and it should, therefore, be rejected.

Not only does Senate Bill 249, SD 2, HD 1 raise concerns about the independence of the judiciary, as set forth below, I believe it raises serious constitutional concerns. An independent judiciary is a cornerstone of American democracy. Both the United States and Hawai'i Constitutions establish three co-equal but fully independent branches of government to insure the checks and balances necessary to preserve our democratic form of government. Above all, these checks and balances insure a nation bound by the rule of law and not the preferences of powerful individuals. Just as the legislative branch must be allowed to independently write the laws and the executive branch to independently implement them, so too must the judicial branch be allowed to independently interpret them.

The history of both the United States and Hawai'i has been marked by attacks upon the independence of the judiciary as a co-equal branch of government, but, on balance, the judiciary has withstood these attacks and remained independent. This has served our nation and the State of Hawai'i well because we have remained a nation and House Committee on Finance Senate Bill 249, SD 2, HD 1 Tuesday, April 4, 2017, 2:00 p.m. Page 2

State governed by laws rather than individuals. This not only maintains justice for individuals but is also necessary to ensure a climate that is favorable for business by insuring the predictable application of law to cases regardless of the particular parties before the court.

An independent judiciary requires two elements. First, judges must be free to interpret the law without fear of political interference or influence. And, second, judges must be compensated in a manner that makes them secure from monetary influence.

Senate Bill 249, SD 2, HD 1 reduces the retirement benefits available to all future judges by decreasing their benefits. The result is a significant reduction in the compensation of future judges and a concomitant diminishment in the value of all judicial positions.

Moreover, it decreases benefits only to judges and not to legislators, executive branch employees or anyone else. In the past, when changes have been made to the compensation and retirement benefits of judges those changes were made as part of a comprehensive review that affected all categories of employees. That approach is inconsistent with the uniformity of adjustments to salary that are set out in the Hawaii State Constitution Art. XVI, § 3.5. When the voters adopted this section, the purpose was to take salary considerations out of the legislature and place them before an independent salary commission. The salary commission is constrained and may not decrease any salary "unless by general law applying to all salaried officers of the State." It appears that Senate Bill 249, SD 2, HD 1 is an effort by the Legislator to single out judges to adversely affect their compensation in retirement. The Legislator could not do the same to the salaries of judges. This is particularly offensive given that the Constitution specifically provides that justices and judges "shall be included in any retirement law of the State." Article VI, § 3.

If we are to expect the best judicial decisions, we must insure that our judiciary is comprised of our States' most able and experienced lawyers. At present, our judiciary is compensated at a level that is scarcely competitive with what experienced lawyers can earn in private practice. Any further reduction will seriously jeopardize the quality of our future judiciary by increasing the gap between the compensation available to a judge and that in the private sector. The Committee should, therefore, reject Senate Bill 249, SD 2, HD 1. 1003 Bishop Street, Suite 2300

Honolulu, HI 96813

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A Law Corporation

## Bronster Fujichaku Robbins

### ATTORNEYS AT LAW

RUSH FACSIMILE

### April 3, 2017

TO: 1 (800) 535-3859

FROM: Kenneth S. Robbins 808-524-5644

### RE: SB249 - ABOTA Opposes SB 249, SDS, HD1

### **TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE REGARDING SB249**

Thank you.

### **TOTAL PAGES: 3** (including cover sheet)

### Hawai'i State Trial Judges Association

### **Testimony to the House Committee on Finance**

Regarding SB249, SD2, HD1 Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice Chair

Hearing on Tuesday, April 4, 2017, 2:00 p.m. State Capitol, Conference Room 308

By

Kenneth S. Robbins on Behalf of the American Board of Trial Advocates ("ABOTA")

As an individual member of the American Board of Trial Advocates (ABOTA) and on behalf of ABOTA, I thank you for the opportunity to comment on SB249, SDS2, HD1, which proposes to amend HRS Chapter 88, relating to retirement for judges.

ABOTA **opposes** SB249, SDS, HD1, and respectfully requests that committee members vote no on this bill.

Of all categories of State of Hawaii employees, only judges are singled out for the proposed reduction in retirement benefits. There has been no rationale given for treating judges any differently than other categories of State employees and there has been nothing offered by way of financial data which substantiates any economic savings by enacting this proposed legislation. Indeed, given the relatively low number of State of Hawaii employees who fall into this category, it has been statistically shown that the cost of implementing this legislation will be greater than any savings to taxpayers.

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Further, it is already a very difficult challenge to encourage competent, experienced top-tier practicing lawyers, engaged in a lucrative law practice, to submit their applications for service as judges. By reducing the retirement benefits of judges, that challenge will become even greater.

It is difficult to see a single plus emerging from enactment of this bill. Without speculating as to whatever the motivation behind this proposed legislation may be, we and citizens at large can only conclude that the motivation is not meritorious in terms of establishing and maintaining a quality judiciary, which is indispensable in interpreting and enforcing the legislation enacted by the body within which you serve. We, in ABOTA, witness day in and day out the extraordinary importance of justice and the perception of justice for those who seek righting wrongs in our civil and family courts and those who seek justice in our criminal courts. The most important component of the equation which yields justice within our judicial system is a judge of the highest caliber.

Our system of government can only function as it should, when each of the 3 branches of government are served by the best, brightest and most competent. This is what the people of the State of Hawaii need and deserve. When there cannot be articulated a justifiable reason for treating judges any less fairly than firefighters, police officers or even legislators, there is no excuse for enacting legislation that will weaken one of the 3 pillars of our democracy.

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April 3, 2017

The Honorable Sylvia Luke Chair, House Committee on Finance Hawaii State Capitol 415 South Beretania Street Honolulu, HI 96813

### RE: <u>OPPOSITION to SB 249, SD2, HD1 and HB 164 – Relating to Retirement</u> of Judges

Dear Chair Luke and members of the House Committee on Finance,

I write in OPPOSITION to SB249, SD2, HD1 and urge all committee members to vote no on this bill.

This bill singles out judges for a reduction in retirement benefits. Historically, reduction of retirement benefits has covered all three branches of government. There is no stated purpose or rationale in the bill or in any committee report for the reduction of judicial retirement benefits only. Why are only future judges being singled out?

This measure provides for a significant reduction in compensation for future judges. Retirement benefits for judges are part of the overall compensation package that attract experienced and qualified attorneys to apply for judgeships and are taken into consideration by private practitioners when deciding to give up lucrative law practices for public service on the bench. The reduction of retirement benefits will likely deter experienced and highly qualified attorneys from seeking judgeships.

I urge you to vote NO on this measure.

Very truly yours,

Judge Victoria S. Marks (Ret.)

April 3, 2017

Representative Sylvia Luke, Chair Representative Ty J. K. Cullen, Vice-Chair

Testimony to the House Committee on Finance Re: SB 249, SD2, HD1

Tuesday, April 4, 2017, 2:00 p.m. State Capitol, Conference Room 308

Chair Luke, Vice-Chair Cullen, and Members of the House Committee on Finance:

Thank you for the opportunity to comment on SB 249, SD2, HD1 which proposes to reduce the retirement benefits for judges.

My name is Steven Alm and I am a recently retired (8/31/16) First Circuit Court Judge. I am writing in strong opposition to SB 249, SD2, HD1.

To begin with, I note that SB 249, SD2, HD1 singles out judges from all other state employees, to have their retirement benefits reduced. The question is why?

I have looked at committee reports, and have searched for any public statement regarding the motivation behind this bill and I have not been able to find any reason given why the Legislature would single judges out for this negative treatment. Except one.

In November, 2015, First Circuit Court Judge Jeannette Castagnetti issued her opinion in the Nelson case calling on the Legislature to increase its funding for the Department of Hawaiian Home Lands. This decision led to a certain amount of reported consternation at the Hawaii Legislature.

In the 2016 legislative session to follow, there were a number of restrictive measures introduced aimed at the Judiciary including calling for judicial elections, a reduction in judicial retirement benefits, and to allow for Senate confirmation of Judicial retention nominees. The Hawaii legal community was united in opposing these measures and the Legislature chose not to proceed with any of them.

This 2017 session has seen some similar measures which brings us to SB 249, SD2, HD1, which focuses solely on reducing judges' retirement benefits.

To an outside observer, given the lack of any other stated reason for this legislative action, it could lead to the conclusion that SB 249, SD2, HD1, is in reaction to Judge Castagnetti's ruling in the Nelson case.

Nationally, we are seeing a different branch of government, the Executive this time, respond to specific court rulings regarding the travel ban, in negative terms. President Trump has called Washington state Federal District Court Judge James Robart a "so-called judge" and he has criticized Hawaii Federal District Court Judge Derrick Watson's recent decision as "political." Fortunately, these federal judges are protected by the United States Constitution

with lifetime appointments to make decisions as the Constitution, statutes, and the facts of a specific case call for, and not have to fear adverse action by the other two branches of government in response to their decisions.

I cannot imagine the Hawaii Legislature, with so much to be proud of in its storied history, would, in any way, want to be lumped together with President Trump in responding officially against the Judicial branch of government based on a ruling in a specific case.

I hope I am wrong about this, and that there are other legitimate reasons why the Legislature is considering passing SB 249, SD2, HD1, but as of now, I don't see any, and that saddens me.

Based on these considerations I write in strong opposition to SB 249, SD2, HD1. Thank you for the opportunity to be heard.

Steven S. Alm (808) 741-2009 or stevenscottalm@gmail.com.

DOUGLAS S. MCNISH Judge, Second Circuit Hawaii Family Court (Ret.)

2101 Piiholo Rd., Makawao, Hl. 96768

April 3, 2017

### WRITTEN TESTIMONY IN OPPOSITION TO SB 249 SD2, HD1

This Bill proposes reduction the retirement credit and extension of the period of benefit vesting for judicial appointments commencing after June 30, 2017 for credits earned after 2050

I continue to oppose this Bill which fails to clarify why benefits and vesting requirements for government employees other than judges are not part of the proposed legislation. One cannot help but question whether there is any reasonable fiscal basis to justify this Bill as well as the purpose of the policy it would implement.

## SUSAN M. ICHINOSE

Attorney at Law

April 2, 2017

The Hon. Sylvia Luke, Chair The Hon. Ty J.K. Cullen, Vice Chair Members of the House Committee on Finance Conference Room 308 · State Capitol Honolulu, HI 96813

Re: SB249, SD2, HD1 *Relating to Retirement* Hearing 04/04/17, 2:00 p.m., Conference Room 308

Dear Chair Luke, Vice-Chair Cullen, and Members of the House Committee on Finance:

I am submitting this testimony as a private citizen, a licensed attorney for almost 40 years, a former president and current member of Hawaii Women Lawyers, and a former elected HSBA member of the Judicial Selection Commission, as well as a former Vice Chair and Chair of that Commission. I strongly oppose SB 249 and respectfully urge you not to advance it.

It is an unusually selective bill----one that singles out only future judges for significant reductions in retirement benefits. Has any other minor subgroup of government **appointees or elected officials** ever been denied equal rights to retirement benefits that accrue to all their peers and counterparts? None come to mind. Is there a significant economic advantage, or even any economic necessity, for the State to disadvantage a few judicial appointees (I would venture a guess that the number might rise to a few dozen individuals over the course of 20 years) when thousands if not tens of thousands of other appointed or elected officials continue to accrue undiminished retirement benefits?

In fact, the bill is devoid of any stated purpose or rationale to answer these or any other questions regarding its intent. I am aware that this Legislature has entertained other bills this session that appear to seek to impose legislative curbs on the independence of the Judiciary. This bill appears to be yet another such attempt, in that it is a naked exercise of the Legislature's power of the purse on judges. The Hon. Sylvia Luke, *et al.* April 3, 2017 Page 2

It was not long ago that this State occupied the unenviable position of being 50<sup>th</sup> --the last---of all 50 states in compensating its judges. When I was the Chair of the JSC, I noted that fact at all judicial swearing-ins, in order to urge that we increase compensation levels to be more equitable and fair to our jurists, to attract more applicants for judicial positions, and to attempt to keep pace with the private sector.

In recent years, Hawaii has climbed from last place to the top 10. However, it is still in the last tier, in 40th place, when judicial salaries are adjusted for cost-of-living. The Legislature and the Executive deserve kudos for their respective efforts to compensate our jurists as fairly as other states do. It would be a regression in these efforts for you to pass this bill. Please do not do so.

Mahalo, me ke Aloha Pumehana,

Aurella

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, April 2, 2017 2:32 PM
То:	FINTestimony
Cc:	towno@lava.net
Subject:	Submitted testimony for SB249 on Apr 4, 2017 14:00PM

### <u>SB249</u>

Submitted on: 4/2/2017 Testimony for FIN on Apr 4, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michael A. Town	Individual	Oppose	No

Comments: Thank you the opportunity to submit written testimony. For the very reasons given by the Hawaii State Trial Judges Association (HSTJA) I strongly oppose the bill. I retired at age 70 in 2010 after 30 plus years as a Hawai`i state trial judge. I was Senior Judge of the Family Court from 1994 to 1997. During my tenure I saw excellent judges leave the bench solely because of financial considerations. Retirement assures us our families will be provided for. Having an independent judiciary requires public trust and confidence based not only upon strong qualifications and professional commitment, but a sound income and retirement. In my view our judges need this stability to continue to serve over time and provide for their families. The Third Branch of government and judicial independence will be preserved by this bill not passing in my view. Feel free to contact me if need be. Respectfully. Judge Michael A. Town (retired)

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.

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From:	mailinglist@capitol.hawaii.gov		
Sent:	Sunday, April 2, 2017 2:09 PM		
То:	FINTestimony		
Cc:	tmhifo@aol.com		
Subject:	Submitted testimony for SB249 on Apr 4, 2017 14:00PM		

### <u>SB249</u>

Submitted on: 4/2/2017 Testimony for FIN on Apr 4, 2017 14:00PM in Conference Room 308

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Eden Hifo	Individual	Oppose	No

Comments: To: House Finance Committee RE: SB 249, SB2,HD1 Opposition Testimony from Eden Elizabeth Hifo (retired first circuit court judge) I have not received electronic acknowlegment of my 4/2/17 electronic testimony in opposition to this bill via this Comment section. Hopefully, it reached the House Committee, but if not please at least note that I have tried to send it and remain opposed to his bill and its 2050 effective date which would send it to conference committee if passed by the House where no public input would occur. Please note there has been NO testimony in favor of the bill which strongly supports its defeat, particularly in light of the ERS comments that its passage (effective in 2017 or otherwise) would not substantially reduce the ERS burdens. Please do not pass this bill. Thank you for your consideration.

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.

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Testimony Presented Before the House Committee on Finance Tuesday, April 4, 2017 at 2:00 p.m. Conference Room 308 by Brandon Marc Higa (as current law student)

Testimony in Opposition, SB 249 SD2 HD1 - Relating to Retirement

Chair Luke, Vice-Chair Cullen, and esteemed members of the committee:

Thank you for the opportunity to testify on SB 249 SD2 HD1 – Relating to Judge's Retirement. My name is Brandon Marc Higa, a second year law student at the University of Hawaii William S. Richardson School of Law.

I am writing in opposition of SB 249 SD2 HD1 as a matter of principle because the bill does not explicitly present a compelling argument for how narrowly targeting judges' retirement benefits will make a significant impact on cost-saving measures. Unlike countries like Japan where it is commonplace for judges to start their careers upon completing law school and passing the Bar exam, Hawaii's judges are expected to hone their legal skills and establish a solid reputation in the community over time to qualify as candidates. Accordingly, judicial nominees tend to be further in their career and lives where reduction of retirement benefits would adversely impact them in a manner disproportionate with the cost savings. Without data presenting a counterargument, this measure seems out of balance with fairness. I believe that this measure would have a chilling effect on recruiting future judges.

While I support cost-saving efforts on behalf of taxpayers, I believe as a matter of principle, SB 249 SD2 HD1 could potentially invite undue influence in the political process by creating the perception that the judges across the board are penalized for undesirable outcomes. The proposed measure could potentially invite unintended consequences that would undermine the longstanding clear separation of powers among the three branches of government nationally and locally.

Respectfully submitted: s/Brandon Marc Higa President Emeritus, Student Bar Association William S. Richardson School of Law Entering Class of 2015 To: Sylvia Luke, Chair Ty J.K. Cullen, Vice Chair House Committee on Finance

Hearing: April 4, 2017 at 2:00 p.m.

### RE: Testimony in Opposition of SB249 SD2, HD1

Good day Representative Luke, Representative Cullen, and members of the Committee. My name is Jessi Hall. I am an attorney licensed to practice law in Hawaii. I am here today to testify in opposition of SB249 SD2, HD1.

It seems completely unreasonable to single out one group of State of Hawaii employees and penalize them with a reduction in their retirement benefits. The group to be effected is so small that it cannot be argued that this is for a benefit of the retirement system as a whole. One can only wonder whether this is a form of discrimination. If so, imagine he exorbitant amount of money that would be spent by the State to fight such an action.

If the goal is to obtain the best Judges possible, cutting back the benefits is not the way to do it. It often takes the best litigators to make the best Judges and in order to do that there needs to be an incentive for them to leave the practice of law to take a position that they will be forced to leave when they turn 70 years of age. Maintaining the current retirement benefits is one of the few ways to do that.

Thank you for the opportunity to testify.



Thomas D. Farrell Certified Specialist in Family Law' tom@farrell-hawaii.com Anthony A. Perrault tony@farrell-hawaii.com J. Alberto Montalbano juan@farrell-hawaii.com Leslie Ching Allen leslie@farrell-hawaii.com

### **TESTIMONY OF THOMAS D. FARRELL** Regarding Senate Bill 249, SD2, HD1, Relating to Retirement

Committee on Finance Rep. Sylvia Luke, Chair

Tuesday, April 4, 2017, 2:00 p.m. Conference Room 308, State Capitol

Good morning Representative Luke and members of the Committee:

I strongly oppose Senate Bill 249, SD2, HD1 which is one of a package of bills originating in the Senate Judiciary Committee and designed to degrade Hawaii's judiciary. This is just another version of a measure to cut judge's retirement pay, which died in the 2016 session. This one is a little different, however, as it applies only to new judges. Despite opposition by the Judiciary the Bar and others, and absolutely no testimony in support, this bill will not die. It should.

If this bill were part of a program to put all state and county employees on the same level, I might not oppose it. But it's not. Legislators, certain other elected and appointed officials, public safety personnel and various others will still get a higher multiplier than the 1.25% that most public employees get and that I will get for fifteen years of service as a Deputy Attorney General. So, if we accept the premise that different types of employees should get different multipliers, one wonders why this legislation singles out judges---it has to be <u>future</u> judges, of course---for a reduction. After all, members of this Legislature get a 3% multiplier.

Some say that judges are highly paid (although I think legislators are rather highly paid for  $3\frac{1}{2}$  months of work). Nonetheless, I've heard the argument that we can save more money cutting judges' retirements than legislators'. The only problem with that theory is that the ERS says you aren't going to save any money at all.<sup>1</sup>

This new variant of last year's failed bill is motivated by the same animus. I can express it in three words: Judge Jeanette Castegnetti. On November 27, 2015, in *Nelson v. HHL*, she held, "The legislature has failed to appropriate sufficient sums to the Department of Hawaiian Home Lands for its administrative and operating budget in violation of its constitutional duty to do so.

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700 Bishop Street, Suite 2000, Honolulu, Hawaii 96813 Telephone 808.535.8468 ♦ Fax 808.585.9568 ♦ on the web at: www.farrell-hawaii.com

\*Certified by the National Board of Trial Advocacy. The Supreme Court of Hawaii grants Hawaii certification only to lawyers in good standing who have successfully completed a specialty program accredited by the American Bar Association.

<sup>&</sup>lt;sup>1</sup> In testimony before last year before the House Finance Committee, ERS said "This unique segment (of a current membership group of approximately 80 judges) will require computer modification and counseling resource costs which, from a business perspective, the ERS believes will be out of proportion to the members affected by this legislation.

Testimony of Thomas D. Farrell SB 249, SD2, HD1 April 4, 2017 page 2

This failure includes every fiscal year since at least 1992." And according to reports I've read, that shortfall reaches somewhere in the neighborhood of \$28 million. It has been reported that Senator Tokuda and <u>you</u>, Madam Chair, were pretty upset when you learned that you could have a \$28 million wild card in the State budget. Let's not kid ourselves; this is what SB 249 and the rest of the package to punish the judicial branch are all about.<sup>2</sup>

Now I don't know if Castegnetti is right or not, although it seems to me to be a good thing that there is some way for the Hawaiians to enforce the rights and benefits promised to them by our Constitution and laws. I don't think it's particularly conducive to democracy and the rule of law for the legislative branch to punish the judicial branch for an unpopular decision made by a judge in a particular case. If you don't like the law, change it---that's within your power, but don't punish the judiciary because a judge enforces the law. Nothing could be more subversive of judicial independence---except perhaps electing judges---and without an independent judicial branch there is no rule of law. And without the rule of law, there really is no freedom.

If you think *Nelson v. HHL* is a bad decision, then that the last thing you would want to do is create even more bad decisions, which is what you get when you have bad judges.<sup>3</sup> SB 249 is a sure ticket to judicial mediocrity

If you are decent at the practice of law, you can do much better in the private sector. Fortunately, we have some people on the bench who are motivated by a strong sense of public service, and are willing to make financial sacrifices to serve. But they all want to pay their mortgage, put their kids through college, and be able to retire when they hit the mandatory retirement age of 70. That's not so easy, these days. Now if you're a successful lawyer and around forty years of age, is it a good deal to seek a judgeship? Assuming you've got at least 25 years left in the workplace, with a 3% multiplier you can retire at 65 with 75% of your salary. If SB 249 passes, the prospective judge is looking at 50% of salary at 65, and 60% if you stay on until age 70 (at which time you <u>have</u> to go). That's not looking so good. So whenever you ratchet down the package, as SB 249 would do, a few more good people who would otherwise make the sacrifice, decide that they just can't afford it. Of course, there are plenty of mediocre lawyers in the bar, and for them, a steady paycheck and a defined benefit pension will look like a pretty good deal. And, believe me, we have some already, I appear in front of some of those judges, and all I can say is that we don't need more like that.

 $<sup>^2</sup>$  The most odious bills in the package were SB 673 and 328, both of which proposed to require judges to require periodic reconfirmation. Notwithstanding an avalanche of testimony in opposition, SB 328 was reported out of JDL, but did not cross-over. I still worry, however, that its contents will be tacked on to some other bill by a conference committee meeting in the dark of night.

<sup>&</sup>lt;sup>3</sup> For the record, I do not know the judge in question, nor have I read the decision. I have no opinion on whether this is a good judge, a bad judge, or somewhere in the middle.

Testimony of Thomas D. Farrell SB 249, SD2, HD1 April 4, 2017 page 3

The bottom line is that the less desirable you make the position, the less desirable will be candidate who seeks it. It is within your authority to make sure that SB 249 goes no further, and I urge you to do so.

Now some of your colleagues are not going to be happy with you if you hold this bill. In fact, I think you may have to wind up voting against your own chair to do so. But this is the time to do a little gut check, think about why you came here in the first place, and vote down SB 249.

### GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

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TELEPHONE (808) 547-5600 • FAX (808) 547-5880 info@goodsill.com • www.goodsill.com DAVID J. REBER THOMAS W. WILLIAMS, JR. LANI L. EWART RANDALL K. STEVERSON LISA WOODS MUNGER PETER T. KASHIWA RUSSELL S. KATO VINCENT A. PIEKARSKI MICHAEL J. O'MALLEY GALL Y. COSCROVE LEIGHTON J.H.S. YUEN BARDARA A. PETRUS PATRICIA M. NAPIER MIKI OKUMURA AUDREY E. J. NG ALAN S. FUJIMOTO RAYMOND K. OKADA GAL O. AYABE DALE E. ZANE LINDALEE K. FARM JUDY YURIKO LEE LENNES N. OMURO PETER Y. KIKUTA THOMAS BENEDICT EDMUND K. SAFFERY LISA A. BAIL CAROLYN K. WONG REGAN M. IWAO DAWN T. SUGIHARA ROSEMARE S. J. SAM JOHNATHAN C. BOLTON BRETT R. TOBIN CLAIRE E. GOLDBERG WALTER K. CORONEL H. GREGORY NASKY CALVIN E. YOUNG DAVID A. GRUEBNER MICHAEL L. KORNICZKY JOHN S. MACKEY

JOANNE J. LEE STACY Y. MA DAVID J. HOFTIEZER SCOTT K.D. SHISHIDO TRAVIS M. AGUSTIN SHIMPEI OKI JORDAN M. ODO ALANA PEACOTT-RICARDOS JENNIFER M. YAMANUHA LISA Y. TELLIO LYNDA L. ARAKAWA CHRISTINE A. TERADA JENNIFER F. CHIN MAEGAN A. RUGGLES LAUREN K. CHUN ANDREW K. RECKTENWALD DANIEL R. LAM KELLY K. SUZUKA DYLAN J. TASCHNER

COUNSEL: JACQUELINE L.S. EARLE ROBERT J. HACKMAN ELIZABETH H. LEE NICOLE Y. ALTMAN

OF COUNSEL: MARTIN ANDERSON CONRAD M. WEISER RONALD H. W. LUM

MARSHALL M. GOODSILL (1916-2004) WILLIAM F. QUINN (1919-2006) RICHARD E. STIFEL (1920-1993) JOHN R. LACY (1942-2014)

April 3, 2017

### Web Submission: http://www.capitol.hawaii.gov/submittestimony.aspx

Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice Chair House Committee on Finance Hawaii State Capitol, Room 308 415 South Beretania Street Honolulu, HI 96813

> Re: SB 249 SD1 HD1 **Relating to Retirement** Hearing Date: April 4, 2017 at 2:00 p.m.

Dear Chair Luke and Members of the Committee on Finance:

I write this letter in strong opposition to SB 249 SD1 HD1 Relating to Retirement. This bill proposes to reduce the retirement benefits for future judges, specifically by reducing the benefit multiplier from the current 3.0% to 2.0%.

I understand that the Committee has received testimony from both judges and retired judges in opposition to this bill. I submit this testimony in opposition to provide the perspective of a member of the bar. While I am writing in my personal capacity due to time constraints, I am a partner at the Goodsill firm, a Board Member of the Hawaii State Bar Association, the State Chair of the American College of Trial Lawyers and a Regent of the American College of Environmental Lawyers. Through my work with each of these organizations, I can assure you that the members of the bar appreciate the work of the judiciary and support judicial independence.

I strongly support maintaining the quality of the judiciary. In order to attract outstanding candidates, it is important to continue to have a competitive retirement package. It is even more important not to make changes that may be perceived to be politically motivated. There is no stated purpose or rationale in the bill or committee report for singling out judges for a reduction

Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice Chair House Committee on Finance April 3, 2017 Page 2

in retirement benefits. There should be an analysis or report concerning such a significant change before such a change is made.

I am also troubled that the current draft of the bill contains a "defective date" for the cutoff date by which new judges may remain under the current benefit multiplier. In other words, it is not clear whether the Legislature wishes to reduce the benefits to sitting judges, to reduce the benefits of the three candidates who will appear before the Senate Judiciary Committee later this week or to reduce the benefits to future jurists. In any event, I strongly urge the committee to hold this bill.

Thank you for the opportunity to submit testimony in opposition to S.B. No. 249.

Very truly yours,

Lisa Woods Munger

LWM

### finance8 - Joy

From: Sent: To: Cc: Subject: Walter Kirimitsu <wskirimitsu@gmail.com> Tuesday, April 4, 2017 9:11 AM FINTestimony Walter Kirimitsu Re: JUDICIARY BILLS, HERING BEFORE HOUSE FINANCE COMMITTEE ON APRIL 4, 2017, AT 2 P.M.

Dear Members of the House Finance Committee.

I further oppose the current draft of the budget for the State Judiciary. The Judiciary direly needs your approval of full funding for the critical needs of the Judiciary, which it has submitted for your approval.

Walter Kirimitsu

On Apr 4, 2017, at 9:04 AM, Walter Kirimitsu < <u>wskirimitsu@gmail.com</u>> wrote:

Dear Members of the House Finance Committee,

I am a former Judge of the State Intermediate Court of Appeals, and a Fellow of the American Board of Trial Advocates and the American Trial Lawyers Association. I respectfully and humbly, but strongly, submit my opposition to the proposed SB 249, SD2 and HD1, which would reduce future judges' retirement benefits. These bills are extremely discriminatory, and therefore unconstitutional. These bills would jeopardize selection of the best qualified judges in the future. Further, these bills clearly encroach on preserving and protecting our most valued democratic principle of judicial independence.

For these primary reasons, I strongly oppose these bills, and respectfully ask you to reject them.

Thank you for your serious consideration.

Walter Kirimitsu wskirimitsu@gmail.com 808 282-8107