



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/05/2026

Time: 02:00 PM

Location: 309 VIA VIDEOCONFERENCE

Committee: EDN

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB2172, RELATING TO EMPLOYMENT OF RETIRANTS.

Purpose of Bill: Establishes a 5-year pilot program to authorize the Department of Education to rehire retired teachers and educational officers for hard-to-staff positions.

Department's Position:

The Hawaii State Department of Education (Department) provides comments regarding HB 2172 to address persistent teacher and educational officer shortages by allowing retired educators to return to service. The Department shares the Legislature's commitment to exploring innovative approaches to Hawaii's recruitment and retention challenges.

While we support the intent of this measure, we respectfully offer the following considerations:

Successfully implementing annual certification requirements, reappointment processes, and compliance monitoring would require additional resources and staffing support for our human resources system to ensure smooth operations and program success.

Additionally, the bill raises labor relations concerns by allowing compensation structures outside existing collective bargaining agreements. Establishing separate salary schedules for retired employees could lead to contractual conflicts, grievances, and delays in implementation.

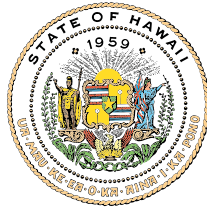
Finally, the bill's success depends on attracting a sufficient pool of retirees willing and able to return to full-time teaching or educational officer positions. The bill requires that individuals must not have held employment with the State or a county within the six calendar months immediately preceding re-employment. Currently, the Department lacks the necessary data to estimate the number of retirees who would be willing to return to work under this condition.

The Department remains committed to working with the Legislature to develop comprehensive solutions to our educator workforce challenges.

Thank you for the opportunity to provide testimony on HB 2172.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



KALBERT K. YOUNG
EXECUTIVE DIRECTOR

GAIL STROHL
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM**

**TESTIMONY BY KALBERT YOUNG
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 2172**

February 5, 2026

2:00 PM

Conference Room 309 and VIA Videoconference

RELATING TO EMPLOYMENT OF RETIRANTS.

Chair Woodson, Vice Chair La Chica, and Members of the Committee,

While the Board of Trustees (BOT) has not had a chance to review the bill, the Employees' Retirement System (ERS) appreciates the intent of HB 2172 and is thankful for the opportunity to offer comments suggesting amendments regarding this measure.

HB 2172 proposes to amend Section 88-9 of the Hawaii Revised Statutes (HRS) to allow positions identified under an amendment to Chapter 302A to be filled by a retiree without reenrollment into the system after a six-calendar month break.

As this bill progresses, there are a number of components which are important for the stability and sustainability of the pension system. ERS respectfully suggests the bill be amended to provide for a twelve-calendar month break along with the prohibition on post-retirement agreements to return to work. This provision would be consistent with existing statutes that currently permit the return of other teacher or administrator positions identified in a shortage area or as a new classroom teacher mentor. This amendment would provide for sufficient employment separation and consistent general



Employees' Retirement System
of the State of Hawaii

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application of the retirement statutes which are important components expected as requirements to retain the tax qualified (exempt) status under Internal Revenue Code (IRC) for the state's pension system.

On October 24, 2014, the IRS issued a favorable determination letter confirming ERS's plan terms in chapter 88, HRS, which included the currently established twelve-month break applicable to a retiree providing services in a similar capacity and function to duties prior to retirement, had met the requirements of section 401(a), IRC. Based on indications from tax counsel and the IRS, ERS believes that a more conservative break duration is prudent to be implemented for positions where retirees return in positions functionally performing the same duties and in the same capacity as those done prior to retirement.

The inclusion of a six-month break for positions not eligible for membership and a twelve-month break for positions which are eligible for membership, are meant to fulfill both the requirements for a bona fide break and prevention of an expectation for post-retirement employment to prevent an impermissible in-service distribution. The six-month break was implemented for the bona fide break period for positions not eligible for ERS employment, as the employment parameters are often part-time or temporary in nature, due to tax counsel advice to ERS that the IRS does not consider that "retirement does not include a mere reduction in the number of hours that an employee works."

We support the HB 2172 requirements for funding contributions to be required by the employer towards the pension accumulation fund to amortize the system's unfunded accrued liability which mitigates the lost contributions when these positions are filled with unenrolled retirees rather than active members or reenrolled retirees earning retirement benefits. The amount employer(s) will contribute under the proposed approach will be less than for a conventional employee who is also a ERS member working towards a pension. There is no requirement for the employee to fund the pension accumulation expense.

The ERS respectfully recommends that the above requirements for a bona fide break in service, prohibition of a post-retirement employment agreement, as well as the requirement of employer contributions to be made for the amortization of the system's unfunded liability be included in Section 88-9(d) as the chapter governing the system, for the positions stipulated under section 302A.

Thank you for the opportunity to provide comments on HB 2172.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Thirty-Third Legislature, State of Hawaii
House of Representatives
Committee on Education

Testimony by
Hawaii Government Employees Association

February 5, 2026

H.B. 2172 — RELATING TO EMPLOYMENT OF RETIRANTS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO wishes to provide comments on H.B. 2172, which seeks to establish a 5-year pilot program to authorize the Department of Education to rehire retired teachers and educational officers for hard-to-staff positions.

Section 2 of the bill adds a new section to chapters 302A, Hawaii Revised Statutes (HRS), which includes, but is not limited to, the following:

Paragraph (h) of part III, subpart B, states:

The retirant shall be included in the appropriate bargaining unit under section 89-6 for the payment of dues and grievance protections, but shall be excluded from tenure and promotion provisions.

Paragraph (j) of part III, subpart B, states:

The superintendent may establish a salary schedule for retirants employed by the department that differs from the applicable collective bargaining agreement negotiated under chapter 89; provided that the salary of the retirant shall not exceed the maximum salary step for the position's classification in the collective bargaining agreement.

Therefore, if the superintendent elects to establish a different salary schedule under paragraph (j), the superintendent must negotiate the proposed salary schedule with the respective exclusive representative pursuant to chapter 89-9 (HRS), as retirants remain part of their appropriate bargaining units under paragraph (h).

Thank you for the opportunity to provide comments on H.B. 2172.

Respectfully submitted,


Randy Perreira
Executive Director



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TESTIMONY TO THE HAWAI'I HOUSE COMMITTEE ON EDUCATION

Item: HB 2172 – Relating to Employment of Retirants

Position: Support

Hearing: Thursday, February 5, 2026, 2:00 pm, Room 309

Submitter: Osa Tui, Jr., President - Hawai'i State Teachers Association

Dear Chair Woodson, Vice Chair La Chica, and members of the committee,

The Hawai'i State Teachers Association (HSTA) supports H.B. 2172, which establishes a five-year critical skills retention pilot program within the Department of Education to authorize the rehiring of retired educators for hard-to-staff positions. Currently, the department continues to face a critical shortage of qualified teachers, particularly in specialized subject areas and hard-to-staff geographic regions. This chronic shortage denies students consistent, high-quality instruction.

H.B. 2172 provides a structured way to fill these vacancies with experienced local talent. Under the pilot program, retired teachers can return to the classroom without an interruption of their retirement benefits. To ensure the program is used effectively, the Superintendent must certify in writing that the department has conducted a good-faith recruitment effort or that the position is in a licensure area or geographic complex with a systemic shortage.

For each rehired retiree, the department will contribute the employer's share of the unfunded actuarial accrued liability, helping to pay down state debt without creating new pension obligations. This legislation creates a practical pathway to utilize the expertise of retired educators to provide stability for our school communities.

Mahalo for the opportunity to testify in support of our schools and educators.

HB-2172

Submitted on: 2/3/2026 2:18:39 PM

Testimony for EDN on 2/5/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|---------------------------|
| Glen Kagamida | Individual | Support | Written Testimony Only |

Comments:

STRONG SUPPORT

HB-2172

Submitted on: 2/4/2026 11:33:30 AM

Testimony for EDN on 2/5/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-----------------|--------------|--------------------|------------------------|
| Julie Matsumoto | Individual | Support | Written Testimony Only |

Comments:

Testimony in Support of HB2172

Committee on Education | 6 February 2026

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Julie Matsumoto, and I am a student at Mililani High School. I am writing in support of HB2172, a bill relating to employment of retirants.

This bill would establish a five-year pilot program authorizing the HDOE to rehire retired teachers and educational officers for hard-to-staff positions without interrupting their retirement benefits.

I stand in support of this bill because I enrolled in a specialized CTE pathway that I was originally excited about. However, when the veteran teacher retired, they were replaced by a new hire who had never taught the subject before, and despite his best efforts, simply did not know the curriculum well enough to teach beyond basic instructions. I struggled to understand the material throughout the year, and without an experienced teacher to guide me through the course, I ended up dropping the pathway altogether. I urge you to pass this bill so other students don't have to walk away from their dreams like I did.

For these reasons, I respectfully urge you to support this bill.

Mahalo for your time and consideration.

Mahalo,

Julie Matsumoto

Mililani High School