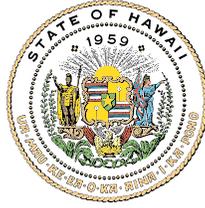


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EXECUTIVE DIRECTOR

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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 LABOR
ON
SENATE BILL NO. 3097 SD1**

March 17, 2026

9:30 A.M.

Conference Room 309 and VIA Videoconference

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

Chair Sayama, Vice Chair Lee, and Members of the Committee,

The Board of Trustees of the Employees' Retirement System (ERS) thanks you for the opportunity to testify in strong support of SB 3097 SD1.

SB 3097 SD1 proposes to allow the Board of Trustees of the Employees' Retirement System (ERS Board), through its Executive Director, to appoint the Deputy Executive Director (DED), Chief Compliance Officer (CCO), and Information Security Officer (ISO) of the ERS, and to exempt these positions from the State's civil service requirements. The changes proposed in SB 3097 SD1 will better ensure the continued strength of the ERS by making executive management positions more directly responsible to the ERS Board and its Executive Director, and thereby all ERS members.

As ERS membership has increased, so has the need to appropriately staff executive level positions. Additionally, technological capabilities, compliance requirements, and regulatory obligations have significantly increased the responsibilities on executive-level leadership. Maintaining the professionalism ERS requires depends on specialized



Employees' Retirement System
of the State of Hawaii

pension-management expertise, strong leadership experience, and compensation that is commensurate with these elevated duties.

The Executive Director currently serves as an exempt position reporting to the ERS Board. The DED reports to the Executive Director, serves as acting Executive Director when the Executive Director is unavailable, and oversees the day-to-day operations of the ERS. The CCO, under the direction of the Executive Director, manages the ethics, risk, and compliance programs that are integral to protecting ERS assets and ensuring the ERS' long-term stability and sustainability of the ERS. The ISO is a new position, created during the 2025 legislative session. As with other information technology positions across government agencies, recruitment and retention for this position is anticipated to be difficult due to the high level of expertise required and the highly competitive nature in tech positions.

These executive-level positions periodically report to the ERS Board, which is responsible for the proper operation of the ERS. Providing the ERS Board with more direct oversight on these executive-level managerial positions, will strengthen accountability and governance.

The stakeholders of the ERS, which include State and counties employees, are reliant on a strong and professionally managed system to secure current and future benefits.

The Board of Trustees of the ERS thanks the committee for the opportunity to provide testimony in support of SB 3097 SD1 and respectfully requests your favorable consideration.