

**SB-3253-SD-1**

Submitted on: 2/23/2026 6:47:27 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

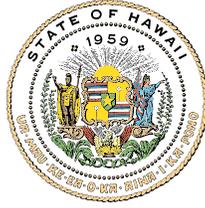
I, Johnnie-Mae L. Perry,

Comment 3253 SB RELATING TO CONSERVATION.

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**STATE OF HAWAII  
EMPLOYEES' RETIREMENT SYSTEM**

TESTIMONY BY KALBERT YOUNG  
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 3253 SD1

**February 25, 2026**

**10:56 AM**

**Conference Room 211 and VIA Videoconference**

RELATING TO CONSERVATION.

Chair Dela Cruz, Vice Chair Moriwaki, 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) believes they would have concerns regarding SB 3253 SD1 and is thankful for the opportunity to offer comments.

SB 3253 SD1 proposes to amend Chapter 88 of the Hawaii Revised Statutes (HRS) to include employees of the freshwater state recreation area wildlife sanctuary corporation (herein after the corporation) to be members of the ERS.

There are concerns whether employees of the corporation would fall under the definition of employees under section 88-21, HRS. It is not clear if these employees would be government (state) employees as the existing bill language under Section 3 explicitly specifies that "the corporation shall not be considered a department, agency, or public instrumentality of the State" and Section 7(f) further states that employees of the corporation "shall not be considered officers or employees of the State for the purposes of any state law, regulation, or executive order."



**Employees' Retirement System**  
of the State of Hawaii

Section 88-46 allows for employee contributions, deducted by the head of each State Department and the Finance Director of each County under their respective jurisdictions, to be picked up and paid by the employer as pre-tax pursuant to section 414(h)(2) of the Internal Revenue Code of 1986, as amended. If "jurisdiction" were to have the same meaning as under Section 76-11, then this pick-up would be limited to the State, the City and County of Honolulu, the County of Hawaii, the County of Maui, the county of Kauai, the Judiciary, the Department of Education, the University of Hawaii, and the Hawaii Health Systems Corporation or agencies thereof.

Furthermore, providing benefits to employees or persons who are not entitled to ERS membership under statute would violate the requirement that the corpus be used for the exclusive benefit of members and their beneficiaries pursuant to 88-22.5(a), HRS. This section is particularly important in order for the Hawaii pension system to conform its plan rules to Internal Revenue Code, amended 1986, to qualify the ERS, its participants, and its retirees for beneficial tax treatment.

Loss of qualification of beneficial tax treatment would result in:

- (1) The loss of pre-tax pick up of employee contributions;
- (2) Immediate payment of tax-deferred contributions;
- (3) Payment of taxes on vested benefits;
- (4) Payment of income tax on trust earnings; and
- (5) Rollovers to other qualified plans are not allowed.

Thank you for the opportunity to provide comments on SB 3253 SD1.

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
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KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

Testimony of  
RYAN K.P. KANAKA'OLE  
Acting Chairperson

Before the Senate Committees on  
WAYS AND MEANS

Wednesday, February 25, 2026  
10:56 AM  
State Capitol, Conference Room 211

In consideration of  
SENATE BILL 3253, SENATE DRAFT 1  
RELATING TO CONSERVATION

Senate Bill 3253, Senate Draft 1, creates the Hawai'i Conservation Sanctuary Corporation to protect and expand populations of endangered and other wildlife, both native and nonnative, by establishing sanctuaries in the state. It outlines the powers and responsibilities of the Corporation, authorizes it to partner or collaborate with the Department of Land and Natural Resources, and sets rules for the Corporation's Board of Governors, Executive Director, and business practices. The bill also mandates an annual report to the Governor, the Lieutenant Governor, the Legislature, the Chairperson of the Board of Land and Natural Resources, and the Director of Commerce and Consumer Affairs. This bill is scheduled to take effect on 7/1/2050. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and offers the following comments.**

The Department's mission is to enhance, protect, conserve, and manage Hawai'i's natural and cultural resources for current and future generations. The Department understands that achieving this mission increasingly depends on collaborating with non-governmental partners, including nonprofit organizations that can complement state conservation efforts and priorities and boost public engagement and education.

The Department emphasizes the importance of making sure that any nonprofit organization created under this measure works with existing statutory authorities.

The Department suggests deleting the following from page 5, lines 1 to 5:

The purpose of the corporation shall be to protect and expand populations of endangered species and other wildlife from within [~~and outside~~] the state by developing and operating at least three conservation sanctuaries in the state as follows.

The Department does not support introducing wildlife species from outside the state into Hawai'i unless they are kept in a bio-secure conservation facility that prevents their release into the environment and protects Hawai'i's native ecosystems.

The Department supports the goal of Senate Bill 3253, Senate Draft 1, to strengthen conservation through partnership and collaboration. With clear roles, responsibilities, and coordination, this measure might positively impact conservation, wildlife preservation, and public engagement across the State.

Mahalo for the opportunity to provide comments on this measure.