

The Judiciary, State of Hawai‘i
Ka ‘Oihana Ho‘okolokolo, Moku‘āina ‘o Hawai‘i

Testimony to the Thirty-Third Legislature, 2026 Regular Session

House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair

Thursday, April 2, 2026, 2:00p.m.
Hawai‘i State Capitol
Conference Room 308 & Videoconference

By

Paul Quick
Special Assistant to the Administrative Director of the Courts for Judiciary Security

WRITTEN TESTIMONY ONLY

Bill No. and Title: Senate Bill No. 99, S.D.1, H.D. 1, Relating to Government.

Purpose: Allows a retirant to be employed without reenrollment in the Employees' Retirement System and without loss or interruption of retirement benefits if the retirant is employed as a law enforcement officer stationed at a public school as a school resource officer as a labor shortage or difficult-to-fill positions, subject to certain conditions. Requires the Director of Human Resources of the appropriate state jurisdiction or the human resources management chief executive of each county to include in their annual reports to the Legislature, details on the employment of retirants as school resource officers or investigators. Effective 7/1/3000. (HD1)

Judiciary's Position:

The Judiciary supports the intent of this measure, which would allow law enforcement retirants to be employed in certain difficult-to-fill positions, without reenrollment in the Employee's Retirement System and without loss of retirement benefits.

The Department of Law Enforcement (Department) provides essential law enforcement services at the Judiciary, as well as at the Legislature and for Executive branch locations. The Department is currently experiencing a higher-than-normal vacancy rate and challenges staffing



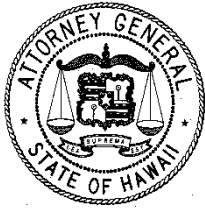
Senate Bill No. 99, S.D. 1, H.D. 1, Relating to Government
House Committee on Finance
Thursday, April 2, 2026 at 2:00 p.m.
Page 2

required assignments throughout the state. The Judiciary appreciates the Department's efforts to address these challenges and establish mechanisms to recruit and retain deputy sheriffs. For this reason, the Judiciary supports the intent of this measure and respectfully requests it be used to authorize the Department to address staffing challenges at Legislative and Judiciary facilities.

Authorizing the Department to address critical staffing shortages through the hiring of qualified retirants, without penalty to their retirement benefits, could help the Department build capacity for its core functions of protecting Legislative and Judiciary facilities, while also addressing the needs as noted in this measure.

We respectfully request that any appropriation provided not supplant the Judiciary's existing funding or budget requests.

Thank you for the opportunity to testify on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

S.B. NO. 99, S.D. 1, H.D. 1, RELATING TO GOVERNMENT.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Thursday, April 2, 2026

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Diane W. Wong or Jenny J.N.A. Nakamoto, Deputy Attorneys
General

Chair Todd and Members of the Committee:

The Department of the Attorney General (Department) supports the portion of this bill relating to positions identified by the appropriate jurisdiction, including relevant departments and agencies, as labor shortage or difficult-to-fill positions.

This bill amends section 88-9(d) and (f), Hawaii Revised Statutes (HRS), to allow certain retirants to be reemployed without reenrollment in the Employees' Retirement System (ERS), and without loss or interruption of ERS or chapter 87A benefits, subject to specified conditions. Relevant to the Department, the bill amends section 88-9(d)(4) to include "a position identified by the appropriate jurisdiction, including relevant departments and agencies, as a labor shortage or difficult-to-fill position." (Page 3, lines 15-18.)

The bill further establishes requirements "to identify a labor shortage or difficult-to-fill position." (Page 3, line 15, through page 5, line 3.)

However, the proposed subsection (d)(4)(D) is unclear as to which person or entity is responsible for identifying such positions. The Department proposes amending page 3, lines 15-18, by replacing "employer," with "employing" as follows:

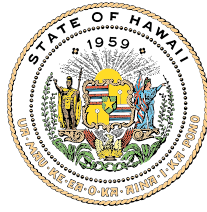
Each [~~employer,]~~ employing department[;] or agency, as the relevant jurisdiction, shall use one of the following requirements to identify a labor shortage or difficult-to-fill position

Accordingly, the Department respectfully asks the Committee to pass the portion of this bill relating to positions identified by the appropriate jurisdiction, including relevant departments and agencies, as labor shortage or difficult-to-fill positions, with the proposed amendment on page 3, lines 15-18.

Thank you for the opportunity to provide comments.

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 FINANCE
ON
SENATE BILL NO. 99 SD1 HD1

April 2, 2026

2:00 P.M.

Conference Room 308 and VIA Videoconference

SB 99 SD1 HD1 - RELATING TO GOVERNMENT.

Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

The Board of Trustees (BOT) of the Employees' Retirement System (ERS) appreciates the intent of SB 99 SD1 HD1 and is thankful for the opportunity to offer comments validating the amendments made to provide the suggested clarification to maintain tax code compliance regarding this measure..

SB 99 SD1 HD1 proposes to amend Section 88-9 of the Hawaii Revised Statutes (HRS) to allow School Resource Officer positions to be identified as labor shortage or difficult-to-fill by the Department of Law Enforcement and provides consistent and qualifiable metrics for employers, defined as jurisdictions of employers and departments, to use to identify various positions or classes of positions as labor shortage or difficult-to-fill.

The ERS has been advised by our tax counsel that the codifying of defined and objective metrics for the requirements for positions to be identified as labor shortage or difficult to fill strengthens the plan in administering a "Definitely Determinable Benefit" while limiting employer discretion as required under the Internal Revenue Code of 1986, as amended (IRC). Violation of this requirement and/or non-compliance with the IRC would put at risk the ERS's beneficial tax status and the Internal Revenue Service's favorable tax treatment for employees, Hawaii's government employers, and retirees.



Employees' Retirement System
of the State of Hawaii

The loss of ERS's beneficial tax status would result in harmful tax consequences for the system and its membership.

The ERS also endorses the inclusion of the twelve-month bona fide break in service, prohibition of any post-retirement employment agreement and requirement of employer contributions for the amortization of the system's unfunded liability. These are important components for the stability and sustainability of the pension system.

ERS advises that the requirement for a twelve-calendar month break along with the prohibition on post-retirement agreements to return to work remain in any future drafts. These provisions are consistent with existing statute that currently permit the return of other ERS eligible positions while providing for an accepted separation from employment sufficient to prevent a prohibited expectation of reemployment as a retiree. This prevention of a reasonable expectation for reemployment is especially important when the retiree is returning to a position which performs similar duties in a similar capacity as those performed prior to retirement. This break also provides for consistent general 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.

Thank you for the opportunity to provide testimony with comments on SB 99 SD1 HD1.