

Honolulu, Hawaii

FEB 24 2015

RE: GOV. MSG. NO. 519

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred Governor's Message No. 519, submitting for study and consideration the nomination of:

DIRECTOR OF THE DEPARTMENT OF BUDGET AND FINANCE

G.M. No. 519 WESLEY MACHIDA,
for a term to expire 12-3-2018,

begs leave to report as follows:

Your Committee has reviewed the personal statement and resume submitted by Wesley Machida and had the opportunity to discuss with Mr. Machida his professional and educational background and goals for leading the Department of Budget and Finance.

Your Committee received testimony in support of the nomination of Mr. Machida as the Director of Finance from representatives of the Office of the Governor, the Department of Budget and Finance, the University of Hawaii, the Department of Transportation, the Employees' Retirement System, the Hawaii State Public Library System, Capitol Consultants of Hawaii LLP, Accuity LLP, and nine individuals.

Wesley Machida is a familiar and trusted face before your Committee as a result of his longstanding service with the Employees' Retirement System (ERS). He most recently served as the Executive Director of the ERS from 2010 to 2014, a period which encompassed the Great Recession and many governmental accounting rule changes.



As a result of Mr. Machida's leadership and expertise, our State has been able to take on meaningful reforms of the ERS and address the unfunded pension liability of our public employees. He deserves much credit for the difficult, but wise, policy decisions that were made by the Legislature and Administration to restrain pension cost and liability, especially as we look to make continued commitments and budget for annual required contributions.

Mr. Machida also has had over thirty years of financial experience as a certified public accountant. He has served as the ERS Associate Administrator and in various auditor positions in both the public and private sectors. His thoughtful approach to challenging situations and his depth of understanding and knowledge of the issues at hand gained him the confidence and trust of his colleagues and the public employees that have been the ERS's beneficiaries. It is evident in speaking to Mr. Machida that he values these relationships and the importance of public service, and will approach his new position with the same humility, perseverance, and respect that he has in his previous roles.

While revenue collections have been improving, our State government is facing many budgetary challenges in the near term. We have significant obligations and commitments, as Mr. Machida is all too well aware from his previous role at the ERS, and he has made it clear in his presentations of the Administration's financial plan that the State must be prudent in its expenditures in order to preserve adequate ending balances and reserves.

Your Committee finds that Wesley Machida is well qualified and committed to working with the Governor and the Legislature to maintain the fiscal and budgetary health of the State while providing services necessary for the public health, safety, and general welfare and investing in programs and projects for the benefit of citizens in the future. Your Committee is confident that Mr. Machida will provide sound and objective advice to the Governor and Legislature. Consequently, your Committee supports his confirmation as the Director of Finance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM
Advise and Consent

Governor's Message No.:* GM519	Committee Referral: WAM	Date: 2/11/15		
<input type="checkbox"/> The Committee is reconsidering its decision				
The Recommendation is:				
<input checked="" type="checkbox"/> Advise and Consent 2340 <input type="checkbox"/> Not Advise and Consent 2345				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
TOTAL	11	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one Governor's Message per Record of Votes