Honolulu, Hawaii

Marh 24, 2006

RE: S.B. No. 2640

S.D. 1 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2640, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS,"

begs leave to report as follows:

The purpose of this bill is to clarify that a Voluntary Employees' Beneficiary Association Trust (VEBA Trust) may be established by an employee organization to provide benefits for state and county employees that the employee organization represents by amending the purpose of the VEBA Trust pilot program under Act 245, Session Laws of Hawaii 2005.

The Hawaii State Teachers Association and Hawaii Government Employees Association supported this bill. The Department of the Attorney General and The League of Women Voters submitted comments.

Your Committee finds that Act 245 established a VEBA Trust pilot program. However, the purpose and findings section of Act 245 makes reference to the provision of health benefits to "a particular bargaining unit." This ambiguity has caused confusion among various bargaining units in the state as to whether they are eligible to participate in this pilot program. This measure clarifies that a VEBA Trust may be established by an employee

organization to provide benefits for state and county employees the employee organization represents.

Your Committee has amended this measure by:

- (1) Clarifying that an employee organization establishing a VEBA Trust make it available to all employees represented by that employee organization; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2640, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2640, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

KIRK CALDWELL, Chair

State of Hawaii House of Representatives The Twenty-third Legislature

HSUR 1177-06

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.:	Date:	2 17 1	•	
SB 2640 SD1	-	3-17-0	6	
Committee Referral: LAB, FIN	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	Pass, with amendments			
☐ Hold	☐ Re	commit		
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. CALDWELL, Kirk (C)	V			
2. NAKASONE, Bob (VC)				
3. CHONG, Pono	V			
4. ITO, Ken				
5. OSHIRO, Marcus R.	1			
6. SHIMABUKURO, Maile S. L.		-		
7. SOUKI, Joseph M.	/			
8. MEYER, Colleen Rose	,			
9. STEVENS, Anne V.		V		
		-		
TOTAL	۶	,		2
The recommendation is: Adopted				
The recommendation is: Adopted				
☐ Not Adopted				
If joint referral, did not support recommendation.				
committee acronym(s) Sof Nakany				
/or / ahang				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				
Duplicate (1 cllow) - Cick's Office				