STAND. COM. REP. NO.

1644

Honolulu, Hawaii

APR 0 5 2007

RE: H.B. No. 1746

S.D. 2

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1746, 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 measure is to extend the sunset date of the law permitting employee organizations to establish a voluntary employees' beneficiary association trust.

The measure also requires a report to the Legislature on the status of the trust two years after implementation and then annually.

The Hawaii State Teachers Association and five individuals submitted comments in support of the measure. The Hawaii Government Employees Association submitted comments. The Department of Budget and Finance submitted comments in opposition to the measure.

Your Committee finds that permitting employee organizations to establish a voluntary employees' beneficiary association trust in addition to the existing Hawaii Employer-Union Health Benefits Trust Fund provides certain employees with an alternative for their health benefit needs. In addition, the existence of an additional health benefits trust fund can achieve substantial savings for the State and improved services for the members through competing health services.

HB1746 SD2 SSCR LRB 07-4056.doc

Your Committee amended the measure by correcting an erroneous statement in the purpose section about the duration of the pilot program by changing the reference from eight years to three, the length established under the original act.

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 is in accord with the intent and purpose of H.B. No. 1746, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1746, S.D. 2.

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

ROSALYN H. BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* HB 1746 SDI	Committee Refe		Date: 3/29/07		
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members	A	/e Aye (W	R) Nay	Excused	
BAKER, Rosalyn H. (C)	/	'			
TSUTSUI, Shan S. (VC)					
CHUN OAKLAND, Suzanne					
ENGLISH, J. Kalani				Y Karaja ji ji ji ji	
FUKUNAGA, Carol					
HOOSER, Gary L.					
KIM, Donna Mercado					
MENOR, Ron					
TOKUDA, Jill N.					
HEMMINGS, Fred					
WHALEN, Paul	Witness with the colored to the colo			eu et tautvetilbrede fore	
TOTAL	10		0	1	
Recommendation: Adopted			Not Adopted		
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					