STAND. COM. REP. NO. 599

Honolulu, Hawaii MAR 06 2009

RE:

S.B. No. 881

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

## Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 881 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 change the repeal date of the law on voluntary employees' beneficiary association trusts from July 1, 2010 to July 1, 2009.

This measure also repeals the requirement that the Hawaii Employer-Union Health Benefits Trust Fund conduct a certified independent financial audit concerning retirees, employees, and employee-beneficiaries who have remained with the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee received testimony from four government agencies (including two testifiers from one agency), and one individual in support. Testimony in opposition was submitted by one organization and six individuals.

Copies of the testimony may be reviewed on the Legislature's website.

Your Committee finds that the intent of a voluntary employees' beneficiary association trust is to provide a cost effective alternative to participation in the Hawaii Employer-Union Health Benefits Trust Fund for employees of a particular

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bargaining unit. Your Committee believes that the voluntary employees' beneficiary association trusts can provide an effective means of containing healthcare costs for its members, but must also stand on their own as independent entities.

Your Committee has amended this measure by restoring the sunset date of the voluntary employees' beneficiary association back to July 1, 2010, and include a new provision that requires, upon the insolvency of a voluntary employees' beneficiary association trust, the trust and the employee organization that established the trust to assume all liabilities and indemnify the State.

Your Committee also made a technical amendment for consistency and style.

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 S.B. No. 881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 881, S.D. 1, and be placed on the calendar for Third Reading.

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

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DONNA MERCADO KIM, Chair

## The Senate Twenty-Fifth Legislature State of Hawaii

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral: WみM		1.	AGR 5	2009
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		Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)					
TSUTSUI, Shan S. (VC)					
CHUN OAKLAND, Suzanne					/
ENGLISH, J. Kalani					
FUKUNAGA, Carol					
GALUTERIA, Brickwood					
HEE, Clayton					
HOOSER, Gary L.					
KIDANI, Michelle N.					
KOKUBUN, Russell S. TOKUDA, Jill N.					
HEMMINGS, Fred			l region		
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TOTAL		10			1
Recommendation:  Adopted  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 measure per Record of Votes