STAND. COM. REP. NO. | 210 -10

Honolulu, Hawaii

April 1 , 2010

RE: S.B. No. 2849

S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2849, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose of this bill is to improve the efficiency and accountability of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by among other things:

- (1) Exempting the procurement of carriers, administrators, consultants, actuaries, and auditors from the Procurement Code;
- (2) Imposing fiduciary duties, restrictions, and liabilities on fiduciaries of the EUTF;
- (3) Enabling the Board of Trustees of the EUTF (Board) to access attorneys with specific experience in highly technical legal field and independent of the Attorney General;
- (4) Changing the number of trustees on the Board from ten to 12, how they are appointed, their terms of office, and quorum and voting requirements;

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- (5) Transferring jurisdiction over the EUTF from the Department of Budget and Finance (B&F) to the Department of Human Resources Development (DHRD); and
- (6) Requiring the Director of DHRD to report to the Legislature prior to the Regular Sessions of 2013 and 2015 on the cost effectiveness of the amendments made pursuant to this measure.

The University of Hawaii Professional Assembly; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME, Local 646, AFL-CIO supported this bill. B&F and the Department of the Attorney General opposed this measure. DHRD, City and County of Honolulu Department of Human Resources, and a concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Inserting provisions stipulating that the arbitration panel shall render a final and binding decision on state and county contributions to the EUTF;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2849, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2849, S.D. 2, H.D. 1.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

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Record of Votes of the Committee on Finance

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☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)				
2. LEE, Marilyn B. (VC)	20 Ann. Lys. (Calenthian	3291.7154.84-9555.6214-855-93	7, -7	
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani	HARISTON CONTROL OF THE PROPERTY OF THE PROPER	**************************************		Wilder Der Wilder State Communication Commun
5. BROWER, Tom				
6. CHOY, Isaac W. 7. COFFMAN, Demry				THE PROPERTY OF THE PROPERTY O
8. HAR, Sharon E.				
9. KEITH-AGARAN, Gilbert S.C.				
10. LEE, Chris				Bellinform the partition
11. NISHIMOTO, Scott Y.		The state of the s		
12. SAGUM, Roland D., III	BOAT CARTER BOOK BO	HEROPESCHIEFT, LICENSCHEE	Main Menny of the Restr	
13.: TOKIOKA, James Kunane	خے			
14. WOOLEY, Jessica		1889-1771 (1771 1871) 1871-1871-1871-1871-1871-1871-1871-1871	22 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	BEENELLE (1) TERTHERISHERICE
15. YAMASHITA, Kyle T.				
16. FINNEGAN, Lynn				
17. WARD, Gene			The state of the s	
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TOTAL (4E)				
TOTAL (17)	12	2	{	2
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Marie 3. Lev				
Distribution: Original (White) Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) HMSO				