
A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 87A-5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§87A-5~~ **Composition of board.** The board of trustees of
4 the employer-union health benefits trust fund shall consist of
5 ~~[ten]~~ eight trustees ~~[appointed by the governor in accordance~~
6 ~~with the following procedure:~~

7 ~~(1) Five trustees, one of whom shall represent retirees,~~
8 ~~to represent employee beneficiaries and to be selected~~
9 ~~as follows:~~

10 ~~(A) Three trustees shall be appointed from a list of~~
11 ~~two nominees per trustee selected by each of the~~
12 ~~three exclusive representative organizations that~~
13 ~~have the largest number of employee~~
14 ~~beneficiaries;~~

15 ~~(B) One trustee shall be appointed from a list of two~~
16 ~~nominees selected by mutual agreement of the~~



1 ~~remaining exclusive employee representative~~
2 ~~organizations, and~~

3 ~~(C) One trustee representing retirees shall be~~
4 ~~appointed from a list of two nominees selected by~~
5 ~~mutual agreement of all eligible exclusive~~
6 ~~representatives, and~~

7 ~~(2) Five trustees to represent public employers.~~

8 ~~Section 26-34 shall not apply to board member selection and~~
9 ~~terms. Notwithstanding any other provision of this section, no~~
10 ~~exclusive representative of a bargaining unit that sponsors or~~
11 ~~participates in a voluntary employee beneficiary association~~
12 ~~shall be eligible to select nominees or to be represented by a~~
13 ~~trustee on the board.] as follows:~~

14 (1) The director of finance or the director's designee,
15 who shall serve as an ex officio trustee;

16 (2) Three trustees who shall be general employees, to be
17 appointed by the three exclusive representative
18 organizations that have the largest number of
19 employee-beneficiaries; provided that each of the
20 three exclusive representative organizations shall
21 appoint one trustee;



(3) One trustee who shall be a retiree, to be appointed by mutual agreement of all exclusive representative organizations that do not appoint a trustee pursuant to subsection (2);

(4) One trustee who shall be a citizen of the State with at least three years of experience in the health care field, to be appointed by the governor, with the advice and consent of the senate;

(5) One trustee who shall be a citizen of the State with at least three years of experience in the investment field, to be appointed by the governor, with the advice and consent of the senate; and

(6) One trustee who shall be a citizen of the State, to be appointed by the governor, with the advice and consent of the senate.

As used in this section[, ~~the term "exclusive representative"~~]:

"Exclusive representative" shall have the same meaning as in section 89-2.

"General employee" includes police officers and fire fighters."



SECTION 2. Section 87A-6, Hawaii Revised Statutes, is amended to read as follows:

"§87A-6 Term of a trustee; vacancy. [The] (a) Not including the ex officio trustee, the term of office of each trustee shall be ~~[four]~~ six years; provided that a trustee may be reappointed for one additional consecutive ~~[four-year]~~ six-year term.

(b) Not including the ex officio trustee, the trustees shall serve staggered terms; provided that the initial appointments shall be as follows: the trustees listed in section 87A-5(2) shall serve a term of six years; the trustee listed in section 87A-5(3) shall serve a term of five years; the trustee listed in section 87A-5(4) shall serve a term of four years; the trustee listed in section 87A-5(5) shall serve a term of three years; and the trustee listed in section 87A-5(6) shall serve a term of two years.

(c) A vacancy on the board shall be filled in the same manner as the trustee who vacated that position was ~~[nominated or]~~ appointed; provided that the criteria used for ~~[nominating or]~~ appointing the successor shall be the same criteria used for ~~[nominating or]~~ appointing the person's predecessor~~[-provided~~



1 further that vacancies on the board for each trustee position
2 representing retirees and employee-beneficiaries appointed under
3 section 87A-5(1)(A) and (B) shall be filled by appointment of
4 the governor as follows:

5 (1) If a vacancy occurs in one of the trustee positions
6 described in section 87A-5(1)(A), then the vacancy
7 shall be appointed from a list of two nominees
8 submitted by the exclusive employee representative
9 from among the three largest exclusive employee
10 representatives that does not have a trustee among the
11 three trustee positions;

12 (2) If a vacancy occurs in a trustee position described in
13 section 87A-5(1)(B), then the vacancy shall be
14 appointed from a list of two nominees submitted by
15 mutual agreement of the exclusive employee
16 representatives described in section 87A-5(1)(B); and

17 (3) If a vacancy occurs in the retiree position described
18 in section 87A-5(1)(C), then the vacancy shall be
19 appointed from a list of two nominees submitted by
20 mutual agreement of all eligible exclusive employee
21 representatives].



1 (d) If by the end of a trustee's term the trustee is not
2 reappointed or the trustee's successor is not appointed, the
3 trustee shall serve until the trustee's successor is appointed."

4 SECTION 3. Section 87A-11, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[~~§~~§87A-11~~§~~] Quorum; board actions; voting. (a) [~~Six~~
7 ~~trustees, three of whom represent the public employer and three~~
8 ~~of whom represent employee beneficiaries,~~] Five trustees shall
9 constitute a quorum for the transaction of business.

10 [~~(b) Trustees representing the public employers shall~~
11 ~~collectively have one vote. Trustees representing the employee~~
12 ~~beneficiaries shall collectively have one vote.~~

13 ~~For any vote of the trustees representing the public~~
14 ~~employers to be valid, three of these trustees must concur to~~
15 ~~cast such a vote. In the absence of such concurrence, the~~
16 ~~trustees representing the public employers shall be deemed to~~
17 ~~have abstained from voting.~~

18 ~~For any vote of the trustees representing the employee~~
19 ~~beneficiaries to be valid, three of these trustees must concur~~
20 ~~to cast such a vote. In the absence of such concurrence, the~~



1 ~~trustees representing the employee beneficiaries shall be deemed~~
2 ~~to have abstained from voting.~~

3 ~~An abstention shall not be counted as either a vote in~~
4 ~~favor or against a matter before the board.~~

5 ~~(e)}~~ (b) Any action [taken] by the board [shall] may be
6 taken by [~~the concurrence of at least two votes~~] a vote of the
7 majority at a meeting. [~~In the event of a tie vote on any~~
8 ~~motion, the motion shall fail. Upon the concurrence of six~~
9 ~~trustees, the board shall participate in dispute resolution.] "~~

10 SECTION 4. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect upon its approval.

13

INTRODUCED BY: 

JAN 27 2015



H.B. NO. 1052

Report Title:

Employer-Union Health Benefits Trust Fund; Board of Trustees

Description:

Amends the membership, term length, and quorum requirements of the EUTF board of trustees.

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