

Honolulu, Hawaii March 4 , 2016

RE: H.B. No. 2015 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016. State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2015, H.D. 1, 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 measure is to amend the management and administrative structure of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). Specifically, this measure:

- Exempts procurement of plan carriers, administrators, and professional service providers from the State Procurement Code;
- (2) Specifies the fiduciary duties of EUTF trustees;
- (3) Amends the composition, appointing authorities, vacancyfilling procedure, quorum requirements, and voting procedures of the EUTF board of trustees;
- (4) Authorizes the establishment of sub-boards of the EUTF board for the negotiation of contributions that apply only to particular bargaining units;
- (5) Authorizes the EUTF board to appoint attorneys independent of the Attorney General; and

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(6) Amends the administration of EUTF moneys and transfers control of the EUTF to the Office of Collective Bargaining.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and University of Hawaii Professional Assembly supported this measure. The Department of Budget and Finance opposed this measure. The State Procurement Office, Office of Collective Bargaining, and City and County of Honolulu's Department of Budget and Fiscal Services and Department of Human Resources provided comments.

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 H.B. No. 2015, H.D. 1, and recommends that it pass Third Reading.

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

SYLVIA LUKE, Chair

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Record of Votes of the Committee on Finance

Bill/Resolution No.:			Date:	
HB2015 HD1	LAB, FIN 03/01/16			
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is)				
Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	- 1/			
2. NISHIMOTO, Scott Y. (VC)				
3. CACHOLA, Romy M.				
4. CULLEN, Ty J.K.				
5. DeCOITE, Lynn				
6. JOHANSON, Aaron Ling				
7. JORDAN, Jo			· · · · · · · · · · · · · · · · · · ·	
8. KEOHOKALOLE, Jarrett				· · · · · ·
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.				
11. LOWEN, Nicole E.				
12. ONISHI, Richard H.K.				
13. TOKIOKA, James Kunane				
14. YAMASHITA, Kyle T.				
15. POUHA, Feki				
16. WARD, Gene				
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TOTAL (16)	- 6			
The recommendation is: Adopted Not Adopted				
Lifyoint referral, did not support recommendation.				
Vice Chair's or designee's signaturer				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				