STAND. COM. REP. NO.

Honolulu, Hawaii April 8 , 2016 RE: S.B. No. 2839 S.D. 2 H.D. 2

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 S.B. No. 2839, S.D. 2, 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:

- (1) Amend the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) definition of "dependent-beneficiary" to:
 - (A) Clarify the eligibility of children for participation in EUTF benefits plans; and
 - (B) Conform with the federal Patient Protection and Affordable Care Act of 2010;
- (2) Amend the management and administrative structure of the EUTF by:
 - (A) Exempting contracts for the procurement of EUTF benefit plan carriers, third-party administrators, and professional service providers from the Hawaii Public Procurement Code;



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- (B) Amending the fiduciary duties and composition, as well as the appointment, vacancy, and voting procedures, of the EUTF Board of Trustees;
- (C) Authorizing the establishment of sub-boards of the EUTF Board of Trustees for the negotiation of contributions that apply specifically to particular bargaining units;
- (D) Authorizing the EUTF Board of Trustees to appoint attorneys independent of the Department of the Attorney General; and
- (E) Transferring the administrative attachment of the EUTF from the Department of Budget and Finance to the Office of Collective Bargaining; and
- (3) Make housekeeping amendments to sections 87A-34 and 87A-36, Hawaii Revised Statutes.

The Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO supported this measure. The Department of the Attorney General; Department of Budget and Finance; State Procurement Office; EUTF Board of Trustees; Office of Collective Bargaining; and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provided comments.

Your Committee has amended this measure by:

- (1) Inserting the contents of H.B. No. 2012, H.D. 1, which was passed out from this Committee earlier this session as Part III and specifies that the benefits of the Hawaii Employer-Union Health Benefits Trust Fund are subject to collective bargaining negotiations;
- (2) Changing its effective date to July 1, 2091, to encourage further discussion; and
- (3) Making technical nonsubstantive amendments for clarity, consistency, and style.



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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. 2839, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2839, S.D. 2, H.D. 2.

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

SYLVIA LUKE, Chair



State of Hawaii House of Representatives The Twenty-eighth Legislature

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Record of Votes of the Committee on Finance

Bill/Resolution No.: SB2839 SD2 HD1	Committee Referral: LAB, FIN	Date:	Date: 03/30/16	
The committee is reconsidering its prev	ious 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. LUKE, Sylvia (C)			·	
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)	- 1 (5	/		
The recommendation is: Adopted I Not Adopted did not support recommendation.				
Vice Chair's or designee's signature				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				