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STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

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TESTIMONY BY DEREK MIZUNO
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR
ON SENATE BILL NO. 935

February 13, 2017
9:30 a.m.
Room 016

RELATING TO STAFF OF THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Chair Keith-Agaran, Vice Chair Rhoads, and Members of the Committee:

The EUTF Board of Trustees strongly supports this Administration bill. Currently, 49 out of the 57 EUTF authorized positions are exempt from civil service. Additionally, any new positions must be exempt in accordance with section 87A-24, Hawaii Revised Statutes. In certain respects, the exempt status has been detrimental to both the EUTF staff and operations. EUTF staff currently do not receive step movements that their civil service counterparts receive as well as other benefits under the civil service system. EUTF operations have been hindered through high turnover as some employees have left EUTF citing the exempt status as one of the reasons. EUTF believes that this change will improve operations by helping EUTF retain employees.

EUTF's Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

We are also requesting additional funds of \$86,837 in fiscal year 2017-2018 and \$104,616 in fiscal year 2018-2019. We request that Section 3 of the bill be amended to correct the fiscal years to be fiscal years 2017-2018 and 2018-2019, instead of 2018-2019 and 2019-2020.

EUTF will work with the Department of Budget and Finance Personnel Office and the employee-organization representing the staff to ensure that the staff are not negatively impacted by the change and will report back to the Legislature no less than 20 days prior to the convening of the regular sessions of 2018 and 2019.

Thank you for the opportunity to testify.