

## GOV. MSG. NO. 1138

#### EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

June 1, 2023

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Second State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 /The Honorable Scott K. Saiki Speaker, and Members of the House of Representatives Thirty-Second State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 1, 2023, the following bill was signed into law:

SB1313 SD1 HD1 CD1

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND. ACT 038

Sincerely,

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Josh Green, M.D. Governor, State of Hawai'i

### Approved by the Governor

1 2023

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on

THE SENATE THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII S.B. NO. <sup>1313</sup> S.D. 1 H.D. 1 C.D. 1

ACT 038

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## 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 The legislature finds that salaries for SECTION 1. 2 executive personnel in the private sector far outpace that of 3 state employment, making attracting and retaining quality 4 managers difficult. The legislature further finds that, in order for the board of trustees of the Hawaii employer-union 5 health benefits trust fund to recruit and retain the most 6 7 qualified individuals to administer the day-to-day activities of the trust fund, the board should be allowed to establish 8 9 appropriate salaries for upper management personnel.

10 Accordingly, the purpose of this Act is to allow the board of trustees of the Hawaii employer-union health benefits trust 11 12 fund to establish salaries for the trust fund administrator and 13 chief investment officer that are commensurate with the private sector. This amendment is modeled after the statutory wording 14 in section 88-29, Hawaii Revised Statutes, which provides the 15 16 board of trustees of the employees' retirement system similar 17 powers.



SECTION 2. Section 87A-24, Hawaii Revised Statutes, is 1 2 amended to read as follows: 3 "§87A-24 Other powers. In addition to the power to 4 administer the fund, the board may: 5 (1) Collect, receive, deposit, and withdraw money on 6 behalf of the fund; (2) Invest moneys in the same manner specified in section 7 8 88-119; Hold, purchase, sell, assign, transfer, or dispose of 9 (3) 10 any securities or other investments of the fund, as 11 well as the proceeds of those investments and any 12 money belonging to the fund; (4) Appoint, and at pleasure dismiss, an administrator and 13 14 other fund staff. The administrator shall be exempt from chapter 76. Other fund staff may be exempt from 15 16 chapter 76 as determined by the board. The 17 administrator and staff who are exempt from chapter 76 18 shall serve under and at the pleasure of the board; 19 provided that civil service exempt positions under 20 this section that are created after July 1, 2014, 21 shall be exempt from section 76-16(b)(17)(A); provided

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1313 S.D. 1

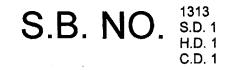
S.B. NO.



1		further that the salaries of the administrator and
2		chief investment officer shall be set by the board;
3	(5)	Make payments of periodic charges and pay for
4		reasonable expenses incurred in carrying out the
5		purposes of the fund;
6	(6)	Contract for the performance of financial audits of
7		the fund and claims audits of its insurance carriers;
8	(7)	Retain auditors, actuaries, investment firms and
9		managers, benefit plan consultants, or other
10		professional advisors to carry out the purposes of
11		this chapter;
12	(8)	Establish health benefits plan and long-term care
12	(0)	benefits plan rates that include administrative and
13		other expenses necessary to effectuate the purposes of
15		the fund; and
16	(9)	Require any department, agency, or employee of the
17		State or counties to furnish information to the board
18		to carry out the purposes of this chapter."
19	SECT	ION 3. New statutory material is underscored.
20	SECI	TION 4. This Act shall take effect upon its approval;
21	provided	that the amendments made to section 87A-24, Hawaii

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Revised Statutes, by section 2 of this Act shall not be repealed 1

2 when that section is reenacted on June 30, 2023, pursuant to

3 section 9 of Act 229, Session Laws of Hawaii 2021.

> 1st day of June , 2023 APPROVED this

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**GOVERNOR OF THE STATE OF HAWAI'I** 



### THE SENATE OF THE STATE OF HAWAI'I

Date: May 2, 2023 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate

of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2023.

President of the Senate

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Clerk of the Senate

#### THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2023 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2023.

Scott K. Saiki Speaker House of Representatives

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Brian L. Takeshita Chief Clerk House of Representatives