A Bill for an Act Relating to Staff of the Hawaii Employer-Union Health Benefits Trust Fund.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the Hawaii employer-union health benefits trust fund (EUTF) would operationally benefit from employing certain EUTF staff through the civil service system. The purpose of this Act is to permit the EUTF to employ certain EUTF staff through the civil service system.

SECTION 2. Section 87A-24, Hawaii Revised Statutes, is amended to read as follows:

**"§87A-24 Other powers.** In addition to the power to administer the fund, the board may:

- (1) Collect, receive, deposit, and withdraw money on behalf of the fund;
- (2) Invest moneys in the same manner specified in section 88-119;
- (3) Hold, purchase, sell, assign, transfer, or dispose of any securities or other investments of the fund, as well as the proceeds of those investments and any money belonging to the fund;
- (4) Appoint, and at pleasure dismiss, an administrator and other fund staff. The administrator [and staff] shall be exempt from chapter 76 [and]. Other fund staff may be exempt from chapter 76 as determined by the board. The administrator and staff who are exempt from chapter 76 shall serve under and at the pleasure of the board; provided that civil service exempt positions under this section that are created after July 1, 2014, shall be exempt from section 76-16(b)(17)(A);
- (5) Make payments of periodic charges and pay for reasonable expenses incurred in carrying out the purposes of the fund;
- (6) Contract for the performance of financial audits of the fund and claims audits of its insurance carriers;
- (7) Retain auditors, actuaries, investment firms and managers, benefit plan consultants, or other professional advisors to carry out the purposes of this chapter, including the retaining of an actuary to determine the annual required public employer contribution for the separate trust fund established under section 87A-42;

- (8) Establish health benefits plan and long-term care benefits plan rates that include administrative and other expenses necessary to effectuate the purposes of the fund; and
- (9) Require any department, agency, or employee of the State or counties to furnish information to the board to carry out the purposes of this chapter."

SECTION 3. There is appropriated out of the Hawaii employer-union health benefits trust fund the sum of \$86,837 or so much thereof as may be necessary for fiscal year 2017-2018 and the sum of \$104,616 or so much thereof as may be necessary for fiscal year 2018-2019 for the Hawaii employer-union health benefits trust fund to employ certain Hawaii employer-union health benefits trust fund staff through the civil service system.

The sums appropriated shall be expended by the Hawaii employer-union health benefits trust fund for the purposes of this Act.

SECTION 4. The Hawaii employer-union health benefits trust fund shall submit a report of its findings and recommendations, including any proposed legislation, regarding changes to its personnel and operations as a result of this Act, to the legislature no later than twenty days prior to the convening of the regular sessions of 2018 and 2019.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2017. (Approved July 10, 2017.)