

STAND. COM. REP. NO.

2954

Honolulu, Hawaii

MAR 16 2006

RE: H.B. No. 2950

S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor, to which was referred H.B. No. 2950
entitled:

"A BILL FOR AN ACT RELATING TO VOLUNTARY EMPLOYEES'
BENEFICIARY ASSOCIATION TRUSTS,"

begs leave to report as follows:

The purpose of this measure is to clarify the purpose of the
Act 245, Session Laws of Hawaii 2005, which authorizes the
establishment of voluntary employees' beneficiary association
trusts.

Testimony in support of this measure was submitted by the
Hawaii Government Employees Association, AFSCME Local 152, AFL-
CIO; the Hawaii State Teachers Association; and the United Public
Workers, AFSCME Local 646, AFL-CIO. Comments on the measure were
also submitted by the Department of the Attorney General and the
League of Women Voters of Hawaii.

Your Committee finds that Act 245, Session Laws of Hawaii
2005, authorized the establishment of voluntary employees'
beneficiary association (VEBA) trusts by an employee organization
for state and county employees of "a particular bargaining unit."
Your Committee further finds that clarification is necessary to
ensure that the intent of the Legislature to allow any bargaining
unit or units to benefit from the establishment of VEBA trusts.
Your Committee believes that it was not the Legislature's intent
that VEBA trusts only be established by a single employee
organization or a single bargaining unit, regardless of the law's



temporary nature as establishing only a three-year pilot program. Your Committee believes that this measure should further clarify that VEBA trusts may be established by any employee organization for multiple bargaining units that may also benefit from their combined numbers.

Accordingly, your Committee has amended this measure by:

- (1) Removing language that indicated that an employee organization may establish a VEBA trust for state and county employees represented by that employee organization; and
- (2) Including language to clarify that an employee organization may establish a VEBA trust for state and county employees of any bargaining unit or units for which a trust has been established.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2950, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor,



BRIAN KANNO, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Labor
(Bills and Resolutions)

Measure:* HB 2950	Committee Referral: LBR, WAM	Date: 3-13-06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
KANNO, Brian (C)	✓			
IHARA, Jr., Les (VC)				✓
TANIGUCHI, Brian T.	✓			
SLOM, Sam			✓	
TOTAL	2		1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.