

STAND. COM. REP. NO.

1644

Honolulu, Hawaii

APR 05 2007

RE: H.B. No. 1746
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1746, S.D. 1, 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 extend the sunset date of the law permitting employee organizations to establish a voluntary employees' beneficiary association trust.

The measure also requires a report to the Legislature on the status of the trust two years after implementation and then annually.

The Hawaii State Teachers Association and five individuals submitted comments in support of the measure. The Hawaii Government Employees Association submitted comments. The Department of Budget and Finance submitted comments in opposition to the measure.

Your Committee finds that permitting employee organizations to establish a voluntary employees' beneficiary association trust in addition to the existing Hawaii Employer-Union Health Benefits Trust Fund provides certain employees with an alternative for their health benefit needs. In addition, the existence of an additional health benefits trust fund can achieve substantial savings for the State and improved services for the members through competing health services.

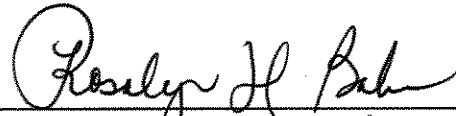
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Your Committee amended the measure by correcting an erroneous statement in the purpose section about the duration of the pilot program by changing the reference from eight years to three, the length established under the original act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1746, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



