

HOUSE OF REPRESENTATIVES
THE TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2007

RECEIVED

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2007 JAN 13 A 10: 10

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SERGEANT-AT-ARMS
HOUSE OF
REPRESENTATIVES

NOTICE OF INFORMATIONAL BRIEFING

DATE: Wednesday, January 17, 2007
TIME: 2:30 PM
PLACE: State Capitol Room 308
State Capitol
415 South Beretania Street

A G E N D A

In 2004, the Government Accounting Standards Board ("GASB") issued Statement Nos. 43 and 45. These new statements establish uniform financial reporting standards for the reporting of retiree health and other post-employment benefits ("OPEB") by state and local governmental employers. GASB 43, for plan reporting, is effective for the fiscal year ending June 30, 2007. GASB 45, for employers, is effective for the fiscal year ending June 30, 2008. One of the underlying purposes of GASB 43 and 45 is to have public employers report their liability for retiree health benefits and OPEB on an accrual rather than a pay-as-you-go basis.

GASB 43 and 45 will require, among other things, that the State's financial statements show the:

- (1) Actuarial present value of the total future cost of providing retiree health benefits to the State's employees, retirees, and their beneficiaries under the terms of the State's retiree health benefits plans;
- (2) Annual contributions that would be required for the State to amortize that total future cost over a thirty-year period; and
- (3) State's status and progress in funding or amortizing that total future cost.

Last year, the Legislature clarified that the Hawaii employer-union trust fund ("EUTF") is administered as a trust or equivalent arrangement as that term is used in GASB 43 and 45. This will simplify the burdens placed on the State and counties regarding compliance with the financial reporting standards of GASB 43 and 45. In addition, it will ensure that all contributions made by the State and counties to the EUTF for retiree health benefits plans will be credited against the State's and counties' liabilities for the cost of such plans in their financial statements.

The Employer Union Trust Fund has been invited to provide:

- An orientation to GASB 43 and 45, and
- An update on efforts to produce an actuarial valuation.

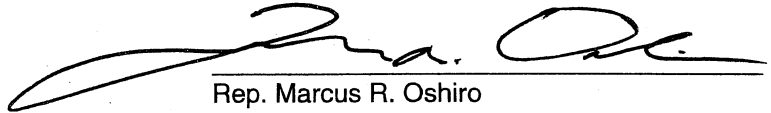
AS THIS IS AN INFORMATIONAL BRIEFING, NO TESTIMONY WILL BE ACCEPTED.

IF YOU REQUIRE SPECIAL ASSISTANCE OR AUXILIARY AIDS AND/OR SERVICES TO PARTICIPATE IN THE PUBLIC HEARING PROCESS OF THE STATE HOUSE (I.E., SIGN LANGUAGE INTERPRETER, WHEELCHAIR ACCESSIBILITY, OR PARKING DESIGNATED FOR THE DISABLED), PLEASE CONTACT THE

FINANCE COMMITTEE STAFF AT LEAST 24 HOURS PRIOR TO THE HEARING SO ARRANGEMENTS CAN BE MADE. PROMPT REQUESTS SUBMITTED HELP TO ENSURE THE AVAILABILITY OF QUALIFIED INDIVIDUALS AND APPROPRIATE ACCOMMODATIONS.

FOR FURTHER INFORMATION, PLEASE CALL THE FINANCE COMMITTEE STAFF AT 586-6200.

SELECTED HEARINGS ARE BROADCAST LIVE. CHECK THE CURRENT LEGISLATIVE BROADCAST SCHEDULE ON THE "CAPITOL TV" WEB SITE AT WWW.CAPITOLTV.ORG OR CALL 550-8074 FOR A LISTING.

A handwritten signature in black ink, appearing to read "Marcus R. Oshiro", is written over a horizontal line.

Rep. Marcus R. Oshiro
Chair