

Honolulu, Hawaii

MAR 28 2007

RE: H.B. No. 1290  
H.D. 1  
S.D. 1

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

Madam President:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 1290, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION  
HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose of this measure is to eliminate confusion and/or  
misinterpretations regarding which "beneficiaries" of an employee  
killed in the performance of duty or of a deceased retiree are  
eligible to become EUTF employee-beneficiaries including  
reciprocal beneficiaries.

Testimony in support of this measure was received from  
HGEA/AFSCME Local 152, AFL-CIO and one private citizen. ILWU  
Local 142 submitted testimony in support of the original intent.  
Opposing testimony was received from The Gay Lesbian, Bisexual and  
Transgendered Caucus of the Democratic Party; the GLEA Foundation  
and the Department of Department of Budget and Finance and the  
Hawaii Employer-Union Health Benefits Trust Fund.

Based on the testimony presented, your Committee finds that  
including reciprocal beneficiaries, although well intended, may  
have a negative impact on the fund. Until, the EUTF can analyze  
the impact of adding this new category may have on the EUTF, your  
Committee will not advance this proposal. The Committee has  
amended the bill to revert to the original provisions and added  
several amendments to prevent discrimination to any present class



of beneficiaries by diminishing their benefits and to provide protection to the EUTF beneficiaries against any breaches of fiduciary duty. These protections mirror the protections that EUTF imposed on the VEBA.

Your Committee further amended the bill by adding a provision that when there is a default in the selection of a plan, that the default would revert to the lowest bidder. This would provide savings for the member and EUTF.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1290, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1290, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

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



CLAYTON HEE, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:*	Committee Referral:	Date:
<b>HB 1290 HD1</b>	<b>JDL, WAM</b>	<b>3/22/07</b>

The committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
 Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
KOKUBUN, Russell S. (VC)	/			
INOUYE, Lorraine R.	/			
NISHIHARA, Clarence K.				/
GABBARD, Mike		/		
<b>TOTAL</b>	<b>3</b>	<b>1</b>		<b>1</b>

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature:  
*Russell S. Kohl*

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