

LINDA LINGLE
GOVERNOR



MARIE C. LADERTA
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

February 7, 2008

TESTIMONY TO THE

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
For Hearing on February 8, 2008
8:30 a.m., Conference Room 309

BY

MARIE C. LADERTA, DIRECTOR

H.B. No. 2481
Relating to Health

TO CHAIRPERSON SONSON AND MEMBERS OF THE COMMITTEE:

The stated purpose of the bill is to repeal the sunset date for voluntary employees' beneficiary association (VEBA) trusts pilot program established pursuant to Act 245, SLH 2005, as amended, to make VEBA trusts permanent.

The Department of Human Resources Development **opposes** this bill for the following reasons:

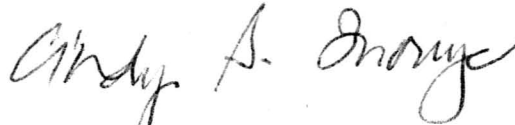
(1) The intent of Act 245, SLH 2005, was to allow employee organizations to establish a VEBA trust to provide health benefits for their members on a three-year pilot project basis to allow for the analysis of the costs and benefits of the VEBA trust against those of the Hawaii Employer Union Health Benefits Trust Fund (EUTF). Pursuant to Act 294, SLH 2007, the employee organization that establishes a VEBA trust in March, 2006 shall submit a report to the legislature on the status of the trust no later than 150 days after two full years of the trust's implementation. As such, the HSTA VEBA trust, which was established in March, 2006, will be required to submit a report to the legislature at the end of November 2008. Furthermore, last year, the legislature passed

SCR 178 requesting the auditor to conduct a study on the impact of VEBA trusts on public employees and employers and provide a basis for the legislature to decide whether to extend Act 245, SLH 2005. That study has yet to be completed. Therefore, it would be premature to make Act 245 permanent prior to receiving the results of the Auditor's report.

(2) If this bill is passed and VEBA trusts are made permanent, it would open the door for other employee organizations to establish a VEBA trust which will essentially negate a major portion of the Health Fund reforms enacted by Act 88, SLH 2001. Act 88 established the EUTF as a single health benefit delivery system that brought all state and county participants under a single group. Creation of the EUTF provided the employers and employees with better leverage in negotiating benefit contracts, eliminated the effects of "adverse selection," duplicative administrative costs, and the possible use of excess contributions for other than the beneficiaries. For plan year beginning 7/1/07, rates for active employees enrolled in the EUTF's Preferred Provider medical and prescription drug plans decreased 4% - 6%, resulting in a total savings of approximately \$8 million. If additional VEBA trusts are established, and more participants are shifted out from the EUTF, it is likely that rates for the remaining EUTF participants will increase and have a significant cost impact to the State.

Accordingly, we respectfully oppose this measure and recommend that the Committee hold this measure. Thank you for the opportunity to provide testimony.

Respectfully submitted,


for MARIE C. LADERTA
Director

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
ON
HOUSE BILL NO. 2481

February 8, 2008

RELATING TO HEALTH.

House Bill No. 2481 amends Act 245, Session Laws of Hawaii (SLH) 2005 to permanently establish the Voluntary Employees' Beneficiary Association Trust, (VEBA Trust). The measure also provides retirees that declined the option to transfer from the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to the VEBA Trust prior to July 1, 2008, another opportunity to make the transfer.

The Department of Budget and Finance opposes this measure.

The VEBA Trust was established as a pilot project and structured to provide health benefits to actives, new retirees and any existing retirees that make a one-time election to participate. The purpose clause of Act 245, SLH 2005 declares that the VEBA is intended to be a cost containment measure and that the pilot period would allow for a thorough analysis of costs and benefits of the VEBA trust as compared with the EUTF. Act 245 cites a lack of available data to fully determine the impact of the VEBA trust on the EUTF.

Senate Concurrent Resolution 178 was adopted during the 2007 legislative session and calls for the Legislative Auditor to conduct a comprehensive study on the results and impact of Act 245 and to report its findings to the 2008 Legislature. The study would include impacts on the memberships of the Hawaii State Teachers Association (HSTA) and EUTF, public employees ineligible to join a VEBA, public employers, the operations of the EUTF both historically and prospectively, pre-funding

issues under GASB 43 and 45, and various VEBA/EUTF co-existence scenarios. To date, the study has not been completed.

The Department believes that the study is the critical and missing component of Act 245. The study would provide the necessary information for a decision on the most cost effective means of providing health benefits for public employees, retirees and their dependents **as a whole** and not just improved benefits and lower cost for a select group under a VEBA. Passage of this measure is premature. Completion of the comprehensive study required by SCR 178 will document and validate the merits of VEBA Trusts and whether extension beyond the current June 30, 2009 sunset date is warranted.

The Department has long held that a single health benefit delivery system provides employers, employee-beneficiaries and ultimately the taxpayer with the most cost effective and long-term sustainable alternative.

Harry Kim
Mayor



William Takaba
Director

Nancy E. Crawford
Deputy Director

County of Hawaii

Finance Department
25 Aupuni Street, Room 118 • Hilo, Hawaii 96720
(808) 961-8234 • Fax (808) 961-8248

February 5, 2008

The Honorable Alex M. Sonson, Chair
and Members of the House of Representatives Committee
on Labor & Public Employment
Hawaii State Capitol
Honolulu, HI 96813

OPPOSITION TO HOUSE BILL 2481, RELATING TO HEALTH (VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS)

Thank you for the opportunity to submit testimony on House Bill 2481, relating to health and more specifically relating to voluntary employees' beneficiary association (VEBA) trusts. The VEBA trust was established as a temporary program to allow a thorough analysis and evaluation of the costs and benefits of a VEBA trust, compared with the Hawaii Employer Union Trust Fund (EUTF). This analysis and evaluation would determine what actual cost savings could be realized by the State through VEBA trusts.

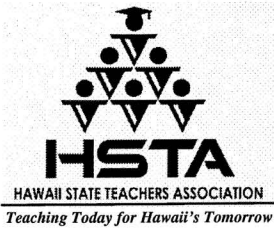
House Bill 2481 will make VEBA trusts permanent. We believe that VEBA trusts will have a negative fiscal impact on the employers and some employees' out of pocket costs. By pulling out specific groups of employees that have a better experience rating, the costs for insuring other employees and retirees will surely go up. When the premiums increase, this will not only increase the employers' costs, but also the employee's share of the medical premium for those not in a VEBA trust.

Further, if some VEBA trusts charge different rates than others, it is possible that some employees could end up paying more than others for the same coverage. Now with Governmental Accounting Standards Board Statement No. 45, an actuarial study of each post retirement benefit plan will be required for the State and all Counties. The VEBA providing the actuarial study by the required deadlines will have a significant impact on the State and counties preparing timely financial statements.

Since the VEBA trust program has been in place for only a short time, we do not believe that any meaningful analysis and evaluation of the program has taken place. For the reasons above, the County of Hawaii does not support House Bill 2481.

Sincerely yours,


William Takaba
Director



1200 Ala Kapuna Street • Honolulu, Hawaii 96819
Tel: (808) 833-2711 • Fax: (808) 839-7106 • Web: www.hsta.org

Roger K. Takabayashi
President

Wil Okabe
Vice President

Karolyn Mossman
Secretary-Treasurer

Mike McCartney
Executive Director

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
LABOR & PUBLIC EMPLOYMENT**

RE: HB 2481 – RELATING TO HEALTH

February 8, 2008

**ROGER TAKABAYASHI, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION**

Chair Sonson and Members of the Committee:

The Hawaii State Teachers Association supports HB 2481, which repeals the sunset date of Act 245, SLH 2005, as amended, and provides for the permanent establishment of voluntary employees' beneficiary association (VEBA) trusts to offer health benefits for state and county employees. The intent of the VEBA trust is to provide a cost effective alternative to participation in the Hawaii Employer-Union Health Benefits Trust Fund for employees of a particular bargaining unit.

The HSTA VEBA Trust has provided medical benefits for our active members and retirees since March 1, 2006 under a pilot program that is scheduled to expire on July 1, 2009. The Trust completed its first full plan year for active members on June 30, 2007 and recently submitted financial and utilization reports covering the first 16 months of operation to the Director of Budget and Finance, the Speaker of the House, and the Senate President. These reports indicate that the actual employer savings is \$2.1 million for the period March 1, 2006 through June 30, 2006 based on employer contributions and experience refund, and \$661,000 for the period July 1, 2006 through June 30, 2007 based on employer contributions. An experience refund, estimated to be \$2.3 million for the period July 1, 2006 through June 30, 2007, will be realized 60 days after June 30, 2008. In addition, there will also be a refund of \$313,000 based on the life insurance experience.

The Hawaii State Teachers Association believes that the VEBA trust provides an effective means of containing healthcare costs for its members and the State of Hawaii. We respectfully request your favorable consideration of HB 2481.

Thank you for this opportunity to testify in support of this measure.

RE: HB 2481
February 8, 2008

LeNore M. Vincent

Chair Sonson and Members of the Committee:

My name is LeNore M. Vincent and I am a teacher at Waiakea Elementary School. I support HB 2481 - Relating to Health, because it has helped me tremendously. I was involved in a traffic accident in 2001, and had 2 separate surgeries with 3 years of physical therapy. Due to the no fault insurance, I was lucky that I had VEBA trust to help with my medical bills.

Thank you for the opportunity to testify.

LeNore M. Vincent

Testimony Before the House Committee on
Labor & Public Employment

RE: HB 2481-Relating to Health

February 8, 2008 (date of hearing)

From: Mae T. Kishimoto

Chair Sonson and Members of the Committee:

My name is Mae T. Kishimoto and I am a teacher at Ahuimanu Elementary School. I support HB 2481 - Relating to Health.

I am asking, pleading for your support to repeal the sunset date set by previous session/s of the Legislature. As a VEBA Trustee/s, we worked very hard to give our teachers, both actives and retired, the most cost effective and comprehensive coverage as we could. I believe that we have been successful in doing that and resolve to continue to do so. In addition, we have also saved the State almost a million dollars within the first contract period. In spite of an ERISA ruling, that monies put into an employee health benefit system NOT be refundable, the TRUST has complied with the teacher contract and made the refund.

Again, please support repealing the sunset date for the VEBA.

Thank you for the opportunity to testify.
Sincerely, Mae T. Kishimoto

To: testimony@capitol.hawaii.gov
Cc: repmorita@capitol.hawaii.gov
Subject: Pls Support HB 2481

Testimony Before the House Committee on
Labor & Public Employment

RE: HB 2481-Relating to Health

February 8, 2008 (date of hearing)

From: Carol E. Seielstad

Chair Sonson and Members of the Committee:

My name is Carol Seielstad. I am a teacher at Hanalei School. My husband and I reside in District 14/1. I support HB 2481 - Relating to Health.

The VEBA Trust is very important to me and other teachers because it:

- * provides greater benefit to its members than EUTF.
- * is accountable to the Federal government for its expenditures.
- * requires full disclosure on how the trust funds are used.
- * it creates a smaller pool of members to allow a number of health insurance carriers to submit bids to be the carrier. The competition allows for the VEBA Trust to negotiate a better premium and better benefits.

Please support HB 2481.

Thank you for the opportunity to testify.

Aloha,

Carol E. Seielstad
3676 Kaweonui Rd
Princeville, HI 96722

Testimony Before the House Committee on
Labor & Public Employment

RE: HB 2481-Relating to Health

February 8, 2008

Barbara Kiakona

Chair Sonson and Members of the Committee:

My name is Barbara Kiakona and I am a teacher at Olomana School. I support HB 2481 - Relating to Health, etc.

I am in favor of repealing the sunset date for the voluntary employees' beneficiary association (VEBA Trust) because the VEBA Trust has helped me to keep my families medical expenses down and our benefits up.

As a long time member of the teaching profession, I have been involved with both the VEBA and the "other" health plan that was mandated by the State of Hawaii. The differences in the cost and the benefits has shown that the VEBA Trust is much more superior to the state plan.

Mahalo for the opportunity to testify.

Sincerely,
Barbara Kiakona

E malama kekahi i kekahi.

From: susan [mailto:Susan.Chew@members.hsta.org]
Sent: Wednesday, February 06, 2008 7:31 AM
To: testimony@capitol.hawaii.gov
Subject: HB 2481

Testimony Before the House Committee on Labor & Public Employment

RE: HB 2481

February 8, 2008

Susan Chew

Chair Sonson and Members of the Committee:

My name is Susan Chew and I am a teacher at Lanai High and Elementary School. I support HB 2481 - Relating to health and other benefits provided by the voluntary employees' beneficiary association (VEBA Trust). This is one of the true benefits of being a teacher. It not only provides affordable health care and other benefits to my whole family but it keeps us healthy and happy. Please support this bill.

Thank you for the opportunity to testify.

TESTIMONY BY JIM WILLIAMS
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON
HOUSE BILL 2481

8:30 A.M., February 8, 2008

RELATING TO HEALTH

Chairperson Sonson and Members of the Committee:

My name is Jim Williams, and I am Administrator of the Hawaii Employer-Union Health Benefits Trust Fund (also known as the EUTF). Thank you for this opportunity to present this testimony in opposition to House Bill 2481.

The EUTF provides health and life insurance benefits to approximately 91,000 public employees and retirees (54,000 actives and 37,000 retirees). EUTF is governed by a ten-member Board of Trustees.

This bill revises Act 245 (SLH 2005) to repeal the sunset date and make the act permanent. The EUTF Board of Trustees, at its meeting of January 30, 2007, voted unanimously (with nine Trustees present) to oppose this bill.

The EUTF opposes this bill because the Trustees believe that the EUTF can best provide health benefits for public employees and retirees and that VEBAs adversely affect the EUTF. Attached is testimony presented last session by the Chair of the Board of Trustees to the Senate Committee on Judiciary and Labor at an informational briefing on February 27, 2007 that summarizes the accomplishments of the EUTF since it began providing benefits on July 1, 2003. Last year, the EUTF consultant calculated that the

EUTF budget for the PPO plan would have been lower by about 4.3% (amounting to an overall premium reduction of \$8.6 million) if bargaining unit 5 members had remained in the EUTF rather than transferring to the HSTA VEBT. Also, the EUTF administrative fees are higher on a per capita basis than they would be if bargaining unit 5 members were part of the EUTF. Under current and recently approved collective bargaining agreements, the employers pay the EUTF administrative fees. It should be noted that last year, the Legislature passed SCR 178 requesting that the auditor study the impact of Act 245, and that study has yet to be completed. It would be premature to make Act 245 permanent prior to receiving the results of the study.

Thank you for this opportunity to present this testimony in opposition to HB 2481. I will be pleased to answer any questions from members of the Committee.

From: Jo-An [mailto:Jo-An.Goss@members.hsta.org]
Sent: Wednesday, February 06, 2008 9:05 AM
To: testimony@capitol.hawaii.gov
Subject: HB2481 (VEBA) bill - Relating to Health

Committee on Labor
Alex M. Sonson, Chair

Hearing on Friday, February 8, 2008 at 8:30 a.m.
Conference Room 309
State Capitol
415 South Beretania Street

Chair Sonson,

Mahalo for allowing me to present testimony in SUPPORT of HB2481 (VEBA Trusts; Bargaining Unit 5; Repeal Sunset provision to ACT 245).

I am a State Resource Teacher for Hawaiian Studies, and our office is located at the OCISS Annex, 475 22nd Avenue in Honolulu.

Even though we are covered under a Family Plan, my husband and I have benefitted from our Voluntary Employees' Beneficial Association (VEBA) health plan because of the wider scope of health care coverage and reduced costs of premiums, prescriptions, and medical bills. With the savings of costs, the VEBA Trust can look into further health options for our HSTA members. Our VEBA Trust Board is working diligently on our behalf and is willing to look at new suggested options. We know that our VEBA health plan is topnotch and very important for the recruitment and retention of teachers. We do not want to return to the State EUTF program which is more costly and more restrictive in its health care options.

We want to repeal the sunset date for the VEBA Trust so that we can make this permanent.

Mahalo nui loa for this opportunity to testify.

Jo-An Goss

Hawaiian Studies and Language Programs
OCISS Annex
475 22nd Avenue
Honolulu, HI 96816
733-9141 x267

TESTIMONY BY JIM WILLIAMS
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON
HOUSE BILL 2481

8:30 A.M., February 8, 2008

RELATING TO HEALTH

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The EUTF opposes this bill because the Trustees believe that the EUTF can best provide health benefits for public employees and retirees and that VEBAs adversely affect the EUTF. Attached is testimony presented last session by the Chair of the Board of Trustees to the Senate Committee on Judiciary and Labor at an informational briefing on February 27, 2007 that summarizes the accomplishments of the EUTF since it began providing benefits on July 1, 2003. Last year, the EUTF consultant calculated that the

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Thank you for this opportunity to present this testimony in opposition to HB 2481. I will be pleased to answer any questions from members of the Committee.

**TESTIMONY BY MARK RECKTENWALD
CHAIR, BOARD OF TRUSTEES
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR
INFORMATIONAL BRIEFING - ISSUES AND CHALLENGES RELATED TO
THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND (EUTF)**

FEBRUARY 27, 2007

INTRODUCTORY REMARKS ON PROGRESS OF EUTF

Good morning Chair Hee, Vice-Chair Kokubun, and Members of the Committee.

My name is Mark Recktenwald, and I am Chair of the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund(also known as the EUTF). Thank you for providing this opportunity to present this briefing on the progress of the EUTF to date.

Before proceeding and with your permission, I would like to introduce members of our Board of Trustees who were able to be here for this briefing: George Kahooohanohano, Liz Ho, and John Radcliffe represent employees and Marie Laderta, Stan Shiraki and I represent public employers. The position of chair (and other officers) rotates annually between the two groups of Trustees. I became chair in July 2006, and John Radcliffe preceded me as chair. Any action of the Board of Trustees requires two affirmative votes, with one vote being cast by at least

three employee Trustees and one vote being cast by at least three public employer Trustees. All Trustees are appointed by the Governor, with the employee Trustees being appointed from a list of nominees submitted by the exclusive representatives (public employee unions).

Also with me today are Jim Williams, the EUTF Administrator and John Garner of Garner Consulting, the benefit plan consultant retained to advise the Board of Trustees. Mr. Williams and Mr. Garner are prepared to address the details of the items on today's agenda.

EUTF was established with the passage of Act 88 (SLH 2001). Conference Committee Report No. 124 on SB 1044 that became Act 88 states that its purpose was "to establish a single health benefits delivery system for State and county employees, retirees, and their dependents." It further indicates that the Legislature wanted to ensure the solvency of the predecessor Public Employees Health Fund and the new EUTF and to address the spiraling cost of health benefits for public employees and retirees. Act 88 (codified as chapter 87A HRS) itself mandates the Board to carry out several specific purposes and states that "health and other benefit plans shall be provided at a cost that is affordable to both public employers and the public employees."

I would respectfully suggest that the EUTF has achieved the vision set forth by the Legislature. From the effective date of the first EUTF plans on July 1, 2003 until today, the EUTF has succeeded in providing health benefits to public employees and retirees through a single delivery system. The only exception is that HSTA implemented its VEBA plans in March 2006, as authorized under Act 245 (SLH 2005) enacted by this Legislature. The EUTF has met its mandate of keeping costs affordable for both employees and employers. Let me note that cost control and cost containment is a dynamic and ongoing effort, and our Board of Trustees constantly seeks additional strategies and methods to stabilize benefit costs. The EUTF began in a solvent position and has steadily improved its financial position. Today, the EUTF has cash and short-term investments totaling over \$94 million and net assets of approximately \$50 million.

Let me take a few moments to highlight the accomplishments of the EUTF:

- 1) Meeting the July 1, 2003 start up date set forth in Act 88 was a major achievement. Although I did not join the board until July 2003, my understanding is some observers had doubted that the EUTF would be able meet that deadline, given

the many tasks that had to be completed in a very short timeframe. The original Board of Trustees met for the first time in January 2002. By April 2003 they had hired an administrator and consultant, adopted administrative rules and awarded contracts for benefit plans. That spring, the first open enrollment was conducted, and the new benefits plans were implemented effective July 1, 2003.

- 2) In January 2004 EUTF held a special open enrollment offering two new supplementary (dual coverage) plans to meet the needs of employees who are covered by their spouses through non-public employers.
- 3) In June 2005 the Board of Trustees announced a rate rollback for retirees enrolled in HMSA effective immediately (July 1) with the coming plan year. Estimated savings from that rollback was \$5.2 million.
- 4) A one-month premium holiday for active employees enrolled in the HMSA plan also was negotiated with HMSA and announced in June 2005, and then implemented in December 2005. Neither employers nor employees paid premiums that month. The

premium holiday amounted to an 8% reduction in the annual premium, with savings amounting to about \$8 million for employees and \$12 million for employers.

- 5) Effective July 1, 2006 lower retiree rates again were negotiated. Even though retiree rates will be increased effective July 1, 2007, they will remain below the level of July 1, 2004.
- 6) Effective July 1, 2007 the EUTF PPO medical plans and bundled prescription drug plan will be offered through self-funded contracts, rather than insured contracts. Through the self-funded approach the Board of Trustees now has direct control of both rates and benefits. Initially, this has enabled the Board to keep rates lower, as reflected in an overall 4% - 6% reduction in PPO medical/drug rates for active employees amounting to savings of about \$8 million.
- 7) Also effective July 1, 2007 the EUTF will offer two new HMO plans, an additional PPO medical plan option, and a High Deductible Health Plan (HDHP). HMO enrollees now can choose between two Kaiser plans and an HMSA plan. PPO enrollees will be able to get the same benefits from either of two

plan administrators, HMSA or HMA. The high deductible health plan will have a lower premium than the PPO plans and will enable enrollees who meet federal requirements to establish Health Savings Accounts (HSA).

In its short history, the EUTF has made great strides toward realizing the potential its creators envisioned. With the continuing support of this Legislature, the current Board of Trustees is committed to continuing that progress. Again, I want to thank the Chair and the members of the Committee for this opportunity.

At this time, let me turn the presentation over to our Administrator, Jim Williams and to our benefit consultant, John Garner. We then look forward to answering the Committee's questions.

Statement of

Rae A. Yamanaka
Teacher
Waiakea High School
94 Kekela St.
Hilo, HI 96720

Before the

House of Representatives Committee on Labor & Public Employment

Friday, February 8, 2008
State Capitol, Conference Room 309
8:30am

In consideration of
HB2481 – Relating to Health

Chair Sonson and Members of the Committee

I, Rae A. Yamanaka from Waiakea High School, **strongly support HB 2481** and urge your Committee to vote for passage of this measure.

This bill will repeal the sunset date for the voluntary employees' beneficiary association (VEBA Trust) and make the VEBA Trust permanent. Since the VEBA trust was reinstated, we have been able to add the retired teachers, decreased the amount of prescription drug payments, decreased the amount of premium paid by our members and increased the benefit coverage. We have also returned the unused portion of the state contributed share back to the state. Teachers are very pleased with the management of our VEBA trust and the Member Benefits Corporation staff has been extremely professional and efficient in their services to our members.

Vote for HB 2481 and the repeal of the sunset date for the VEBA trust.

Thank you for your continual support for students and public education.

Mahalo,

Rae A. Yamanaka
808-959-9719
94 Kekela St.
Hilo, HI 96720
Email: Rae.Yamanaka@members.hsta.org

Statement of

Susan K. Anderson

Teacher

Keaau High School

16-725 Keaau High School

Keaau, HI 96749

Before the

House of Representatives Committee on Labor & Public Employment

Friday, February 8, 2008

State Capitol, Conference Room 309

8:30 a.m.

In consideration of

HB2481—Relating to Health

Chair Sonson and Members of the Committee:

I, Susan K. Anderson, from Keaau High School, **strongly support HB 2481** and urge your Committee to vote for passage of this measure.

This bill will repeal the sunset date for the voluntary employees' beneficiary association (VEBA Trust) and make the VEBA Trust permanent. Since the VEBA Trust was reinstated, we have been able to add the retired teachers, decreased the amount of prescription drug payments, decreased the amount of premium paid by our members and increased the benefit coverage. We have also returned the unused portion of the state contributed share back to the state. Teachers are very pleased with the management of our VEBA Trust and the Member Benefits Corporation staff has been extremely professional and efficient in their services to our members.

Vote for HB 2481 and the repeal of the sunset date for the VEBA Trust.

Thank you for your continual support for students and for public education.

Sincerely,

Susan K. Anderson

808-965-7212

P.O. Box 1055

Keaau, HI 96749

Email: lonepoethelloyou@hotmail.com

HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
Representative Alex Sonson, Chair
Representative Bob Nakasome, Vice Chair

DATE: Friday, February 8, 2008
TIME: 8:30 a.m.
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

RE: **HB 2481 Relating to Health**

Representative Sonson, Representative Nakasone,

My name is Beverly Gotelli, a recent retiree and a participant of the HSTA VEBA Trust. I write in support of HB 2481 which repeals the sunset for the VEBA Trust and allows the present retirees in the EUTF one more opportunity to join the VEBA Trust.

I can tell you that my premiums were less while I was an active member of HSTA. As a retiree I receive, what I consider better coverage than what is currently being offered through the EUTF. My mail order drug plan is better and a savings to me.

I strongly urge the Committee to pass HB 2481.

Thank you for the opportunity to testify.

Testimony Before the House Committee on
Labor & Public Employment

RE: HB 2481-Relating to Health

February 8, 2008

Testimony submitted by Amy Downard

Dear Honorable Chair Sonson and Members of the Committee:

My name is Amy Downard and I am a Visual Impairment Teacher for Honolulu District Schools. I HB 2481-Relating to Health. This bill will repeal the sunset date for the VEBA trust, healthcare for public school teachers. Many teachers, including myself, find the VEBA Trust to be more affordable and provide better benefits than the EUTF. Over the past 2 years, the cost of funding the VEBA trust has been less than the funding needed for the EUTF for teachers. Supporting HB 2481 seems like a win-win situation: teachers will enjoy better benefits and the state will save money in funding VEBA Trust. How many other state employees can say they are saving taxpayers' money? Please assist this effort by supporting HB 2481 to repeal the VEBA sunset date.

I believe that initially a study was proposed to investigate cost analysis of funding teachers' healthcare as VEBA vs. EUTF. However, I think it is just as easy to review the numbers of comparing the cost of funding VEBA over EUTF. This will also save the state more money.

Thank you for the opportunity to testify.

Mahalo,

Amy Downard
Visual Impairment Teacher, Honolulu District Office
1655 Makaloa St. #2508, Honolulu, HI 96814
adownard@gmail.com

Statement of
Heanu Weller
Teacher

Ka  Umeke K  eo, PCS
96 Hoaka Rd.
Hilo, HI 96720

Before the

House of Representatives Committee on Labor & Public Employment

Friday, February 8, 2008

State Capitol, Conference Room 309

8:30am

In consideration of

HB2481 – Relating to Health

Chair Sonson and Members of the Committee

I, Heanu Weller, a teacher at Ka  Umeke K  eo, PCS, **strongly support HB 2481** and recommend your Committee to vote for passage of this measure.

The passage of this bill will officially withdraw the sunset date for the voluntary employees' beneficiary association (VEBA Trust) and make the VEBA Trust permanent. The reestablishment of the VEBA trust has enabled us to decrease the amount of prescription drug payments, decrease the amount of premium paid by our members, include the retired teachers, and increase the benefit coverage. We have also returned the unused portion of the state contributed share back to the state. We teachers are very pleased with the management of our VEBA trust and the Member Benefits Corporation staff has been extremely professional and efficient in their services to our members.

Vote for HB 2481 and the repeal of the sunset date for the VEBA trust.

Thank you for your continual support for students and public education.

Mahalo,

Heanu Weller

Heanu Weller

96 Hoaka Road

Hilo, Hawai i 96720

Phone: 808-959-3039

e-mail: kookahi@yahoo.com

me ke aloha,

Heanu

Testimony Before the House Committee on
Labor & Public Employment

RE: HB 2481

February 8, 2008

Louise Cayetano

Chair Sonson and Members of the Committee:

My name is Louise Cayetano and I am a fifth grade teacher at Fern Elementary School.

I support HB 2481- Relating to Health

I am in support of repealing the sunset date for the Voluntary Employees' Beneficiary Association and would like to see VEBA become permanent for our public school teachers.

Thank you for the opportunity to provide written testimony.

HB 2753-Making an Appropriation for Collective Bargaining Cost Items

I am writing to ask for your support in appropriating funds to cover the Collective Bargaining Cost Items in our current teachers contract. Teacher retention is a nation wide problem. By funding the Collective Bargaining Cost Items, we can work collectively towards decreasing the gap we currently have between the number of teachers in our system and the number of teachers we need to fill our classrooms.

HB 2755-Relating to the Employees Retirement System

I am writing in support of reopening the election and membership into the ERS Class H plan. Teachers who were undecided the first time around will be afforded the opportunity to make the election and become members.

Thank you for this opportunity to testify in support of HB 2755.

TESTIMONY BEFORE THE
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

RE: HB 2481 – Relating to Health
Committee on Labor
Alex M. Sonson, Chair

Friday, February 8, 2008
8:30 AM
Conference Room 309
State Capitol
415 South Beritania Street

Dear Chair Sonson and Members of the House Committee on Labor and Public Employment,

We are teachers from Benjamin Parker Elementary on the Windward side. Thank you for allowing us to present testimony in SUPPORT of HB2481.

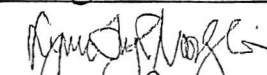
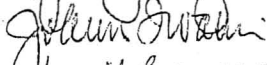
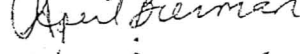

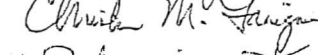
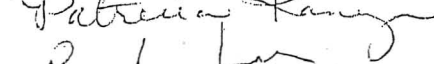

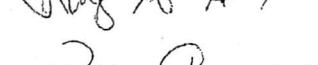
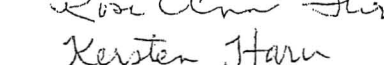

All of us have benefited from having our VEBA Trust. Many of us can share stories of the rising cost of health care and how much it meant to have a great health plan with VEBA. The VEBA Trust is an important benefit to us. It has created more benefits and choices for us with more savings – for doctor visits, emergency room visits, prescription drug costs, chiropractic plan benefits, and more!

Having our VEBA back has been a tremendous relief amidst the pressures of our profession that we face each day. Despite the growing responsibilities and added duties to our job descriptions, we felt appreciation through VEBA.

We sincerely ask for your support in passing HB 2481 in repealing the sunset date for VEBA. It means so much to all of us and our families.

Thank you Mr. Chairman and members of the House Committee on Labor and Public Employment for the opportunity to testify.

TEACHERS OF BENJAMIN PARKER ELEMENTARY IN FAVOR OF
HB 2481 – REPEALING SUNSET DATE OF VEBA TRUST:

<u>Name (print)</u>	<u>Signature</u>
1. Lynn Mochizuki	
2. JoAnn Iwami	
3. APRIL BIERMAN	
4. Christine Funasaki	
5. Christine Tanigawa	
6. Patricia Kamija	
7. Randy Lay	
8. Kimberly Ah Son	
9. Rose Ann Iwami	
10. Kersten Haru	

TESTIMONY BEFORE THE
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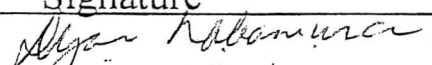




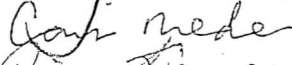
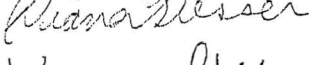

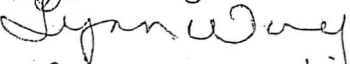
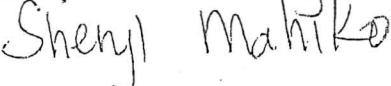
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Thank you Mr. Chairman and members of the House Committee on Labor and Public Employment for the opportunity to testify.

TEACHERS OF BENJAMIN PARKER ELEMENTARY IN FAVOR OF
HB 2481 – REPEALING SUNSET DATE OF VEBA TRUST:

<u>Name (print)</u>	<u>Signature</u>
11. Dyan Nakamura	
12. Trina Nishimura	
13. Barbara Bass	
14. Amber Bryson	
15. Crystal Chan	
16. Carissa Medeiros	
17. Oiana Kriester	
18. Kristin West	
19. Lynn Wong	
20. Sheryl Mahiko	

TESTIMONY BEFORE THE
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

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TEACHERS OF BENJAMIN PARKER ELEMENTARY IN FAVOR OF
HB 2481 – REPEALING SUNSET DATE OF VEBA TRUST:

<u>Name (print)</u>	<u>Signature</u>
21. Patricia Murphy	Patricia C. Murphy
22. Elissa Johnson	Elissa Johnson
23. Gina Eustaquio	Gina Eustaquio

February 5, 2008

Chair Sonson and Members of the Committee:

My name is Blake Hamura and I am a teacher at Waiakeawaena Elementary School. I support HB 2481 - Relating to Health because I need affordable health care for my family.

Thank you for the opportunity to testify.

Sincerely,

Blake Hamura
Resource Teacher