

TESTIMONY BY GEORGINA K. KAWAMURA  
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STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT  
ON  
HOUSE BILL NO. 2827

February 8, 2008

RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

House Bill No. 2827 provides that any general fund appropriation made by the Legislature to the Employer-Union Health Benefits Trust Fund or interest earned will not revert to the general fund.

We are opposed to this bill. Section 40-66, HRS, requires that funds that are appropriated for any fiscal period and not expended during that period shall lapse. General fund appropriations made by the Legislature is the employer contribution for health premium payments and is based on estimated requirements. Once that obligation is fulfilled, excess funds should be returned to the general fund.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

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House of Representatives  
The Twenty-Fourth Legislature, State of Hawaii  
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Committee on Labor & Public Employment

Rep. Alex M. Sonson, Chair  
Rep. Bob Nakasone, Vice Chair

Testimony by  
Hawaii Government Employees Association  
February 8, 2008

H.B. 2827 – RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 2827, which is to ensure that any legislative appropriations or interest earned on legislative appropriations to the Employer-Union Trust Fund (EUTF) will not revert to the general revenues of the state. This acknowledges the projected long-term costs associated with the Government Accounting Standards Board (GASB) requirements for other post-employment benefits, and that money will be available to meet the health care obligations to retired employees.

The EUTF became an irrevocable trust to fund other post-employment benefits through Act 57, SLH 2006. Utilizing the irrevocable trust will lower liabilities on the balance sheet because the actuarial valuation may assume a higher rate of investment return much like a pension fund. H.B. 2827 provides further protection to the fund by prohibiting legislative appropriations to the EUTF or any interest earned on any general fund appropriation to remain with the trust, thereby helping to pay down the state's obligation under GASB.

Thank you for the opportunity to testify in support of H.B. 2827.

Respectfully submitted,

Nora A. Nomura  
Deputy Executive Director