
A BILL FOR AN ACT

RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the counties need
2 representation on the board of trustees of the employer-union
3 health benefits trust fund. The counties contribute a
4 substantial amount to the fund and the health and well-being of
5 their employees and retirees depend on the benefit decisions
6 made by the board of trustees. Despite their lack of
7 representation, as public employers, the counties are affected
8 by board decisions. In a recent case brought by retirees
9 objecting to board of trustees benefit decisions, the counties
10 were joined in the lawsuit even though they did not have any
11 part in making the decisions.

12 The purpose of this Act is to require that one of the five
13 seats on the board allocated to public employers be occupied by
14 a member appointed by the Hawaii Council of Mayors, who will
15 provide fiscal expertise and knowledge of county finances and
16 the workplace. This will enable the effect of proposed benefit
17 changes on the county's workplace and finances to be adequately
18 considered in board decisions.



1 SECTION 2. Section 87A-5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§87A-5 Composition of board. The board of trustees of
4 the employer-union health benefits trust fund shall consist of
5 ten trustees [~~appointed by the governor~~] in accordance with the
6 following procedure:

7 (1) Five trustees [~~7~~] appointed by the governor, one of
8 whom shall represent retirees, to represent employee-
9 beneficiaries and to be selected as follows:

10 (A) Three trustees shall be appointed from a list of
11 two nominees per trustee selected by each of the
12 three exclusive representative organizations that
13 have the largest number of employee-
14 beneficiaries;

15 (B) One trustee shall be appointed from a list of two
16 nominees selected by mutual agreement of the
17 remaining exclusive employee representative
18 organizations; and

19 (C) One trustee representing retirees shall be
20 appointed from a list of two nominees selected by
21 mutual agreement of all eligible exclusive
22 representatives; and



1 (2) Five trustees to represent public employers[-], four
2 of whom shall be appointed by the governor, and one of
3 whom shall be appointed by the Hawaii council of
4 mayors to represent the city and county of Honolulu
5 and the counties of Hawaii, Maui, and Kauai.

6 Section 26-34 shall not apply to board member selection and
7 terms. Notwithstanding any other provision of this section, no
8 exclusive representative of a bargaining unit that sponsors or
9 participates in a voluntary employee beneficiary association
10 shall be eligible to select nominees or to be represented by a
11 trustee on the board.

12 As used in this section, the term "exclusive
13 representative" shall have the same meaning as in section 89-2."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect upon its approval.

Report Title:

Employer-Union Health Benefits Trust Fund; Board Membership

Description:

Requires one trustee of the employer-union health benefits trust fund to be occupied by a representative appointed by the Hawaii council of mayors to represent county interests. Effective upon approval. (SB2175 HD1)

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