
A BILL FOR AN ACT

RELATING TO THE BUDGET.

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

1 SECTION 1. The legislature finds that the staff of the
2 Hawaii employer-union health benefits trust fund is encountering
3 difficulties performing its duties. The legislature believes
4 that these difficulties are the result of an increased and more
5 complex workload, shortage of personnel, and absence of board
6 and administrative leadership.

7 The legislature further finds that the enabling law for the
8 voluntary employees' beneficiary association trust, an
9 alternative health-benefits system used by the employee
10 organization for public school teachers, will sunset on July 1,
11 2010. The legislature declares that it does not intend to make
12 the enabling law permanent or extend the sunset date for another
13 pilot testing period.

14 Notwithstanding this intent, the legislature finds that the
15 staff of the Hawaii employer-union health benefits trust fund
16 will experience extreme difficulty assisting in the transition
17 of public school teachers and their dependents from the
18 voluntary employees' beneficiary association trust to the Hawaii



1 employer-union health benefits trust fund on July 1, 2010, while
2 continuing to perform its normal duties. The legislature does
3 not want to place an excessive burden on the staff or cause
4 uncertainty for these public school teachers and their
5 dependents.

6 Thus, the purpose of this Act is to:

- 7 (1) Extend the enabling law for the voluntary employees'
8 beneficiary association trust for six months to
9 provide for a smoother transition to the Hawaii
10 employer-union health benefits trust fund;
- 11 (2) Appropriate funds for five temporary positions to
12 assist in the transition of public employees and their
13 dependents from the voluntary employees' beneficiary
14 association trust to the Hawaii employer-union health
15 benefits trust fund;
- 16 (3) Appropriate funds for five permanent positions to
17 assist in the performance of Hawaii employer-union
18 health benefits trust fund duties; and
- 19 (4) Appropriate funds to cover costs associated with the
20 transition from the voluntary employees' beneficiary
21 association trust to the Hawaii employer-union health
22 benefits trust fund.



1 SECTION 2. Act 245, Session Laws of Hawaii 2005, section
2 8, as amended by Act 294, Session Laws of Hawaii 2007, section
3 2, as amended by Act 16, Session Laws of Hawaii 2008, section
4 18, as amended by Act 5, First Special Session Laws of Hawaii
5 2008, section 1, is amended to read as follows:

6 "SECTION 8. This Act shall take effect upon its approval,
7 for the purpose of establishing a voluntary employees'
8 beneficiary association trust pilot program in March, 2006 and
9 shall be repealed on [~~July 1,~~] December 31, 2010; provided that
10 sections 89-2, 89-3, 89-6, and 89-9, Hawaii Revised Statutes,
11 are reenacted in the form in which they read on the day before
12 the effective date of this Act; and provided further that the
13 amendments made to section 89-6, Hawaii Revised Statutes, by Act
14 202, Session Laws of Hawaii 2005, shall not be repealed when
15 that section is reenacted on [~~July 1, 2009.~~] December 31, 2010."

16 SECTION 3. There is appropriated out of the Hawaii
17 employer-union health benefits trust fund of the State of Hawaii
18 the sum of \$232,542 or so much thereof as may be necessary for
19 fiscal year 2010-2011 for five temporary positions under the
20 Hawaii employer-union health benefits trust fund to assist in
21 the transition of public employees and their dependents from the



1 voluntary employees' beneficiary association trust to the Hawaii
2 employer-union health benefits trust fund on January 1, 2011.

3 The sum appropriated shall be expended by the Hawaii
4 employer-union health benefits trust fund for the purposes of
5 this Act.

6 SECTION 4. There is appropriated out of the Hawaii
7 employer-union health benefits trust fund of the State of Hawaii
8 the sum of \$244,359 or so much thereof as may be necessary for
9 fiscal year 2010-2011 for five permanent positions under the
10 Hawaii employer-union health benefits trust fund to assist in
11 the performance of duties of the trust fund.

12 The sum appropriated shall be expended by the Hawaii
13 employer-union health benefits trust fund for the purposes of
14 this Act.

15 SECTION 5. There is appropriated out of the Hawaii
16 employer-union health benefits trust fund of the State of Hawaii
17 the sum of \$223,099 or so much thereof as may be necessary for
18 fiscal year 2010-2011 for costs associated with the transition
19 from the voluntary employees' beneficiary association trust to
20 the Hawaii employer-union health benefits trust fund.



1 The sum appropriated shall be expended by the Hawaii
2 employer-union health benefits trust fund for the purposes of
3 this Act.

4 SECTION 6. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 7. This Act shall take effect on June 29, 2010.



Report Title:

VEBA Trust Pilot Program Extension; Hawaii EUTF Positions

Description:

Extends the repeal date of the Voluntary Employees' Beneficiary Association Trust Pilot Program (VEBA) to December 31, 2010. Appropriates funds for positions for the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). Appropriates funds for costs associated with the transition from VEBA to EUTF. Effective 6/29/2010. (SB2395 CD1)

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