



GOV. MSG. NO. **564**

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

May 13, 2010

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on May 13, 2010, the following bill was signed into law:

SB2395 SD2 HD1 CD1

A BILL FOR AN ACT  
RELATING TO THE BUDGET.  
**ACT 106 (10)**

Sincerely,

LINDA LINGLE

RECEIVED  
SENATE  
OFFICE OF THE PRESIDENT

10 MAY 13 P1:36

Approved by the Governor  
on     MAY 13 2010    

THE SENATE  
TWENTY-FIFTH LEGISLATURE, 2010  
STATE OF HAWAII

**ACT 106**  
**S.B. NO.** 2395  
S.D. 2  
H.D. 1  
C.D. 1

---

# 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.

APPROVED this 13 day of MAY, 2010



GOVERNOR OF THE STATE OF HAWAII