

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 1287  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1287, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT,"

begs leave to report as follows:

The purpose of this bill as received by your Committee is to reduce the number of civil service exempt employees in public service in accordance with Act 253, Session Laws of Hawaii (SLH) 2000, and Act 300, SLH 2006 by:

- (1) Updating certain sections of the Hawaii Revised Statutes to require that employment be subject to the Civil Service Law; and
- (2) Providing that certain civil service exempt positions will be automatically converted to civil service positions after three years.

For purposes of a public hearing, your Committee circulated a proposed House Draft (H.D. 2) that:

- (1) Extends the enabling law for the Voluntary Employees' Beneficiary Association Trust (VEBA) for six months in order to provide for a smoother transition to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF);



- (2) Appropriates funds for five temporary positions to assist in the transition from the VEBA to the EUTF; and
- (3) Appropriates funds for five permanent positions to perform other EUTF duties.

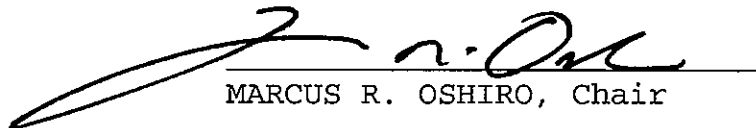
The Department of Budget and Finance and several concerned individuals supported this bill. Many concerned individuals opposed this measure. The State Auditor, the Hawaii State Teachers Association and several concerned individuals provided comments.

Your Committee has amended this bill by, among other things:

- (1) Adopting the changes presented in the proposed H.D. 2;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1287, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1287, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
MARCUS R. OSHIRO, Chair



