

Honolulu, Hawaii

, 2010

APR 23 2010

RE: S.B. No. 2395
S.D. 2
H.D. 1
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2395, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE BUDGET,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to assist the Hawaii employer-union health benefits trust fund to overcome difficulties in performing its duties due to an increased and more complex workload, shortage of personnel, and absence of board and administrative leadership.

Your Committee finds that the voluntary employees' beneficiary association (VEBA) trust, an alternative health-benefits system used by the employee organization for public school teachers, will sunset



on July 1, 2010. The Hawaii employer-union health benefits trust fund will experience extreme difficulty assisting in the transition of public school teachers and their dependents to the Hawaii employer-union health benefits trust fund while, at the same time, continuing to perform its normal duties.

Accordingly, this measure temporarily extends the sunset of the enabling legislation for the voluntary employees' beneficiary association trust for six months to provide for a smoother transition to the Hawaii employer-union health benefits trust fund.

In addition, this measure appropriates, for fiscal year 2010-2011, the following:

- (1) \$232,542 for five temporary positions to assist in the transition of public employees and their dependents from the voluntary employees' beneficiary association trust to the Hawaii employer-union health benefits trust fund;
- (2) \$244,359 for five permanent positions to assist in the performance of Hawaii employer-union health benefits trust fund duties; and
- (3) \$223,099 to cover costs associated with the transition from the voluntary employees' beneficiary association trust to the Hawaii employer-union health benefits trust fund.

Your Committee, upon further consideration, has amended this measure to change the effective date to June 29, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2395, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2395, S.D. 2, H.D. 1, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

Karl Rhoads

KARL RHOADS, Co-Chair

Donna Mercado Kim

DONNA MERCADO KIM, Chair

Marcus R. Oshiro

MARCUS R. OSHIRO, Co-Chair

Brian T. Taniguchi

BRIAN T. TANIGUCHI, Co-Chair

Norman Sakamoto

NORMAN SAKAMOTO, Co-Chair

Dwight Y. Takamine

DWIGHT Y. TAKAMINE, Co-Chair



