

Honolulu, Hawaii

April 1, 2010

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

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 S.B. No. 2395, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to improve government operations by:

- (1) Establishing that the provisions of the budget act shall prevail over statutory law whenever they are in conflict;
- (2) Requiring the Governor to execute the provisions of the budget act; and
- (3) Requiring the Governor to report the actions taken to the Legislature within 30 days of the enactment of the budget act.

The Hawaii State Teachers Association and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. The Department of Budget and Finance and Department of the Attorney General opposed this measure.

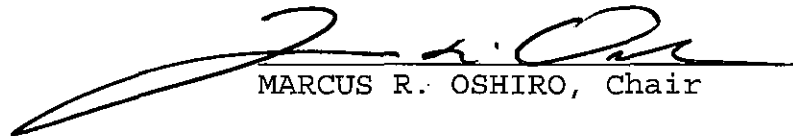


Upon careful consideration, your Committee has amended this bill by replacing its contents with the provisions of H.B. No. 1287, H.D. 2, and making further changes. Specifically, this bill, as amended:

- (1) Extends the enabling law for the Voluntary Employees' Beneficiary Association Trust (VEBA) for six months to provide for a smoother transition to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF);
- (2) Appropriates \$232,542 for five temporary positions to assist in the transition of public employees and their dependents from VEBA to EUTF;
- (3) Appropriates \$244,359 for five permanent positions to assist in the performance of EUTF duties;
- (4) Appropriates \$223,099 for costs associated with the transition from VEBA to EUTF; and
- (5) Takes effect on July 1, 2010.

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 S.B. No. 2395, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2395, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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


MARCUS R. OSHIRO, Chair



