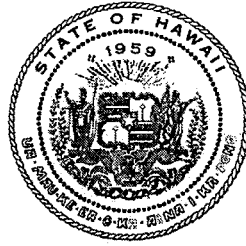


**SB 2797, SD1**



**TESTIMONY OF MARION M. HIGA, STATE AUDITOR  
ON SENATE BILL 2797, SD1, RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS**

**Senate Committee on Ways and Means**

**February 24, 2010**

Chair Kim and Members of the Committee:

Thank you for this opportunity to comment on Senate Bill No. 2897, Senate Draft 1. The bill extends for two years the sunset date for the voluntary employees' beneficiary association (VEBA) trust pilot programs originally established pursuant to Act 245, Session Laws of Hawai'i 2005, and then amended in 2007 by Act 294 (SLH 2007), by Act 16 (SLH 2008), and by Act 5, Special Session Laws of Hawai'i 2008.

The Senate Standing Committees on Education and Labor report that the bill's purpose is to make permanent VEBA trusts pilot programs originally established under Act 245 (SLH 2005). This purpose is contrary to our recommendation to sunset the VEBA trust pilot program as explained in our letter submitted to the Legislature pursuant to Act 5 (SSLH 2008). Act 5 asked that we determine the effects of the Hawai'i State Teachers' Association (HSTA) VEBA trust pilot program on the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF). For the committee's easy reference a copy of that letter is attached.

We could not perform the cost-benefit analysis as specifically requested by Act 5 because the EUTF does not segregate teacher retirees from other retirees. In addition, key utilization reports for plan year 2006 are missing from the HSTA VEBA Trust's First Annual Report. These reports are necessary to generate an impact analysis of insurance rates to determine the

differences in EUTF's annual costs with and without teacher members/retirees and their beneficiaries. Nevertheless, through meetings and interviews with staff and officials from the Department of Budget and Finance and EUTF, as well as HSTA VEBA Trust's administrator and benefits consultant, we gathered sufficient information and data and reviewed the financial statements and annual reports to conduct analyses of premium and administrative costs, and to assess the transparency and accountability. We arrived at the following conclusions.

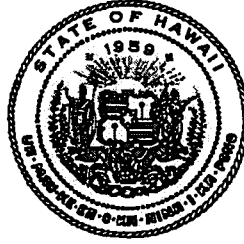
First, the HSTA VEBA trust pilot program promotes adverse selection and increases premium costs for EUTF enrollees. The EUTF participants, not VEBA participants, are experiencing the negative effects of adverse selection in higher cost for older teacher retirees who remain with the EUTF and higher premium rates. Based on January 2007 EUTF enrollment data, Garner Consulting estimated that the EUTF budget for the HMSA preferred provider plan would have been lowered by 4.3 percent to amount to an overall premium reduction of \$8.6 million if all HSTA members were included in the EUTF. While we recognize that the VEBA Trust refunded to the State experience refunds totaling \$5,258,543 from its First Annual Report for a 16-month period (3/06 to 6/07) as realized from the actives' primary health plans and life insurance, we question whether the State could have saved even more if these active employees had remained with the EUTF. We note a significant drop in experience refunds of \$1,386,463 reported in the HSTA VEBA Trust's Second Annual Report which was released subsequent to our review.

Second, the HSTA VEBA trust pilot program duplicates administrative costs borne by the State employer. Administrative fees are being paid for the State to operate two separate administrative offices—one for the EUTF and another for the HTSA VEBA trust, regardless of identical administrative fee rates. This is unnecessary, costly, and duplicative. From March 1, 2006 to June 30, 2009, over \$2.4 million in administrative fees was paid by the State to the HSTA VEBA trust. However, unlike the EUTF, the VEBA trust incurred nearly \$1 million more in administrative expenses than what it received from the State.

Lastly, the HSTA VEBA trust pilot program cannot ensure transparency and accountability in providing health benefits for teachers and teacher retirees. Unlike the EUTF, which is a state agency, the VEBA trust is not required to follow laws that ensure transparency and

accountability, such as public meetings; accessible government records; and legislative, administrative rulemaking, and state budgeting processes that monitor budgeting and administrative expenses. For example, the administrators of the HSTA VEBA trust filed for bankruptcy in March 2009; however, a bankruptcy or similar event could not happen to the EUTF. The VEBA trust's compliance with federal and state financial reporting requirements does not equate to transparency and accountability.

Overall, the HSTA VEBA trust carves into the EUTF health plan and negatively impacts the EUTF and the state employer. For these reasons we recommended that the VEBA trust pilot program be allowed to sunset after a short transition period. We do not advise another two years' extension of the pilot program.



December 2, 2009

The Honorable Colleen Hanabusa  
President of the Senate  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

Dear Madam President:

Re: Act 5, Special Session Laws of Hawai'i 2008

This letter responds to Act 5, Special Session Laws of Hawai'i (SSLH) 2008, which requests the Auditor to determine the effects of the Hawai'i State Teacher's Association (HSTA) voluntary employees' beneficiary association (VEBA) trust pilot program on the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF).

**Summary of Findings and Recommendations**

After completion of our preliminary research and extensive discussion with representatives from the EUTF, HSTA, and the Department of Budget and Finance, we have determined that the analysis requested in Act 5 cannot be performed for the following reasons:

- We are unable to analyze the benefit costs for the teacher retirees and their beneficiaries who remained EUTF participants because the EUTF cannot segregate this data accurately. Unlike active teachers, teacher retirees enrolled in the EUTF are not sorted or identified as teachers. Because of this, the information about healthcare benefits and costs for retirees is reported in the aggregate in EUTF's Financial Statements and Report of Independent Certified Public Accountants.
- We confirmed with the department and the HSTA that the HSTA VEBA trust financial and utilization reports are not available. Without these reports, we cannot perform an impact analysis of insurance rates to determine the difference in EUTF's annual costs with and without teacher members/retirees and their beneficiaries.

In the alternative and using information and data that are available, we conducted analyses of premium costs and administrative costs and assessed the transparency and accountability of the VEBA trust. We found that the VEBA trust pilot program: 1) promotes adverse selection and increases premium costs for EUTF enrollees; 2) duplicates administrative costs borne by the State employer; and 3) cannot ensure transparency and accountability in providing health benefits for teachers and teacher retirees. Overall, the HSTA VEBA trust breaks up the EUTF health plan and negatively impacts the EUTF.

Moreover, we assert the HSTA, not the Legislature or the Auditor, must prove the VEBA trust results in actual savings to the State. In light of administrative costs totaling over \$2.4 million paid to the HSTA VEBA trust instead of the EUTF, we recommend that the VEBA trust pilot program established by Act 245, SLH 2005, as amended, be allowed to sunset on July 1, 2010, pursuant to Act 5, SSLH 2008.

The following is a brief summary of information supporting our findings and recommendations.

### **Background and Analysis of the Effects of the HSTA VEBA Trust on the EUTF**

#### **Hawai'i Employer-Union Health Benefits Trust Fund**

In our Report No. 99-20, *Actuarial Study and Operational Audit of the Hawaii Public Employees Health Fund*, we found the benefits of consolidating the public employee health fund and the union plans included eliminating the negative effects of *adverse selection*<sup>1</sup>, increasing the overall negotiating leverage with health plans and creating economies of scale, and centralizing the administrative functions and costs into a single health fund program. Based on our report, the 2001 Legislature established a single health trust fund—the Hawai'i Employer-Union Health Benefits Trust Fund—which combined the public employee health fund program and all the union health plans into one health benefit program. Effective July 1, 2003, the EUTF replaced the Hawaii Public Employees Health Fund (PEHF).

Table 1 shows the number of active public employees and retirees enrolled in the EUTF.

**Table 1. EUTF Enrollment for Fiscal Years 2007 and 2008**

Enrollment:	FY 2007	FY 2008
Active employees	53,100	55,100
Retirees	36,900	37,600

Source: Office of the Auditor

#### **Voluntary Employees' Beneficiary Association Trust**

In 1985, the HSTA established a VEBA trust to provide health benefits for its members. With the implementation of the EUTF in 2003, however, the union-sponsored VEBA trust was discontinued and HSTA members were included in the EUTF. In FY2006, when the EUTF included teachers, the EUTF board of trustees reportedly achieved major cost savings for medical and prescription drug plans through negotiations with the Hawai'i Medical Services Association that resulted in a total savings for retirees estimated at more than \$5.2 million, and for active employees and employers estimated at about \$20.5 million.

<sup>1</sup> *Adverse selection* occurred as younger active employees with smaller families attracted by lower contributions for insurance premiums opted to enroll in the union health plans at the expense of inadvertently increasing the employers' costs and the employees' share for insurance premiums under the public employee health fund.

In 2005 the Legislature allowed via Act 245 (SLH 2005) the temporary establishment of a union sponsored VEBA trust to provide health benefits for its members separate from the EUTF. The three-year VEBA trust pilot was intended as a cost containment measure to allow time for a thorough cost and benefits analysis to be evaluated against the EUTF "to determine what actual savings could be realized by the State."

Subsequently, the HSTA VEBA trust was formed and on March 1, 2006, all active HSTA employees were transferred from the EUTF to the trust. According to EUTF's financial statement reports, approximately 1,400 teacher retirees exercised a one-time option to transfer over to the HSTA VEBA trust and nearly 5,500 teacher retirees elected to remain with the EUTF. Currently, teachers retiring on or after March 1, 2006 are enrolled in the HSTA VEBA trust as retirees and do not have an option to enroll with the EUTF.

The HSTA VEBA trust administrative fees are paid by the State as the employer based on the same administrative rate structure implemented by the EUTF. Since March 1, 2006, the Department of Budget and Finance has paid the HSTA VEBA trust a total of \$2.4 million in administrative fees billed to the State.

Table 2 shows the number of active teachers and retirees enrolled in the HSTA VEBA trust.

**Table 2. HSTA VEBA Trust Enrollment for Fiscal Years 2007 and 2008**

<b>Enrollment:</b>	<b>FY 2007</b>	<b>FY 2008</b>
Active teachers	N/A	13,132
Teacher retirees	N/A	1,682

Source: Office of the Auditor

#### **The Analysis Requested by Act 5 (SSLH 2008) Cannot Be Performed**

Based on our preliminary research and discussions with representatives from the EUTF, HSTA, and the Department of Budget and Finance, the analysis requested by Act 5 (SSLH 2008) cannot be performed because: 1) the EUTF does not segregate teacher retirees from other retirees; and 2) the HSTA VEBA trust utilization rates necessary to generate an impact analysis are not available.

First, we are unable to analyze costs and benefits that cover the EUTF teacher retirees and their beneficiaries because EUTF does not segregate this data. Although the EUTF's Financial Statements and Report of Independent Certified Public Accountants for the years ended June 30, 2007 and 2008 conducted by Grant Thornton, LLC, and actuarial certifications as of July 1, 2006 and July 1, 2007 are available, the audit was conducted of the entire EUTF. Accordingly, information about healthcare benefits and costs for retirees is reported in the aggregate. Teacher retirees cannot be segregated from other retirees in the EUTF because they are not sorted or identified as teachers.

The EUTF cautioned that although it can identify retired teacher members by bargaining unit ID codes, the numbers may not be accurate due to discrepancies stemming from the transfer of enrollee data from the PEHF to the EUTF and the non-reporting of bargaining unit codes for deferred retirees.<sup>2</sup> There are some retirees participating in the EUTF who should be, but are not, designated as teachers.

Second, we confirmed with the department and the HSTA that not all the HSTA VEBA trust financial and utilization reports are available. Without these reports, we cannot perform an impact analysis of insurance rates to determine the difference in EUTF's annual costs with and without teacher members/retirees and their beneficiaries.

Thus, absent information in the EUTF financial audits and actuarial study that specifically covers the approximately 5,500 teacher retirees who are EUTF participants, or in the alternative, the HSTA VEBA trust financial and utilization reports, the analysis requested by Act 5 (SSLH 2008) cannot be performed.

#### **The VEBA Trust Negatively Impacts the EUTF and Should Be Allowed to Sunset**

In lieu of the analysis requested in Act 5 (SSLH 2008), we provide the following information and analysis on the negative effects of the VEBA trust pilot program on the EUTF. We conclude that the VEBA trust pilot program: 1) promotes adverse selection and increases premium costs for EUTF enrollees; 2) duplicates administrative costs borne by the State employer; and 3) cannot ensure transparency and accountability in providing health benefits for teachers and teacher retirees. Overall, because the HSTA VEBA trust breaks up the EUTF health plan and negatively impacts the EUTF, Act 245 (SLH 2005), as amended, should be allowed to sunset.

#### **The VEBA Trust Promotes Adverse Selection and Increases Premium Costs for EUTF Enrollees**

In 2005, the Department of Budget and Finance voiced strong opposition to a VEBA trust pilot program, stating it would reinstate the adverse selection spiral and associated higher premium costs for both active employees and retirees remaining in the EUTF. The department explained that the costs of retirees would increase if older retirees remain with the EUTF and younger retirees become part of the HSTA VEBA because older retirees are more costly. This scenario applies to the reported 5,500 teacher retirees who elected to remain in the EUTF health plans.

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<sup>2</sup> A deferred retiree is a vested former public employee who enrolls with the EUTF to receive health benefits upon retirement after a break in service with the State or county. The bargaining unit codes for deferred retirees are not available as codes are not required to be reported upon enrollment with the EUTF. Furthermore, it is not known how many HSTA retirees are within the group of deferred retirees.



Based on the EUTF enrollment data as of January 2007, Garner Consulting determined that the EUTF budget for the HMSA PPO plan would have been lower by 4.3 percent if HSTA members were included in the EUTF. This amounts to an overall premium reduction of \$8.6 million. Thus, if the VEBA trust pilot program is allowed to sunset and VEBA enrollees return to the EUTF, the negative effects of adverse selection experienced by EUTF participants would be eliminated, resulting in lower premium costs for all EUTF enrollees.

#### **The VEBA Trust Duplicates Administrative Costs Borne by the State Employer**

In 2005, the Department of Budget and Finance raised concerns that a VEBA trust pilot program duplicates the administrative costs needed to support the administrative expenses and services of the EUTF. All administrative fees for the EUTF plan are paid by the state and county employers and added to the employers' premium contributions for every active and retiree enrollee per plan per month as negotiated under collective bargaining agreements. Any fees not needed by the EUTF for administrative costs are deposited in its reserve fund to offset or pay future benefit claims or used for other purposes. The EUTF has never sought supplemental appropriations for administrative costs from the Legislature.

All administrative fees for the HSTA VEBA trust plan are paid by the State and added to the employer's premium contributions. According to the department, from March 1, 2006 to June 30, 2009, over \$2.4 million in administrative fees was paid by the State to the HSTA VEBA trust. In contrast with the EUTF, the HSTA VEBA trust has incurred administrative expenses in excess of the administrative fees paid by the State—an excess of nearly \$1 million in its total of \$3.4 million incurred in administrative expenses. The majority of the HSTA VEBA trust's administrative expenses were comprised of the costs of its third party administrator, consultant, and attorneys, as well as other expenses such as bank fees, office supplies, postage and printing. The HSTA VEBA trust also reportedly owes unpaid taxes.

In effect, administrative fees are being paid by the State to operate two separate administrative offices—one for EUTF and another for the HSTA VEBA trust. We find this is unnecessary, costly, and duplicative.

#### **The VEBA Trust Cannot Ensure Transparency and Accountability in Providing Health Benefits for Teachers and Teacher Retirees**

The EUTF is a state agency administratively attached to the Department of Budget and Finance. It ensures transparency and accountability through public meetings; accessible government records; and legislative, administrative rulemaking, and state budgeting processes that monitor budgeting and administrative expenses. Unlike the EUTF, the VEBA trust's governing board is not a state agency and hence not subject to state requirements and processes. Lacking the transparency and accountability of a state agency, the VEBA trust pilot program and the State's

The Honorable Colleen Hanabusa  
December 2, 2009  
Page 6

monthly contributions for health premium shares and administrative costs are vulnerable to abuse and waste.

Coincidentally, in 2005, the Department of the Attorney General raised concerns regarding the lack of access to information, transparency, and accountability in the operations of the VEBA trust. Although the Attorney General is charged with enforcement of violations of the VEBA trust, the Attorney General will not know of violations because it does not monitor the activities of the VEBA trust. For example, the Attorney General was not aware that the former administrators of the HSTA VEBA trust filed for bankruptcy until news reports appeared in March 2009. A bankruptcy or similar event could not happen to the EUTF. Thus, unlike the EUTF, the VEBA trust pilot program does not ensure transparency and accountability.

#### **Conclusion and Recommendations**

Lack of necessary data precluded us from performing the requested analyses. However, in the alternative and utilizing data that is available, we found that the VEBA trust pilot program: 1) promotes adverse selection and increases premium costs for EUTF enrollees; 2) duplicates administrative costs borne by the State employer; and 3) cannot ensure transparency and accountability in providing health benefits for teachers and teacher retirees. Further, we stand on our findings in Report No. 99-20 supporting a consolidated public employee health fund.

These findings are compelling. In light of administrative costs totaling over \$2.4 million paid to the HSTA VEBA trust instead of the EUTF, we assert that the HSTA has not proven that implementation of its VEBA would result in actual savings to the State. Accordingly, we recommend that the VEBA trust pilot program established by Act 245 (SLH 2005), as amended, be allowed to sunset on July 1, 2010, pursuant to Act 5 (SSLH 2008).

Please do not hesitate to contact me should you have any questions.

Sincerely,



Marion M. Higa  
State Auditor

c: Carol Taniguchi, Senate Clerk

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 2797, S.D. 1

February 24, 2010

RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
TRUSTS

Senate Bill No. 2797, S.D. 1, would amend Act 245, SLH 2005, as amended by Act 294, SLH 2007, as amended by Act 16, SLH 2008, as amended by Act 5, Special Session Laws of Hawaii 2008, to extend the Voluntary Employees' Beneficiary Association Trust to July 1, 2012.

The Department of Budget and Finance opposes this measure.

The department has long held that a single health benefit delivery system provides State and county government employers, employee-beneficiaries and ultimately the taxpayer with the most cost effective and long-term sustainable alternative for health benefits. We are increasingly steadfast in this position given current financial conditions, the significant portion of the executive general fund request required to meet employer health benefit contributions, and State unfunded liabilities totaling \$7.19 billion for these benefits as of the July 1, 2007 valuation.

Under a Voluntary Employees' Beneficiary Association Trust, costs may be reduced and benefits improved for a select group as would be expected if the group has better utilization experience. Our focus, however, has been with the cost as a whole. The Hawaii Employer-Union Health Benefits Trust Fund's benefit consultant determined that

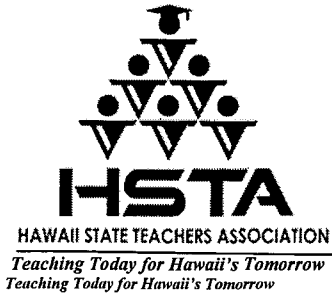
total premium costs for the self-funded PPO plan would have been 4.3% lower or a savings of \$8.6 million in plan year 2008, had the teachers remained with the Hawaii Employer-Union Health Benefits Trust Fund. Separate benefit delivery systems further contribute to higher costs at a time when expenditures need to be contained.

Extending the repeal date of the Voluntary Employees' Beneficiary Association Trust to July 1, 2012, negates a portion of the Health Fund reforms enacted by Act 88, SLH 2001. It extends adverse selection and its associated cost increases. It maintains the duplication of effort and additional administrative costs when revenue collections are continuing to decline.

Finally, the Legislative Auditor, in her summary of findings and recommendations to the Legislature dated December 2, 2009, in regards to the requested analysis to determine the effects of the Hawaii State Teachers Association's Voluntary Employees Beneficiary Association Trust pilot program on the Hawaii Employer-Union Health Benefits Trust Fund, stated that the Voluntary Employees' Beneficiary Association Trust pilot program:

- 1) promotes adverse selection and increases premium costs for the Hawaii Employer-Union Health Benefits Trust Fund enrollees; 2) duplicates administrative costs borne by the State employer (totaling over \$2.4 million paid to the Hawaii State Teachers Association's Voluntary Employees Beneficiary Association Trust instead of the Hawaii Employer-Union Health Benefits Trust Fund); and 3) cannot ensure transparency and accountability in providing health benefits for teachers and teacher retirees.

We strongly believe that the Voluntary Employees' Beneficiary Association should sunset on July 1, 2010; however, a six-month extension to December 31, 2010 is necessary to allow for an orderly transition to the Hawaii Employer-Union Health Benefits Trust fund. The language in House Bill No. 1287, Proposed H.D. 2, provides funds and positions to effectuate such a transition. We respectfully urge the committee to adopt the language contained in the proposed draft of House Bill No. 1287.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819  
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

**Wil Okabe**  
President  
**Karolyn Mossman**  
Vice President  
**Joan Kamila Lewis**  
Secretary-Treasurer  
**Dwight Takeno**  
Interim Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS

RE: SB 2797, SD1 – RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY  
ASSOCIATION TRUSTS.

February 24, 2010

WIL OKABE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Kim, and Members of the Committee:

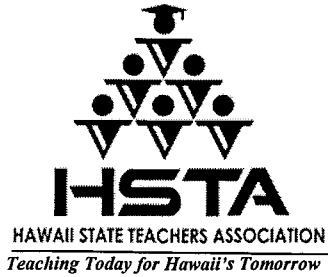
The Hawaii State Teachers Association supports SB 2797, SD1, that calls for a two-year extension of the HSTA VEBA.

The HSTA VEBA Trust has provided medical benefits for Bargaining Unit 5 employees (teachers) and retired teachers since March 1, 2006, under a pilot program that is scheduled to expire on July 1, 2010. As noted in our first and second annual reports submitted to the legislature, the combined savings to the employer and the State of Hawaii has amounted to \$6,645,006 for the 40-month period beginning March 1, 2006 through June 30, 2009. This is based on lower employer contributions and experience refunds to the State of Hawaii. As of June 30, 2009, the Trust had 13,081 active employees participating in one or more benefit plans and 1,995 retirees participating in one or more benefit plans.

HSTA has reviewed State Auditor Marion Higa's report dated December 2, 2009 and does not concur with her conclusions. HSTA has responded with a letter to Senate President Hanabusa and House Speaker Say with a copy to the State Auditor Marion Higa, which is attached as part of our testimony and is self-explanatory.

The Hawaii State Teachers Association has demonstrated that the VEBA trust provides an effective means of containing healthcare costs for its members and the State of Hawaii. HSTA respectfully requests your favorable consideration of SB 2797, SD1. Thank you for this opportunity to testify in support of this measure.

Attachment



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819  
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

February 1, 2010

**Wil Okabe**  
President  
**Karolyn Mossman**  
Vice President  
**Joan Kamila Lewis**  
Secretary-Treasurer  
**Dwight Takeno**  
Interim Executive Director

The Honorable Colleen Hanabusa  
President of the Senate  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Calvin K.Y. Say  
Speaker of the House  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Hanabusa and Speaker Say:

**SUBJECT: Response to the State Auditor's Report**

The following is a summary of our comments concerning the State Auditor's report of December 2, 2009.

1. The State Auditor's report states that the Trust financial and utilization reports are not available. On March 27, 2009, Roger Takabayashi, former President of HSTA, personally delivered the first annual report of the VEBA Trust to the Senate President's Office, the Speaker of the House, and State Auditor Marion Higa. The first annual report of the VEBA Trust provided substantial detail for Active Employees and Retirees including contributions, premiums paid, experience refunds, and utilization reports for plan years 2006-2007 (16 months) and 2007-2008. The State Auditor does not even acknowledge that she was presented with the first annual report in March 2009.

Moreover, at the time the State Auditor inquired with the HSTA and HSTA VEBA Trust, the Trust had not received utilization reports from the health carriers for the July 1, 2008 through June 30, 2009 plan year. In addition, the VEBA Trust financials were under audit by Acuity, LLC, an independent certified public accounting firm. The final audit by Acuity, LLC was received by HSTA on January 14, 2010, and the second annual report of the VEBA Trust was sent by HSTA to the Legislature on January 22, 2010. The second annual report, which details contributions received from the employer and from the employees and the premium payments made to carriers, also provides experience reports and utilization reports for the July 1, 2008 through June 30, 2009 plan year.

2. The State Auditor's report states, "We found the VEBA trust pilot program: 1) promotes adverse selection and increases premium costs for EUTF enrollees." However, nothing in the report supports that statement. The Legislature, in making the determination to allow a bargaining unit to be exempt from the EUTF, made it clear that all employees of Bargaining Unit 5 had to transfer into the VEBA Trust, so there is no adverse selection. As previously reported in her report #99-20 Hawaii Public Employees Health Fund (HPEHF), an Active employee could choose whether to enroll in an employee organization plan or stay in the HPEHF. The State Auditor's representation in that report was fairly accurate since employees could choose between the Health Fund and the employee organization plans. However, it is not true for the HSTA VEBA Trust since the employees and retirees do not have a choice.
3. HSTA notes with dismay that the State Auditor's report makes no reference to the contribution savings that the employer has received, or the experience refunds that have been given back to the State of Hawaii, which the employers do not enjoy with the EUTF (any surplus in the EUTF is not returned to the employer but is retained in the EUTF). For the 2006-2007, 2007-2008, and 2008-2009 plan years, the savings to the State of Hawaii amounted to \$6,645,006.
4. The State Auditor's report states that the VEBA Trust "duplicates administrative costs borne by the State employer." The State Auditor fails to acknowledge that the dollar value given to the VEBA Trust is the exact same dollar value that the State would pay to the EUTF if the teachers were covered in the EUTF. The employer only pays one dollar value, whether it is to the EUTF or to the VEBA Trust. If it is not paid to the VEBA Trust, it would have been paid to the EUTF. Therefore, there is no duplicative administrative cost to the employer.
5. The State Auditor's report states that the VEBA Trust "cannot ensure transparency and accountability in providing health benefits for teachers and teacher retirees." HSTA submits that the accountability and transparency in providing benefits to Teachers and Teacher Retirees is far superior than that provided by the EUTF for their covered Active employees and Retirees. The HSTA VEBA Trust complies with all federal and state requirements in greater detail than the EUTF has provided thus far. One only needs to read the newspaper to see how inefficient the EUTF has become and how much more costly it has become for employers and for the employees of the State and County jurisdictions.



February 1, 2010  
Page 3 of 3

6. On page 2 of the State Auditor's report, the State Auditor states, "Moreover, we assert the HSTA, not the Legislature or the Auditor, must prove the VEBA trust results in actual savings to the State." HSTA has submitted the first annual report of the VEBA Trust which detailed the savings to the State of Hawaii equaling approximately \$5,258,543.00, and the second annual report of the VEBA Trust, transmitted on January 22, 2010 which reflected savings of \$1,386,463, with all supporting documentation and calculations.

The HSTA and the HSTA VEBA Trust representatives are more than willing to appear at hearings to respond to the State Auditor's report and provide additional information and documents to confirm other inaccuracies in the State Auditor's report. Thank you.

Sincerely,



Wil Okabe  
President

cc: HSTA VEBA Board of Trustees  
State Auditor Marion Higa  
Rod Shinno, ATPA  
Paul A. Tom, BPS

Ahuimanu Elementary Teachers  
c/o Julie Teruya, HSTA Government Relations Committee Member  
46-202 Lilipuna Road  
Kaneohe, Hawaii 96744

February 22, 2010

Chair Kim and Members of the Senate Ways and Means Committee  
c/o Chair Kim  
Hawaii State Capitol, Room 210  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Kim and Members of the Senate Ways and Means Committee,

We, the undersigned teachers at Ahuimanu Elementary School, located in Kaneohe on the island of Oahu, wish to express our concern regarding the preservation of our benefits under the Voluntary Employees Beneficiary Association Trust (VEBA). We would like to keep our benefits under VEBA and continue them indefinitely. We are in support of SB2797.

We want to continue to have VEBA without a disruption of services and coverage. Our health coverage, which we are given the option of providers, also allows us to keep our jobs and attract new teachers. We also enjoy picking up our medications locally, which keeps our money in our state (unlike the EUTF members who get medication from the mainland).

Thank you for taking the time to read this and we hope that you will consider making VEBA permanent.

Sincerely,

Julie Teruya

Ben J. Ell

Chammayomi

Aiko Kalayama

Neva Morrison

Ann

Linda King

Emily Vergara

Ann

Steve Jenkins

Patricia Kamuya

Patricia Kamuya

Dorely Salas

Gayle Koyama

Ann

Ann

Ann

Ann

Ann

Ann

Ann

**From:** [Sen. Donna Mercado Kim](#)  
**To:** [WAM Testimony](#)  
**Subject:** Please allow HSTA VEBA Trust to sunset on June 30, 2010  
**Date:** Thursday, February 25, 2010 5:05:44 PM

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**From:** hawaii charter [mailto:hawaii charter@yahoo.com]  
**Sent:** Saturday, February 20, 2010 7:23 PM  
**To:** Sen. Donna Mercado Kim  
**Subject:** Please allow HSTA VEBA Trust to sunset on June 30, 2010

Dear Senator Mercado Kim,

Please do not hear SB2797 and allow the HSTA VEBA trust to sunset on June 30, 2010.

I am a teacher at Pahoehoe High & Intermediate School and I would like to return to the EUFT. I believe that all public employees should belong to one health care system, and not individual ones for different bargaining units. A larger pool of members that include all bargaining units, will be fairer in cost and services. I find that legislation allowing one or more bargaining units to have their own health care system is rooted in selfishness. This is in conflict to the values that are the foundation for my work with high poverty students in lower Puna.

Please let teachers return to the EUFT.

Thank you,  
Alex Cyran

**kim5 - Deborah**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 23, 2010 5:22 PM  
**To:** WAM Testimony  
**Cc:** elizabeth\_bauer@notes.k12.hi.us  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Elizabeth Bauer  
Organization: Individual  
Address: P.O. Box 1156 Kapa'au, Hi.  
Phone: 889-0310  
E-mail: [elizabeth\\_bauer@notes.k12.hi.us](mailto:elizabeth_bauer@notes.k12.hi.us)  
Submitted on: 2/23/2010

**Comments:**

As a teacher, VEBA as enabled me to afford health insurance (until the recent pay hike by my provider HMSA). It already is financially difficult to maintain insurance, and without VEBA, would mean additional money from an already reduced paycheck (furloughs). VEBA did save money for my employer (D.O.E.), made for a dependable and healthy workforce in school, and helped to attract and retain teachers in the profession.

In addition, VEBA encourages a more competitive rate. With all of us lumped under ETUF, no competition is encouraged.

Please, I encourage you to hear the bill and schedule hearings on SB2797. We need to stop penalizing, and promote a healthy workforce.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [sendwendyaloha@yahoo.com](mailto:sendwendyaloha@yahoo.com)  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM  
**Date:** Tuesday, February 23, 2010 1:43:47 PM

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Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: wendy BENTON  
Organization: Individual  
Address: 5530 Kaapuni Rd. Kapaa  
Phone: 808 821-1134  
E-mail: [sendwendyaloha@yahoo.com](mailto:sendwendyaloha@yahoo.com)  
Submitted on: 2/23/2010

Comments:

Aloha

Please support the teaching profession by looking out for us and supporting the VEBA trust. We are already hurting from furloughs and down-sizing. We need to keep and attract good teachers in this state not scare them away by making it impossible to support yourself in this profession!!

Mahalo,

Wendy Benton

**From:** [mdeel@usa.com](mailto:mdeel@usa.com)  
**To:** [WAM Testimony](#)  
**Subject:** VEBA Bill  
**Date:** Tuesday, February 23, 2010 7:53:45 AM

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Dear COMMITTEE ON WAYS AND MEANS  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair:

I am writing today to ask you to please extend the VEBA bill HB1287 for 2 years to help teachers keep health care costs down. I am a teacher at Kapolei High School. I came here from the mainland and taught at Waianae High for four years. Since then my wife and I have had two children. Costs are really rising, and with the cut in pay due to furloughs, things are not getting easier. Of course we need to have health care, but if our monthly rates were to rise, I don't know how we would make ends meet. We are at our limit right now, and this rate increase due to a change in insurance would be very bad timing. Thank you for your consideration.

Sincerely,

Matt Deeley  
English teacher  
Kapolei High School  
Team Kauka'i  
692-8200 x3375

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS**

Wednesday, February 24, 2010

Lawrence Denis III  
Chiefess Kapiolani Elementary School  
(808) 935-6999  
Email: denis2654@hawaiiantel.net

To Senator Donna Kim and the members of the Senate Ways and Means Committee:

I am a First Grade teacher at Chiefess Kapiolani Elementary School in Hilo and strongly support SB 2797.

This is a very important bill for my fellow teachers and I. VEBA has been able to keep the co-pay and premiums down for us, especially in this hard economic time with Furlough Fridays. It has also saved the state millions of dollars.

Going back to EUTF would cause a huge burden on their system which is already overwhelmed. There have been numerous articles in the Honolulu Advertiser about EUTF that I'm sure you all have read or heard about. For example, in a recent memo from the DOE, we learned that EUTF switched thousands of workers to HMA last month because they "didn't have enough time to process the 45,000+ forms they received to keep their members with HMSA." Another example, my friend was hired by the state on January 6, 2010 and still has not received any correspondence from EUTF and in the mean time has no medical coverage because of their inability to handle all of their members needs.

Can you imagine if they had to handle another 14,000 teachers, and their families? The VEBA office has been helpful answering member's questions where as my friend hasn't even been able to contact a EUTF representative in over a month. A recording comes on saying they are busy, and members can't even leave them a message.

EUTF would charge teachers higher premiums every month as well as higher co-pays for office visits and procedures than we are currently paying with VEBA.

Also, EUTF requires their members to fill their prescription drugs with a mail order company in Florida. Senators, how is that helping our local economy here in Hawaii? Not at all. I like going to my local pharmacy, KTA Super Stores here in Hilo, where the pharmacists know me by name. I know they have my best interests in mind, but can I be assured a pharmacist in Florida will do the same? I have heard many stories from other state employees and retirees, including my mother, under EUTF who have not gotten their medication on time. Is this what you want for those dedicated to public service?

If VEBA is extended, we will continue to have a health plan without disruption of services and coverage. Please continue to fight for HSTA members and extend VEBA, or make it permanent.

Thank you for the opportunity to testify.

**From:** [Bea\\_DeRego/KAHUKUHI/HIDOF@notes.k12.hi.us](mailto:Bea_DeRego/KAHUKUHI/HIDOF@notes.k12.hi.us)  
**To:** [WAM Testimony](#)  
**Subject:** Hearing on SB 2797  
**Date:** Tuesday, February 23, 2010 12:42:46 PM

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Dear Senators Hee and Tokuda,

I am writing to you regarding healthcare benefits for teachers - SB 2797  
RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
TRUSTS. It is critical that Hawaii's legislators continue to place education as a top priority in  
this legislative session.

Teachers willingly agreed to reduced paychecks through mandatory furlough Fridays. If we  
are required to join the EUTF, my salary will take another pay cut. Local businesses will lose  
business if we are forced to join the misguided pharmaceutical plan under EUTF.

Some of the reasons why teachers want to make VEBA permanent:

1. Teachers (actives and newer retirees) will continue to have a health benefit program without disruption of services and coverage. I was under the original VEBA and when switched to EUTF the last time, I was hit with triple medical premiums. I have not yet recovered economically from that devastating loss
2. A strong health benefit program helps to attract and retain public school teachers.
3. VEBA has saved money for both the Employer and its members.
4. Healthy competition between health providers enables VEBA to offer members competitive rates

VEBA is due to sunset in July 2010. If Hawaii once again shows a disregard for the needs of Hawaii's teachers, I will have to reconsider staying in education here. Healthcare benefits are a very crucial issue for everyone in our current political climate, potentially affecting the outcome of this fall's elections. Please encourage Chair Kim to schedule a fair hearing on SB 2797.

Mahalo for your consideration,  
Beatrice DeRego-Coffield  
Kahuku High & Intermediate School



**From:** [Lisa Diaz](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB 2797 support Hearing date Feb. 23 10am  
**Date:** Monday, February 22, 2010 4:11:58 PM

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**SUPPORT FOR: SB 2797**

**SB 2797**

**Hearing date Feb. 23 10am**

**RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS**

**Aloha Chair Senator Mercado Kim and members of the Senate Ways & Means Committee:**

**I urge you to pass SB 2797 relating to the VEBA TRUST extension.**

Hawaii's teachers need to keep our cost saving VEBA Trust Health care.

VEBA has produced a cost savings to the state of Hawaii of over \$6 million dollars.

I am a teacher at Kealahou Intermediate School. I work very hard to provide for my students with countless extra hours, and contribute my own money to fund my science classroom.

Health care benefits are an important issue for all of Hawaii's citizens.

HSTA VEBA Trust has provided medical benefits for Bargaining Unit 5 employees (teachers) and retired teachers since March 1, 2006 under a pilot program that is scheduled to expire on July 1, 2010.

The HSTA VEBA Trust will sunset June 30, 2010, and will leave Hawaii's teachers already highly impacted by our state's budget cutbacks, forced to pay higher health care insurance rates. This means teachers will be required to move back into the EUTF for their medical coverage and we will have to pay additional premiums of at least \$200 a month as well as higher RX costs with reduced services.

Teachers have already taken an 8% pay cut, and those of us with families may have to leave our state if we must pay additional health care premiums.

**I URGE YOU TO MAKE VEBA PERMANENT or EXTEND VEBA FOR A MINIMUM OF 2 YEARS BECAUSE:**

- VEBA has saved the State of Hawaii, Hawaii DOE and its members money.

In VEBA annual reports submitted to the legislature, the combined savings to DOE and the State of Hawaii has amounted to \$6,645,006 for the 40-month period beginning March 1, 2006 through June 30, 2009. This is based on lower employer contributions and experience refunds to the State of Hawaii.

- Healthy competition between health providers enables VEBA to offer members competitive rates

- Teachers (actives and newer retirees) will continue to have a health benefit program without disruption of services and coverage.

- Hawaii will have a strong health benefit program helps to attract and retain public school teachers.

In spite of furlough days, and budget cuts, I and teachers across Hawaii's public schools continue to work very hard – we sacrifice hours of un-paid time and our own \$ to fund our classrooms to provide for our students' education. We need your help to build up Hawaii's public schools for our students' future. Please help us to retain our VEBA Health care program that works to save money for teachers and the state- it's a win-win for all.

Mahalo for considering my comments and for supporting Hawaii's public school teachers.

The HSTA VEBA bill, SB 2797 will be heard by the WAM committee for decision making on Wednesday, February 24, 2010, at 10:00 am.

Name of Testifier: Amy Downard

Teacher of the Visually Disabled, Honolulu District, DOE

Teacher Member of HSTA-Hawaii State Teachers Association

February 23, 2010

To Whom It May Concern:

I am submitting testimony for SB 2797 regarding the extension of the HSTA VEBA trust. I fully support extending or eliminating the sunset date for the VEBA trust. I understand the language in this draft extends the sunset date for six months, primarily to assist in the transition from VEBA to EUTF. However, an extension of at least two years is a much better option for teachers. The economic downturn has hit my family hard. My husband and I are working extra hours just to make ends meet. Any unexpected expenses, such as medical costs, car repairs or home upkeep, would place us in an even harsher setting. I am writing this testimony at a late hour, after finishing assignments to prep for my students this week and writing a paper from a class I am taking to further my education. I am tired, but need for you, as my elected officials, to understand how important the VEBA trust is to me and to other teachers.

Healthcare is a concern for so many. As a teacher, I was forced into the EUTF several years ago. My insurance rates went up and my services went down. I understood the rational of putting all state workers into the same health management system, but I do not feel the switch to EUTF lived up to the expectations of saving the state money.

I was so relieved when a bill was passed a year or two later to give VEBA back to the teachers, mainly to explore savings to the state. Unfortunately, the bill detailed a sunset date. The elimination, or at least a two year extension of this sunset date, would again enable HSTA to show the cost savings of VEBA to its members as well as to the state. I am very happy with the VEBA trust and do not wish to return to EUTF.

**From:** [Jon Fia](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB 2797 SD1 comments for hearing  
**Date:** Monday, February 22, 2010 10:02:30 PM

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SB 2797  
Wednesday, February 24, 2010  
10:00 am

Dear Committee:

I am a teacher at Waipahu High School and my wife is a counselor at James Campbell High School and we are writing to request that you please support bill SB 2797 in regards to the VEBA trust for public school teachers. We're asking that we look to make VEBA permanent. It is crucial to us and our fellow teachers that we are allowed to stay with VEBA and not be forced into the EUTF. Prior to the creation of the VEBA trust years ago, we were pushed into the EUTF and we immediately watched our insurance premiums go up and our take home pay go down. We're especially afraid for this to happen again considering we both are suffering financially due to the furloughs. As we are both public school educators, we are feeling the effects of the furloughs doubly.

It only makes sense that the VEBA trust be made permanent. It saves money for the teachers and the state as well. Considering the fiscal problems the state is already having, it seems prudent to leave the VEBA in place. If for no other reason that VEBA needs to stay in place, is to help attract new teachers. It is hard enough to attract teachers with the current environment we are forced to work in but to now tell prospective teachers that their premiums will likely go up an additional 200.00 a month will make it all the more difficult to attract and keep them. What we are seeing in the schools currently is an exodus of veteran teachers (and administrators) retiring due to the furloughs and the effect it will have on their retirement income. Who will replace them? Its hard enough to find new teachers and this will only make it harder.

Again I implore you to support SB2797 and help us move VEBA towards a permanent status.

Thank you for your time.

Aloha,

Jon Fia  
Teacher  
Waipahu High School  
[jonfia@hawaii.rr.com](mailto:jonfia@hawaii.rr.com)

and

Eleyne Fia  
Counselor  
James Campbell High School  
[efia@hawaii.rr.com](mailto:efia@hawaii.rr.com)

**From:** [sakaye.fujii](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB 2797 Wed. Feb. 24, 2010--VEBA TRUST  
**Date:** Monday, February 22, 2010 9:10:09 PM

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Dear Senators:

I am a DOE schoolteacher and I vote! I voted every opportunity I had since I turned of age, many decades ago. Please vote in favor of VEBA TRUST.

Sakaye M. Fujii  
38 Hialoa Street  
Honolulu, Hawaii 96817  
(808)-536-6396

**From:** [Aileen Fujitani](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB 2797 SD 1  
**Date:** Monday, February 22, 2010 5:05:25 PM

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Senator Kim, Senator Tsutsui and members of the Ways and Means Committee -

I am a retired elementary public school librarian asking for your support of SB 2797 SD1, which will be having a hearing on February 24, 2010, at 10:00.a.m..

This bill would extend for two years the life of the VEBA trust health plan for Hawaii's teachers that is due to sunset on June 30, 2010. Since 2006, VEBA's health plan has been providing better benefits and services for public school teachers at a lower cost than the state's EUTF plan. It would be tragic if teachers, active and retired, were forced to go back to EUTF, paying higher deductibles and larger percentages for health care.

I am a widow, retired, and on a set income. Having to continually deal with the uncertainty of my health plan is quite stressful; if it became a permanent extension would be most welcome.

I since rely hope that you will pass this bill so that teachers can continue to benefit from the VEBA trust's plan.

Mahalo nui loa,  
Aileen Fujitani  
6020 Elelupe Place  
Honolulu, HI 96821  
808-396-0178  
[aicecrem@hawaii.rr.com](mailto:aicecrem@hawaii.rr.com)

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Maribel Gali  
King Kaumualii School Teacher  
(808) 245-4746

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Maribel Gali

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [5island@hawaiiantel.net](mailto:5island@hawaiiantel.net)  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM  
**Date:** Monday, February 22, 2010 10:03:15 PM

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Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Sue Ann Goshima  
Organization: Individual  
Address:  
Phone:  
E-mail: [5island@hawaiiantel.net](mailto:5island@hawaiiantel.net)  
Submitted on: 2/22/2010

**Comments:**

I humbly ask you to support SB2797 for the following reasons. The evidence shows that VEBA is efficient and effective...EUTF is not. There is no truthful evidence that shows that VEBA is hurtful. One report is NOT valid evidence. We in the field, the users, know that it's good systemically. VEBA saves the state money. The state needs this savings that is returned to them. We are exposed to many ailments each day. Getting our medication on the island supports our pharmacies and allows us quicker access to get what we need. Please say yes to VEBA. Mahalo!

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [bgotelli@msn.com](mailto:bgotelli@msn.com)  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM  
**Date:** Monday, February 22, 2010 6:07:59 PM

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Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Beverly Gotelli  
Organization: Individual  
Address: 6286 Opaekaa Road Kapaa, HI 96746  
Phone: 8088219569  
E-mail: [bgotelli@msn.com](mailto:bgotelli@msn.com)  
Submitted on: 2/22/2010

Comments:

Aloha, Sen. Kim and members of the Committee,

I'm Beverly Gotelli a retired teacher who is a VEBA member. I received an email informing me that the Committee will be taking up SB 2797 SD1 for decision making next week. I would like to thank you for taking up this very important measure to teachers and retirees of bargaining Unit 05 that are in VEBA. It is a very important measure that needs to move forward for further discussion in both houses. I believe VEBA has been good to both the State and the teachers. I understand the current circumstances the State is in but believes that VEBA would be more beneficial to all participants in the long run.

Funds have been returned to the State and VEBA has also incurred losses. As a retiree who is not on Medicare there is a difference in coverage that is being provided to me by VEBA at the same cost to those in the EUTF. I believe the EUTF needs to reorganize themselves as they are currently lacking a quorum and not able to reach consensus on matters for its members. I hope the members of the committee will vote "Yes" to pass this out for further input from all concerned individuals.

Thank you for the opportunity to share my thoughts with you and look forward to your reply.

Aloha,

Beverly Gotelli



SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Michele Haruki  
King Kaumualii School Teacher  
(808) 241-3150

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am a single parent, raising two children on a limited salary. This salary has been negatively impacted due to furlough days. An increase in premiums, as well as higher copayments may jeopardize my ability to provide my family with something as basic as health care.

As employees of the State of Hawaii, teachers have already given up more than our fair share in order to close the gap on the state deficit. Teachers should not bear the burden of the state's financial matters alone. Please seek alternative ways to balance the budget which call on the support and sacrifice from all residents of Hawaii, not just those who work for the state.

Please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Michele Haruki

TO: COMMITTEE ON WAYS AND MEANS  
Senator Donna Kim, Chair  
Senator Shan Tsutsui, Vice-Chair

DATE: Wednesday, February 24, 2010  
TIME: 10:00am  
PLACE: Conference Room 211  
State Capitol  
415 South Beretania Street

Re: SB2797 SD1  
RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY  
ASSOCIATION TRUSTS Extends VEBA to July 2011.

FROM: Donna Higashi, Vice President  
HSTA - Retired

My name is Donna Higashi, HSTA - Retired Vice President and a member of the Legislative Action Team of HSTA - Retired. This bill has now been amended to extend until the next two years. I am in strong support of this.

While I was an active teacher, I belonged to the HSTA VEBA Trust. However when I retired in June 2002, I switched to the State's Public Employees Health Fund since retirees were not eligible to be part of VEBA. Subsequently the State disbanded PEHF and established the EUTF for all actives and retirees including the members of HSTA.

For the next few years, teachers lobbied to return to their own benefit plan and in July 2005, Act 245 became law without the Governor's signature. However, this was different because for the first time, retirees would remain in VEBA. In addition, BUM 05 retirees, like myself, were given a one time option to switch from EUTF to VEBA. About 1400 retirees switched.

Today, VEBA has over 13,000 active teachers and close to 2,000 teacher retirees.

Last year, I testified encouraging the State Auditor to complete her report comparing the benefit plans and although her recommendations are all not positive towards VEBA, I still offer support to VEBA and include some of the following reasons:

1. Teachers (actives and newer retirees) will continue to have an undisruptive health benefit program since 2006.
2. A strong health benefit program helps to attract and retain public school teachers.
3. VEBA has saved the Employer as well as its members money.
4. The State of Hawaii has received close to \$5.2 million from VEBA savings for the period 3/06 - 6/07
4. Competition between health providers (EUTF/VEBA) and health carriers, such as HMSA, HMA, Kaiser, etc. is "healthy"
5. HSTA-R members are generally satisfied with their respective health providers if they are covered under medicare. If non-medicare, VEBA members are more positive than the EUTF members. (Internal survey conducted in December 2009)

Since most of our HSTA - R members are in EUTF, we do monitor monthly EUTF Board meetings, but lately there have no meetings for lack of a quorum. We also are represented as retirees on the HSTA VEBA Trust Board. We want to do what is right for our members. Can't EUTF and VEBA coexist?

Thank you for this opportunity to testify.

**From:** [Lorraine Hora](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB 2797 SD 1  
**Date:** Monday, February 22, 2010 4:08:17 PM

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Senate Ways and Means Committee  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

Wednesday, February 24, 2010  
10:00 am  
Conference Room 211  
State Capitol  
415 South Beretania Street

RE: SB2797 SD1 Relating to Voluntary Employee Beneficiary Association Trusts

My name is Lorraine M. Hora and I am a HSTA-Retired member of the VEBA Trust. I support SB2797 SD1. I was enrolled in VEBA while still actively teaching, got transferred to EUTF upon retiring in 2000, and chose to return to VEBA in 2005. The stability and consistency of services from the VEBA Trust are more reliable than services from EUTF. Reliability is important to me.

EUTF is experiencing "a perfect storm" according to the news article in the Honolulu Advertiser on February 18. Reading that article confirmed for me the lack of guidance and structure that currently exists within EUTF with no administrator and designated Trustees on the Board. I have grave concerns about how EUTF will handle close to 20,000 more members in four months time should the VEBA sunset as scheduled on June 30, 2010.

VEBA is working well, even returning money to the State General Fund each year. I need and want this reliability of service. Please let VEBA continue. Make VEBA permanent. If you still have doubts, at least extend VEBA for 2 - 3 years until the State and EUTF can straighten out the mess of their "perfect storm".

Thank you for the opportunity to testify.

Sincerely,  
Lorraine M. Hora  
HSTA-Retired  
Hawaii District  
648 Hinano Street  
Hilo, HI 96720

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Susan Hudcovic  
Kapa'a Elementary School Teacher  
(808) 821-4424

I am a teacher at Kapa'a Elementary School and I strongly support SB 2797. I am already struggling to make ends meet as the sole income for my family, and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Susan Hudcovic

**From:** [Paul Jacobs](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB 2797 SD1  
**Date:** Monday, February 22, 2010 9:35:46 PM

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Dear Committee,

I am a teacher at Kauai High School and I implore you to keep our medical expenses down. I have been very satisfied with the VEBA trust benefit plan and I hope you will keep it intact for us on Feb 24th at 10 am.

We have been hit hard this year with the furlough paycuts and I myself have been under expensive medical treatment for focal dystonia in my left hand. I am a very happy mathematics teacher in my 7th year at Kauai High, but if the state decides to raise our medical premiums, I'm not sure if I will be able to afford living in Hawaii much longer. I live in a 750 sq. ft. condo and drive a 12 year old car, so my life is already as frugal as can be for someone who has mathematics degree and 6+ years of college. Please let us know that we are appreciated.

Thank You,  
Paul Jacobs

Aloha,

My name is Joan Lewis and I am writing to support SB2797 SD1. I am a strong proponent of the HSTA VEBA even though I have also served as a trustee for the EUTF. In fact, it is because of my experience with the EUTF that I believe maintaining the HSTA VEBA is vital for the future health of both our state and our public employees' health benefits.

Based on what we see in the news, the troubles of the EUTF are many, and each day that passes brings yet another challenge to those that are connected to the EUTF programs. I also understand that the Legislature is considering legislation that would allow all bargaining units to form their own "VEBAs". These two indicators lead me to believe that what we have in the HSTA VEBA is a good thing.

Over the past 4 years, the state has saved money on premium payments for unit 05 members. I also know that the VEBA Trust has sent over 3 million dollars in surplus monies back to the state in the same time period. In a time when we are all looking for ways to make ends meet, it would seem that the HSTA VEBA is good for both the state and for our teachers.

Right now, I understand that many people, maybe even you, think that teachers deserve to be treated badly because of the furlough situation. If so, I would ask you to keep in mind one thing: we are already taking an 8% pay cut which has cost us a number of high quality teachers. Putting us into a program that would increase our premium payments by up to 30+% would only exacerbate a very bad situation.

When the complete record is shown, it is clear that VEBA is financially beneficial to both the state and the VEBA participants. Further, when it appears that the EUTF tries to follow in the footsteps of VEBA in developing its plans and negotiating with carriers, it makes sense to keep the HSTA VEBA in place.

Thank you in advance for your support in this matter.

Joan Lewis  
Kapolei High School

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Patty McCloskey  
Kapaa Elementary School Teacher  
808 821 9722

I am a teacher at Kapaa Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,  
Patrice McCloskey

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Felicia Villalobos  
Wilcox Elementary School Teacher  
(808) 245-4746

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. My family is already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Travis Miyazaki



SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, Feb. 24, 2010

Sharon Morita  
King Kaumualii School Teacher  
(808) 332-9955

I urge you to support SB 2797 in hopes of continuing VEBA for the next 2 years. I am in support of extending my present VEBA services because I cannot afford higher medical expenses, pay for more health benefits, or go to Florida to get cheaper maintenance drugs. Again, please help me by extending my VEBA coverage for another 2 years,

Thank-you . . .

Sharon S. Morita

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Elaine Mukai  
Kapa'a Elementary School Teacher  
(808) 245-4746

I am a teacher at Kapa'a Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits.

Please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Elaine Mukai

Dear Legislators,

I really appreciate that the Ways and Means Committee members are willing to listen as to why teachers want VEBA to continue.

I have been teaching in the DOE for over 35 years. Currently, I am a teacher at Wheeler Middle School. I've stayed in the teaching profession because I love teaching children. An added benefit is the good medical coverage I've received. When mentoring newly hired teachers at my school, I always point out the medical coverage/benefits we have.

Because I've been teaching since 1972, I've seen a lot of programs (in the DOE) and laws "come and go". It was a disaster, several years ago, when the Legislature had all State Employees under the EUTF system. I couldn't reach a "live body" to ask questions about my health coverage. At that time I was having several medical issues and needed to consult with someone to answer my question. Leaving messages on the phone was also frustrating. I know that I was not the only one that needed help. I was no longer on a "wait list" for teachers; I was on the State government employees "wait list". I understand that even today the EUTF system is backlogged. What will happen if the 13,000 plus active teachers and 2,000 retirees are put on this system? I would prefer VEBA to be permanent for teachers, but if you're unsure about making it such, can you at least extend the VEBA bill for two years until EUTF becomes more stable and organized.

As you can see, health benefits are very important to me. I was in my first year of teaching when the first teachers strike happened in Hawaii. I asked my union about my health benefits; if I would be covered during the strike, if I got sick. They didn't know. I crossed the picket line to work because I needed health benefits. I think my actions explain a need for good medical coverage.

How is it possible for the State to save money having teachers under EUTF? Under VEBA, the State has saved about \$6 million from March 2006 - June 2009.

I realize both plans have HSMA and HMA coverage. I need to be covered under HMSA because all of my physicians accept HMSA. Under VEBA, I do pay a bit more to get the 90%-10% coverage but it has proved beneficial to me for several surgical procedures that I've had to endure. HMA (under EUTF) also has a 90-10% plan but not all of my doctors accept that coverage. That means I will have to pay the initial bill and be reimbursed months later. I don't think I should have to pay for poor service on the part of HMA. (Under EUTF, HMSA has an 80-20% plan, of which I feel becomes a loss of benefit coverage).

At his time of nationwide economic crisis, please consider that all of us have had to adjust our budget. To change from a good health benefit plan to a mediocre one does not help. Many teachers are retiring or leaving the profession, not because they do not enjoy teaching, but because they can no longer afford to teach. They need to find jobs that provide stability and have secure benefits. VEBA makes us feel "safe".

Thank you for your time. Please make VEBA permanent.

Mahalo,  
Charlene Murata  
Wheeler Middle School

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Kimberly Okino  
King Kaumuali'i Elementary School  
(808) 241-3150

I am a teacher at King Kaumuali'i Elementary School and strongly support SB 2797.

I carry the medical responsibilities for my family. The medical out of pocket expenses increased during the summer of 2009. When we couple that increase of expense with the furlough, it has been difficult. I teach Kindergarten and many of the activities include items that I pay for from my own personal funds. It is becoming more and more difficult to conduct lessons the way I'd like to. I strongly support SB2797.

Thank you for the opportunity to testify.

Sincerely,  
Kimberly Okino

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

Name: Patricia S. Oshiro

Contact Phone: 737-7695

I am a teacher at W.R. Farrington H.S. School and I strongly support SB 2797.

I have been teaching for about 30 years. Healthcare  
benefits are a big issue for teachers like me as  
we get older.

VeBa is due to sunset in July 2010. In these  
times, we could use help with lower health  
costs.

Please support SB 2797 VEBA Trust!

Thank you!

Patricia Oshiro

**From:** [Nawaimaka MacPua](#)  
**To:** [WAM Testimony](#)  
**Subject:** Senate WAM schedules SB 2797 SD1 for hearing 2/24/10  
**Date:** Tuesday, February 23, 2010 2:12:06 PM

---

**Dear Senators Kim and Tsutsui,**

I am a Special Education teacher at Molokai High School. Healthcare benefits are an important issue for all employees.

I need the SB 2797 heard for the following reasons.

My husband was diabetic as well as a dialysis patient until his passing 2 years ago. Without affordable coverage; he could not have spent those last years with us. He had other health issues which restricted him physically. He was 100% disabled. That made me his wife the breadwinner of our home as well as the care giver along with our 2 daughters.

I am a cancer survivor but need annually to follow up with extensive tests to be sure the cancer has not returned nor another form of cancer developed. This is a personal and financial toll on my family. Without our VEBA and quality health care I too could soon be leaving my daughters alone with insurmountable bills, responsibilities and even the possibility of losing their home. This is not something I would want for any family.

It is a struggle for my family & me financially and to add this extra burden of health care is an additional worry. Please make this bill heard to be made permanent.

The teachers are silently suffering with the furloughs, pay cuts, negative media stigmas and such. We give and make everything we have stretch as far as it can because of hearts and passion is about learning and teaching and improving the world of today and tomorrow. I implore you to make VEBA permanent allowing teachers the opportunity to teach without other hanging the concern of their own health and wellbeing over their heads like a hammer about to fall.

Thank you for listening,

Sincerely, Donna H Puaa, MA

**From:** [Mary Ann Sadaoka](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB 2797 SD1  
**Date:** Tuesday, February 23, 2010 1:36:16 PM

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**Dear Committee Members,**

**RE: SB2797, SD1 RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS**

I am a teacher at Kapaa High School and I live in Kapaa, Kauai. VEBA is due to sunset in July 2010. I am writing in support of this bill. This bill authorizes and sets forth the continuation of a VEBA Trust to provide health benefits for public school teachers at an affordable rate while at the same time providing a savings to the state. In addition, savings created by the VEBA Trust may be diverted to other state programs and services.

Healthcare benefits are an important issue for all employees. Teachers have already been "hit" with reduced paychecks because of mandatory furlough Fridays. Now with our "joining" in the EUTF, another \$200 will be taken out and our medicines will not be ordered from our local pharmacies but by mainland pharmacies. My local pharmacy Longs, Kapaa will be losing customers because we MUST order from the mainland. This further hurts the Hawaii economy.

Please do whatever you can to help us keep our VEBA!!! We really need to keep our Voluntary Employee's Beneficiary Association!!!!

**Wednesday, February 24, 2010  
10:00 am  
Conference Room 211  
State Capitol**

Thank you for your time and attention to this important matter.

Mary Ann Sadaoka  
Kapaa High School

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**SENATE COMMITTEE ON WAYS AND MEANS****S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010

10:00 AM

Name: Teresse ShimizuContact Phone: 3877047I am a teacher at Farrington High School and I strongly support SB 2797.

Health care benefits are an important  
issue for all employees. This bill authorizes  
and sets forth the continuation of a  
VEBA trust to provide health benefits  
for public school teachers at an affordable  
rate while at the same time providing  
cost savings to the state. The costs of  
HMSA have already gone up and due  
to the furlough days, the pay has gone  
down. I fear that the costs for HMSA  
coverage will go up even more if all  
public teachers were switched back to  
the EUTF and the EUTF is not adequately  
prepared to regain 13,000+ enrollees.  
Please make VEBA permanent. Mahalo  
for all that you do for our state and  
considering support for SB 2797 VEBA trust

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Kathy Shibuya  
King Kaumualii School Teacher  
(808) 245-4746

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Kathy Shibuya

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Hosanna Snyder  
King Kaumuali'i School Teacher  
(808) 245-4746

I am a teacher at King Kaumuali'i Elementary School and I stand with my colleagues in strongly supporting the SB 2797. I am a young, healthy individual but even I, this first year of teaching, have had to depend greatly on my medical insurance. I had to have two surgeries recently that cost me over \$1,500. I cannot imagine having to pay even more money for my health. I urge you to hear our testimonies and support us. Thank you for the opportunity to voice our needs.

Again please support the SB 2797. We, as teachers, need to be able to support ourselves, physically and financially, so that we will be here to serve and education our youth. Thank you for your time and support.

Sincerely,

Hosanna Snyder

## **kim5 - Deborah**

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**From:** Joe Tanaka [jtan@interpac.net]  
**Sent:** Tuesday, February 23, 2010 3:49 PM  
**To:** WAM Testimony  
**Subject:** SB 2797

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

February 23, 2010

Senate Ways & Means (WAM) Committee  
Senator Donna Mercado Kim, Chair  
Hawaii State Capitol  
Honolulu, Hawaii

Aloha Senator Kim and members of WAM,

Thank you for this opportunity to testify as an individual in support of SB 2797. My name is "Joe" Y. Tanaka and I am a retired public high school counselor. I am also a member of HSTA-Retired and, by choice, have been in the VEBA health insurance program since March, 2006. I opted for VEBA because I believed then and still do that (1) a small (not too small) entity could provide personalized, efficient service and (2) governance by peers on the VEBA Board of Trustees will best serve the interests of beneficiaries which include themselves. My wife and I have not regretted in the least our decision to join VEBA and wish that more, if not all, educators and other groups too can benefit from same. That's only fair.

Please put SB 2797 up for hearing and hopefully eventual passage without a permanence clause. "Nothing in the Universe is permanent." Everything changes constantly, so VEBA made permanent (no changes) puts state and VEBA into an untenable position, wherein both can become "locked in" for better or worse. Better to allow VEBA to continue as long as...that is, as long as VEBA continues to serve beneficiaries effectively, governs effectively and is cost effective (savings) for the state. No accounting or statistical gamesmanship or otherwise allowed through tough expectations and regulations in the bill. Place accountability where it belongs, and make it stick! I am speaking for myself here, and ask: "If the WAM members were in my/our shoes, would they want to re-enroll into a heavily backlogged EUTF that recently placed hundreds of employees into the incorrect health plan (Hon Advertiser 02-03-10) lacks its two top administrators, is in governance gridlock due to loss of 3 trustees, and who knows what else can go wrong? No, I believe you would want something better. Health is foremost in life and it's on the line here. Let's not be hypocritical. Love is wonderful, but love too lasts only as long as....Mahalo.

Joe Y. Tanaka  
Hilo, HI

**To: Committee on ways and means  
Senator Donna Kim, Chair  
Senator Shan Tsutsui, Vice-Chair**

**Date: Wednesday, February 24, 1010**

**Time: 10:00 am**

**Place: Conference Room 211**

**State Capitol**

**415 South Beretania Street**

**Re: SB2797 SD1**

**Relating To Voluntary Employees Beneficiary Association Trusts Extends  
VEBA to July 2011**

**From: Yvonne Tavares, 2nd Vice President HSTA-Retired**

**My name is Yvonne Tavares, and I am a retired teacher. Please do not defer or hold SB2797 SD1. I would like the full Senate to vote on the bill.**

**In order to effectively teach, one needs to be in good health. Staying healthy is our responsibility. Maintaining our health depends on the type of medical benefits, and a strong health program, such as the VEBA Trust.**

**The HSTA VEBA Trust has provided us with an affordable better Health Plan when compared to the Hawaii EUTF.**

**I support efforts to reform the EUTF. I strongly ask that you extend VEBA till at least 2013. My biggest fear is 15,000 teachers and retirees would be put back into a system that is currently dysfunctional. This would profoundly affect access to care for not only the teachers and retirees, but their families.**

**The auditor's report painted an unfair shadow on the VEBA Trust. Use this time to have an actual study to prove or disprove her theory. Then make the final decision.**

**You are serving the public because you care. Teachers and children depend upon your decision. Extending VEBA would certainly be one less stress for every active teacher, and retiree.**

**Thank you for allowing me to share my views on an issue that affects my future.**

**2/23/2010**

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Peter Tawarahara

Contact Phone: 832-3360

I am a teacher at Dole Middle School and I strongly support SB 2797.

SB2797 affects all of our members. I understand everyone is busy. However, health care benefits are a very crucial issue for all HSTA members.

I was lucky enough to have been in on the first VEBA health care offering. VEBA has save the Employer as well as its member money. Healthy competition between health providers enables VEBA to offer members competitive rates. Please make VEBA permanent!

Mahalo Nui Loa.

Peter y

**Senate Committee on Ways and Means**

Wednesday, February 24, 2010

10:00a.m..

Conference Room 211

State Capitol

415 South Beretania Street

Chair Kim, Vice-Chair Tsutui, and members of the committee,

I am writing in **SUPPORT** of SB2797 SD1 because I do not think the EUTF will be able to take care of the 13,000 active and 2,000 retirees presently in the HSTA VEBA health plans. I am afraid that the migration of 15,000 members from the HSTA VEBA to the EUTF will cause even more problems than those now reported.

As noted in the Thursday, February 18, 2010 article in the Honolulu Advertiser, Business Today section pages B5 and B7, "hundreds of state and county workers who retired at the end of 2009 were put into the wrong health insurance plans because of problems at the EUTF."

The deputy director of the state Budget and Finance acknowledged that problems have occurred since the retirement of the administrator and the deputy administrator of the EUTF, and there was a lack of quorum on the board of Trustees because four union trustees left the board at the end of December, and the board missed two meetings THIS year because of quorum issues.

I really do not believe that the many problems with the EUTF are recent in origin, being several years in the making. In fact, I believe that the structure of the EUTF, as it now operates, is such that there is no way it can effectively administer the health benefits for Bargaining Unit 5 active and retired teachers, as effectively as the HSTA VEBA has demonstrated since 2006.

I have talked with too many teacher retirees who are beneficiaries of the EUTF who are unhappy with the lack of responsiveness by the EUTF. They have told me about the lack of response to phone messages, letters, and even emails. I can only imagine what will happen if the EUTF suddenly receives an influx of new beneficiaries.

Thank you for allowing me to send in my comments in support of SB2797 SD1. I firmly believe that extending the VEBA to 2012 is the best option for everyone concerned; teachers, legislators, and the state at this time.

Vaughn K. Tokashiki  
HSTA-R President  
Oahu District

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Heidi Tokuda  
Kapa'a Elementary School  
(808) 821-4424

I am a teacher at Kapa'a Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Heidi Tokuda



SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Sharlene Torres  
Wilcox Elementary School Teacher  
(808) 651-0665

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. My family and I are already struggling to make ends meet and we simply cannot afford to pay more for healthcare benefits. My husband was recently laid off from his State of Hawaii job through the Department of Health here on Kauai. As of now, I am the sole provider for medical insurance and other necessities for my family. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. My two sons have a condition called Reactive Airway Disease, which includes them suffering from asthma and other upper respiratory illnesses. They are on the nebulizer machines on a daily basis to help minimize the severity of any upper respiratory illnesses they may develop. My husband and I are not comfortable with ordering or receiving our sons medications out of state. We want to be able to get any medications our sons are in need of right here in Hawaii from a local drug store with minimal delays. Also, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Sharlene Torres

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION AND TRUSTS.**

Wednesday, February 24, 2010

Sandra Umakoshi  
King Kaumuali'i Elementary School Teacher  
(808) 651-9709

I am a teacher at King Kaumuali'i Elementary and strongly support SB 2797. I am asking you to make VEBA permanent.

I have already taken a pay cut because of the furlough days. I am also paying more for my health insurance with HMSA. Going into the EUTF will make my insurance cost rise even further up.

I have health concerns and have several medications. If we go into the EUTF, I will need to order my medications through the mail from Florida.

I have big concerns about going into the EUTF. Please make VEBA permanent.

Thank you for the opportunity to testify.

Sincerely,  
Sandra Umakoshi

**kim5 - Deborah**

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**From:** underrd@att.net  
**Sent:** Tuesday, February 23, 2010 3:06 PM  
**To:** WAM Testimony  
**Cc:** wholck@hsta.org; cchang@hsta.org  
**Subject:** SB 2797 Hearing

**Dear Senators Kim and Tsutsui,**

I am a first grade teacher at Kaunakakai Elementary School on Molokai. Healthcare benefits are an important issue for all employees. I need the SB 2797 heard because VEBA gives teachers on Molokai access to quality healthcare benefits even though we don't have the same number of healthcare providers as Oahu and Maui. VEBA also saves HSTA members money. I implore you to make VEBA permanent.

Thank you for listening,

**Bob Underwood**

**From:** [Jason\\_Yanase/KAPOLEIH/HIDOE@notes.k12.hi.us](mailto:Jason_Yanase/KAPOLEIH/HIDOE@notes.k12.hi.us)  
**To:** [WAM Testimony](#)  
**Subject:** VEBA testimony  
**Date:** Tuesday, February 23, 2010 2:00:15 PM

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Dear Chairpersons,

As a taxpaying citizen and an employee of the state I am pleading to you to release the VEBA bill. In this falling economy, any added expense would surely hurt my wife and I more. We are both employees of the DOE and are already hurting from the furloughs, this would surely hurt us even more. I am pleading to you to release the VEBA bill.

Jason Yanase  
Kapolei High School  
91-5007 Kapolei Pkwy.  
Kapolei, Hi 96707  
Ceramics Dpt. 692-8200 ext. 3367  
Room I-101

Testimony on SB2797

Aloha! My name is Wray Jose, and I am a teacher at Moanalua High School. Thank you for this opportunity to testify on a matter of profound importance to teachers.

I write in support of SB 2797, the bill to make the VEBA Trust program permanent. The VEBA Trust program has succeeded in providing teachers with better health care coverage at lower cost. It has also resulted in cost savings to the State, returning to the State more than \$6.5 million over the past three years, an important factor at a time when the State is facing a severe budget shortfall.

I understand that there is some concern among legislators about the VEBA Trust program because of what is contained in a Report by the State Auditor. It should be noted, however, that the Auditor's Report is replete with flaws:

First, the Auditor's Report charges that VEBA Trust financial and utilization reports were not available. But this is not the case. These reports are indeed available in the Trust's second Annual Report.

Secondly, the Auditor's Report says that the VEBA Trust program promotes "adverse selection," which increases premiums for those enrolled in EUTF. But there is no adverse selection with VEBA since all Unit 5 employees are in the VEBA program.

Third, the Auditor's Report charges that the VEBA Trust duplicates administrative costs borne by the State. But the dollar amount given to VEBA is the same amount the State would pay if Unit 5 members were in EUTF.

Finally, there is no documented evidence that VEBA hurts the EUTF. If EUTF is having problems, as appears to be the case from news reports, perhaps the focus should be on reforming EUTF rather than on dismantling a system that works, such as the VEBA Trust program. The VEBA Trust program has been an important tool for recruitment and retention of teachers in the State of Hawaii. It is a tool that should not be forsaken now.

I therefore urge that the Ways & Means Committee pass SB 2797 and send it on for consideration by the full Senate.

Sincerely,  
Wray Jose

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [jandumaran@hotmail.com](mailto:jandumaran@hotmail.com)  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM  
**Date:** Monday, February 22, 2010 2:49:20 PM  
**Attachments:** [VEBA Call to Action 02\[1\].22.10.pdf](#)

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Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Jan Dumaran  
Organization: Individual  
Address: 91-884 Ft. Weaver Road Ewa Beach, Hawaii  
Phone: 689-1250 ext 261  
E-mail: [jandumaran@hotmail.com](mailto:jandumaran@hotmail.com)  
Submitted on: 2/22/2010

Comments:  
The proposed legislation will save money for members and the State.

VEBA should continue as is.

**From:** [Lou\\_Padavan/KEALAKI/HIDOE@notes.k12.hi.us](mailto:Lou_Padavan/KEALAKI/HIDOE@notes.k12.hi.us)  
**To:** [WAM Testimony](#)  
**Date:** Tuesday, February 23, 2010 8:35:58 AM

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Aloha Chair Senator Mercado Kim and members of the Senate Ways Committee.

I urge you to pass SB 2797 relating to VEBA TRUST extension. My wife has multiple sclerosis. That prescription is over \$2,000 a month. Fortunately, with the VEBA Trust supporting prescriptions, we pay only \$250.00 a month. I urge you to make VEBA permanent or extend VEBA for a minimum of two years. Please, there are many people in our state who rely on all of you to help us with so many of our health problems.

Thank you,  
Louis T. Padavan  
[Kayloualoha@aol.com](mailto:Kayloualoha@aol.com)

Egan Kawamoto  
P.O. Box 23425  
Honolulu, HI 96823  
808-292-4986

Support of SB 2797 HD2 Proposed

Senate Ways and Means Committee  
February 24, 2010  
10:00 am

Chair Kim Vice Chair Tsutsui and members of the Committee:

My name is Egan Kawamoto, a teacher at Wheeler Middle School who is a participant of the VEBA program speaking in support of SB 2797.

This proposal would extend the VEBA.

As a member of VEBA, the difference is VEBA is able to negotiate for me benefits that are better than what is currently offered by the EUTF. I also strongly disagree that an out-of-state company currently provides the contract for maintenance drugs. In this time economic difficulty sending state funds out of state should not be an option.

I was in the EUTF for a short time and the costs of maintenance drugs increased as well as choices available to my physician decreased. This is just one example of why I believe VEBA is a benefit to its participants.

I urge the Committee to pass this proposal to extend the VEBA and pass it out.

Thank you for the opportunity to testify.



February 23, 2010

Aloha,

I am a middle school teacher in Hawaii, writing in hopes that you will support the continuation of VEBA. VEBA has proven to be an affordable option for healthcare, helping to retain teachers. If VEBA is not continued and our healthcare costs go up, the burden of the higher rates coupled with furloughs will be too much for teachers to bear. I understand that we are in tough economic times. VEBA does not cost the state extra money, so why not support teachers by providing us with the more affordable option? I feel that we work very hard in providing Hawaii's children with an education. Support for teachers will be much appreciated.

Thank you,

Sam Bennett  
AVID/Resource Teacher  
Wheeler Middle School

To: House Finance Committee  
From: Laura Harada, Teacher, Kapolei High School  
Date: February 23, 2010

RE: SB 2797, SD1 Relating to Employment: VEBA Trust Hearing  
Hearing Date: February 23, 2010, 10:00 am

I am writing in support of SB 2797, SD1. Currently, VEBA Trust is one of the few good benefits for teachers in Hawaii as well as the State; it's one of a few items that the State has going which is a real attempt to save the State money in this difficult time. It does not make good economic sense to close the option of VEBA Trust, which is saving the State and the Union Members money in premium costs when the State is already hurting financially. In fact, I'd like to see the VEBA option kept as it benefits both the State and the workers.

If it must happen, I feel an extension of at least two years will give the teachers as well as the State more time to get the paperwork done correctly to avoid lapses in service and headaches as I experienced this past summer when we were switched to a new plan that did not include my doctors and to also adjust to the increased expenses. Teachers are already swamped by new fees such as the licensing fee, less pay, requiring the same work or more be done with less days and less money for supplies and on the home-front, having to deal with family members with the same or worse economic circumstances.

I knew that going in to teaching was not going to make me economically rich but in my 20+ years of teaching, I never thought our State would be in such a dire economic crisis. But, there are a few investments in our future that hold as much promise for the State as education and the support for that education. I support the passing of SB2797, SD1 I feel it would also benefit Hawaii when it is time to recruit new teachers and in efforts to retain qualified teachers in the system.

I would like to thank-you for your time and consideration on this matter.

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday February 24, 2010, 10:00 AM

Chair Donna Kim, Vice-Chair Shan Tsutsui and members of the Senate Ways and Means Committee

Name: Debbie Anderson\_

School: Honokaa High and Intermediate

Contact Phone: (808) 775-8800 X 232; (808) 775-7471\_

I am a teacher and elected Teacher Representative at Honokaa High and Intermediate school and strongly support SB 2797. Staff members visit me for advice on enrolling in their medical plans, so I can speak on behalf of many others.

Since March 1, 2006, the HSTA VEBA Trust has provided medical benefits for Bargaining Unit 5 employees (teachers) and retired teachers under a pilot program that is scheduled to expire on July 1, 2010. Please help us to keep our current health benefit program without disruption of services and coverage.

VEBA has saved money BOTH for the State of Hawaii as well as its teachers.

Healthy competition between health providers enables VEBA to offer members competitive rates.

As teachers dedicated to our craft, we collectively have the lowest rate of absenteeism. We also are well aware of preventive measures, and strive to be role models to the children and youth under our guidance.

Should we be forced to revert to the generic plan, we would pay significantly more money for our basic medical coverage. We are hurting badly from the current furloughs in many ways, including financially. Unfortunately, our profession as it stands requires that we all have jobs that are not year round (i.e. two months in the summer without earning days). It takes us so long to complete the tasks of standardization, grading, etc., that it is harder and harder for us to take on second jobs, coaching, etc. We are finding it hard to make ends meet.

Members are discussing already if they could function without coverage, some trying to get everything taken care of before June 30, 2010. In an era facing possible epidemics, it is UNSAFE for our youthful clients to have teachers without coverage.

Please keep our coverage, as it helps us to attract and retain public school teachers. We are the most underpaid profession of all college graduates, and our requirements just seem to keep becoming more expensive. Our entering teachers come with large financial aid bills, much as those like me who return to school for Highly Qualified status, and have great difficulty facing even more debt. We lose many teachers within the first 5 years. Leaving our profession, they can make more money as a WAITER!

Personally, my husband is a substitute teacher with NO benefits. My more than \$4,000 annual health benefits costs equate to about 20% of his salary. Should we lose our VEBA, we can expect rates to jump significantly, by a couple thousand dollars. I have come to rely on VEBA to protect the health of my 'ohana, especially my young son.

Please do not allow our VEBA savings to end without hearing our plea. Protect us and you protect our keiki!

Thank you for the opportunity to testify.

Aloha and Mahalo,  
Johnny, Debbie, Cormac (age 4), Grandpa Al, and Uncle Dan

Senate Committee On Ways and Means  
S.B. 2797 SD1: Relating to Voluntary Employees' Beneficiary  
Association Trusts

Wednesday, February 24, 2010

Irene Isonaga  
Wilcox Elementary School Teacher  
808-245-3150

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB2797, if you cannot support a permanent extension, then at the very least, please extend VERBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Irene Isonaga

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [jennifer\\_hoffman@notes.k12.hi.us](mailto:jennifer_hoffman@notes.k12.hi.us)  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM  
**Date:** Tuesday, February 23, 2010 10:30:34 AM

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Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Jennifer Hoffman  
Organization: Individual  
Address: 91-104 Ma'ohaka Way Ewa Beach, HI 96706  
Phone: 619-865-8213  
E-mail: [jennifer\\_hoffman@notes.k12.hi.us](mailto:jennifer_hoffman@notes.k12.hi.us)  
Submitted on: 2/23/2010

Comments:  
To: Senate Committee on Ways and Means

S.B. 2797 SD 1: Relating to Voluntary Employees' Beneficiary Association Trusts

Wednesday February 24th, 2010

Name: Jennifer Hoffman  
School: Ilima Intermediate  
Contact: 808-689-4707

I am a teacher at Ilima Intermediate School and strongly support SB 2797.

In the news right now we are bombarded with reminders about why healthcare is so important. VEBA will allow teachers to continue to have a health benefit program without the disruption of services and coverage. Having a comprehensive healthcare coverage helps attract and retain teachers to our state's education system. We all know that the salary (especially in light of the furloughs) doesn't exactly offer a whole lot of comfort.

In these harsh economic times, a major surgery or long term illness can drastically affect families' economic stability. My friend, a fellow teacher, just went in to the hospital for an infection that almost killed her. Her shock at seeing the \$22,000 hospital bill was almost as bad. What if she didn't have this health coverage? It's bad enough that families need to deal with medical problems but when those problems are compounded with worries about how medical bills will be paid, the stress can be overwhelming.

Furthermore, VEBA offers affordable premiums and rates. Teachers, especially those families that both spouses are in the profession, will be hard pressed to pay higher rates or co-pays.

Please consider how much the teachers of Hawaii give to our communities. Please consider that in order to continue to show up for school everyday and teach out keiki, we need to be in good health. I appreciate what VEBA has done for me in the past and hope this service continues.

Sincerely,  
Jennifer Hoffman

February 23, 2010  
Senate Committee on Ways and Means

S.B. 2797 SD 1: Relating to voluntary employees' beneficiary association trusts.

Wednesday, February 24, 2010

Marie Hashimura  
Wilcox Elementary School Teacher  
(808) 245-3150

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii. I strongly feel we should support the local pharmacies. I have some students, who after graduating, have returned to Kauai to be pharmacists. Let's support our community and encourage our children to come back to Hawaii to live and work.

Again please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,  
Marie Hashimura

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Elisa Inouye  
Wilcox Elementary School Teacher  
(808) 274-3150

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. I am a single mother and trying to make ends meet. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Elisa Inouye



SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Lianne Cua  
Elsie H. Wilcox Elementary School Teacher  
(808)651-7327

I am a teacher at Elsie H. Wilcox Elementary School and I strongly support SB2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii. I currently hold two jobs to make my mortgage payments and other bills, but with more upcoming furloughs in which my husband will be affected (he already works 2 jobs also), I really don't see how I will be able to continue making my mortgage payments. There are many others with similar stories.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Lianne Cua

**From:** [Judy Kaupp/KAPOLEI@HIDOE@notes.k12.hi.us](mailto:Judy_Kaupp/KAPOLEI@HIDOE@notes.k12.hi.us)  
**To:** [WAM Testimony](#)  
**Subject:** re: SB2797 SD1  
**Date:** Tuesday, February 23, 2010 10:05:21 AM

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Aloha Senator Kim and Senator Tsutsui,

I am a practicing educator here in Hawaii with 21 years of service to my students and their community. I would like to request that you extend our VEBA benefit package through July of 2012. There are several reasons I am making this request. In a time of severe economic crisis for Hawaii it simply does not make sense to force educators into EUTF when it is considerably more expensive both to the state and trust members. VEBA has been able to save the state money as well as those of us who use it. Teachers did try EUTF when it was first established and found it nearly 50% more costly to us as well as not providing equal quality benefits for educators. I distinctly remember having to pay a higher percentage of my lab and Xray fees.

Teachers work incredibly hard, whether you are aware of it or not. My work day does not end when my students go home. I am frequently here for 2 or more hours after classes, developing units, finding literature appropriate for the section of American Literature I am teaching and reading essays for students. In addition, we all collect samples of student work for the higher thinking level units we create and gather data from completed assignments to guide us in our instruction. To make it more complete much of my data collection is digital which also takes time. I am proud to be an educator holding my Masters in Curriculum and Instruction and serving the children of this state and their families. Educators don't ask for much from you folks and we give a lot back. I am only asking that we are allowed to keep the quality insurance programs we currently have.

Mahalo for consideration of the needs of educators, students and their families.

Judy Kaupp  
Team Lokahi  
Kapolei High School

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

SUSHANA CARVALHO  
Wilcox Elementary School Teacher  
(808) 245-4746

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,  
SUSHANA CARVALHO

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Michelle Domingo  
King Kaunualii School Teacher  
(808) 246-1893

I am a teacher at King Kaunualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Michelle Domingo

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Tuesday, February 23, 2010

Amanda Mulkern  
King Kaumualii School Teacher  
(808) 245-4746

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Amanda Mulkern

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Lillian Hanada  
Kapaa Elementary School Teacher  
(808) 245-4746

I am a teacher at Kapaa Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

My husband, a real estate appraiser, self employed, has not been able to find much work for over two years. He is trying his best to find other employment but hasn't been successful.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,  
Lillian Hanada

February 22, 2010

To Whom It May Concern,

I am writing this letter to show my support for SB2797, or extending VEBA coverage for at least another two years.

It is my understanding that if VEBA is allowed to sunset, that I would be paying an additional \$200 a month for health coverage. This would be a large burden for me as I am a single mother who receives no child support. My child suffers from asthma and allergies and falls ill quite often, as is the case with myself as well. Within the past 5 years, my son and I have received emergency room care four times. To pay for such medical bills and supplies in addition to \$200 per month would be very difficult to manage, especially with my cut in pay due to the recent furloughs imposed on us by the state.

I have also heard that medical supplies (deemed as maintenance) will be shipped in from Florida. In my research, I have found that this is not a reliable way to receive one's medical supplies. As I have stated, my son and I both suffer from allergies and asthma and require consistent refilling of prescriptions quite often. We rely on the timely supplication of these prescriptions, which I know would not be the case should our pharmacy be based out of state. In addition, I feel that it is absolutely necessary to support the local pharmacies, especially in light of today's economy.

As a public school teacher, I feel it is necessary to state that I work extremely hard in what I do, every single day. I am entrusted with the care and education of 30 students each and every day. Due to the high levels of stress and constant risk of contracting sickness, I feel that it is absolutely mandatory that the teachers of Hawaii receive the best possible medical care. This won't be the case if SB2797 fails. Please help to take care of Hawaii's teachers so that we may take care of Hawaii's students.

Sincerely,

Summer L. Medeiros

February 22, 2010

Dear Senate Committee on Ways and Means:

Hello, I am Melanie Chan, a middle school teacher at Maui Waena Intermediate School on Maui. First, I want to thank you for your hard work as elected officials representing the people of your district. Second, I am writing to urge you to encourage the Committee Chair Kim to hear testimony on SB 2797 relating to Voluntary Employees' Beneficiary Association Trusts.

SB 2797 is important to Hawaii residents like me, a public school teacher. The HTSA VEBA TRUST has provided medical benefits for Bargaining Unit 5 employees. As a new teacher on Maui, I have come to rely on the medical benefits provided by the VEBA TRUST. As a recent hire to the DOE, one of the things that I was attracted to was the quality health benefits provided by the VEBA TRUST. In addition, the VEBA TRUST has saved the DOE and members like me money in the long term. In this tough economy, we need to continue programs that help everyone in the state save money. Continuing the VEBA TRUST will allow me to have continued health benefits without disruption, and hopefully without added cost to the state--think of all the paperwork that would probably be required if all VEBA TRUST members in Bargaining Unit 5 had to do a mandatory cross over to EUTF. With many state employees already on mandatory furlough on Fridays, there would most likely be delays in the change over. Also, competition between health providers enables the VEBA TRUST to offer members competitive health care rates.

I encourage you to allow the members of Bargaining Unit 5 to have a voice in the deciding the future of the TRUST because the outcome affects all of our members. Please urge Chair Kim reschedule SB2797 in order to give this important bill a fair hearing so that your constituents can lend their voices to the decision-making process.



**From:** [Anthony Russo](#)  
**To:** [WAM Testimony](#)  
**Cc:** [wholck@hsta.org](mailto:wholck@hsta.org)  
**Subject:** Testimony on SB 2797: From Lilian Yamasaki  
**Date:** Monday, February 22, 2010 7:01:58 PM

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Dear Senators,

I am a history teacher at McKinley High School and a participant in the HSTA VEBA Trust. I am writing to implore you to make VEBA permanent.

I am a left above-the-knee amputee. The cost of the prosthesis I wear can run anywhere from 1/3 to 3/4 of my yearly salary, depending on the device, without medical insurance. Yes, that would be somewhere between what a Toyota and a BMW might cost. VEBA has made it possible for me to maintain a decent lifestyle, under the circumstances, by keeping my medical premiums and medical costs affordable. I sometimes wonder how I would have the mobility to get about and teach without this benefit.

I would also like to point out that the discrepancies between what our Association and a recent audit by the state reveal needs to be more thoroughly scrutinized. VEBA has been able to honorably and responsibly reduce costs to the state. Rather than pit the interests of the state and our public workers against each other on the issue of health coverage, it would behoove the state to look into how competition can be enhanced, so as to help us out of this quagmire.

Again, I ask that you help make VEBA permanent. Over 13,000 teachers depend on it.

Sincerely,  
Lilian Yamasaki

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Kathy Shibuya  
King Kaumualii School Teacher  
(808) 245-4746

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Kathy Shibuya

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

**TESTIMONY FOR SB 2797**

Christine Ahia  
Waiakeawaena Elementary School counselor  
303 Iwalani St.  
Hilo, HI 96720  
(808)959-9396  
Email: [cahia@hawaiiantel.net](mailto:cahia@hawaiiantel.net)

Dear Senators,

I am one of the HSTA members who voted in favor of the furlough days and resulting decrease in salary in order to help shoulder the state's financial problems. At first this was "easy" to do, however as the months crept on, the \$300 a month decrease in my salary snowballed into financial problems. I live very frugally, am a single parent, and have only one child dependent who is in college. Despite my frugality, I'm having to split up bill payments, have an increased credit card debt, and have to carefully consider **daily** what groceries and items are absolutely necessary to purchase, just how much assistance I can give to my daughter, and if I can even afford to drive to Kona occasionally to do volunteer work. I am 60 years old, and am trying to plan ahead for retirement, though with all of the current financial dilemmas, retirement in the near future is out of the question.

And yet, I know the impacts upon my lifestyle are not nearly as serious as they are to our teacher couples with several younger children, who are facing a double income loss and much higher ongoing expenses that can't be decreased. These teachers have multiple medical expenses and fees that are now much harder to take care of.

As teachers, we agreed to "share the pain," and see that it's a much bigger picture than we thought. When I go to work, I see the faces of faculty members who are also worried about the many budget cuts to education, the concerns over students who are struggling more now due to a decrease in instructional time, and how to fit all the academics into a shorter work week. Poor morale is widespread among the faculty. We've having challenges in making time to schedule and attend meetings with parents, deal with poor/erratic attendance in students, increases in poor student behavior, and disengagement in many

students. Our physical and mental wellbeing is really being strained this school year, and yet, as professionals, we are expected to perform consistently well.

We would like the VEBA trust to become permanent. We've had many things taken away this year, and teachers are despairing. Your vote to continue this trust would be a great support to us right now, and it would alleviate increased medical expenses from our reduced paychecks. Supporting the VEBA trust would show teachers that you care about their physical and mental health and want to keep these costs affordable for them and for their families. Please consider you vote carefully, and send a message to teachers that you support them.

Sincerely,

Christine Ahia  
Waiakeawaena Elementary School Counselor  
Hilo, Hawaii

*Upon coming home to Hilo, I went into a depression because I didn't know how much I had to pay or how I was going to pay these medical bills. I have always paid my bills, but I couldn't "see the end of the tunnel" worrying about all of these bills.*

*The VEBA Plan that we presently have had saved my life and sanity because all of the bills were paid through my husband's Medicare and my VEBA medical plan.*

*Another concern of mine is that many of my husband's medicines have NO generic brands. Prior to this I had to pay \$15.00 per medicine (10 different name brand pills, \$150.00 per month) and four (4) generic brand medicines which were \$5.00 per month (\$20.00). So, just his medicines alone cost me \$170.00 per month.*

*Presently, through MEDCO, I pay only \$27.00 per medicine for 3 months for his name brand medicines and \$9.00 a month for the generic brand medicines for 3 months. The months that I have to pay for his medicines, financially, I become very "strapped" for money because his medicines come out of my account.*

*With my Social Security and retirement pay, although at times, it becomes difficult, I am still able to handle my finances, but should our medical plan changes, I don't know how I would be able to afford just his medicines.*

***PLEASE HELP ME AND ALL OF US WHO ARE ON A FIXED INCOME!!! I DO NOT WANT TO THINK OF THE RAMIFICATIONS THAT MIGHT OCCUR SHOULD THERE BE A CHANGE IN OUR MEDICAL PLAN. I personally would NOT want to debate, should I buy his medicines or buy food as I have seen this happen to many elderly.***

Thank you for listening to my story.

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

**Testimony for SB 2797**

Joy Hirayama  
Chiefess Kapiolani Elementary School  
1168 Lei Hinahina Pl.  
Hilo, HI 96720  
(808)987-3070  
Email: hirayamasan1@hawaiiantel.net

Dear Senators,

I am a teacher at Chiefess Kapiolani Elem. School in Hilo. As we all know, healthcare benefits are an important issue for all employees. SB 2797 relating to Voluntary Employees' Beneficiary Association Trusts affects all our employees. I urge you to please give this important bill a fair hearing.

With furlough Fridays I am already taking a pay cut, and by no means will be able to afford going back to EUTF and also pay approximately \$200 more a month in medical premiums. We also need a strong health benefit program that helps attract and retain public school teachers. VEBA has saved the Employer as well as its members' money over the years.

Again, I urge you to please give SB 2797 a fair hearing. Your cooperation in this matter will be greatly appreciated.

Joy Hirayama  
Hilo  
Email: hirayamasan1@hawaiiantel.net

**TESTIMONY**  
**For Senate Committee on Ways and Means**  
**Hearing date: February 24, 2010, 10a.m.**

**SB 2797, SD1: Relating to Voluntary Employees' Beneficiary Association Trusts.**

Gary Kaku  
Hilo Intermediate School  
587 Waiānūenue Ave  
Hilo, HI 96720  
(808)974-4955  
Email: gakaku@yahoo.com

I am a teacher and the registrar at Hilo Intermediate School and strongly support SB 2797.

I support VEBA because it means that teachers can obtain affordable medical coverage and healthcare which would have been impacted greatly by our 17 days of furloughs. VEBA has saved our members when it switched us to HMA which essentially meant that insurance premiums remained the same whereas EUTF members' premiums for HMSA soared along with their loss of pay. However, with the exodus of teachers, HMSA approached HSTA and offered a plan to VEBA which was then offered to teachers.

Because VEBA has the members interest at heart, it is able to offer healthcare at a reasonable cost which will be helpful to retain teachers in this profession during these bleak economic times.

Therefore, I humbly ask that you support SB 2797.

Thank you for your time and the opportunity to testify.

Sincerely,

Gary Kaku

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Hearing date: Wednesday, February 24, 2010, 10am**

**TESTIMONY FOR SB 2797**

Eunice Saito [eunsaito@hawaiiantel.net](mailto:eunsaito@hawaiiantel.net)  
HSTA-Retired

Dear Senator Donna Mercado Kim and members of the Senate WAM Committee:

Senators Takamine, Chun Oakland, Fukunaga, Hooser, Kidani, and Tsutsui---thank you very much for co-sponsoring and introducing SB2797.

I am Eunice Saito, a resident of Kamuela, Hawaii and retired employee of DOE. I converted membership from EUTF to the VEBA Trust, and I am very satisfied with the switch as well as grateful that I was given the opportunity to do so. Because the change has been advantageous for myself and my peers, I strongly urge you to give your full support to SB2797.

My understanding is that the extension of the VEBA Trust is contingent on these points:

- 1) It has not added cost to the employer
- 2) It has not adversely affected government employees
- 3) It has effectively delivered the services and benefits as intended and designed
- 4) It is endorsed by the membership it serves
- 5) It has abided by the rules and regulations of ERISA
- 6) It has made accountability information available

In my estimation, the VEBA Trust has met all of the criteria cited above and should therefore be granted an extension. The two-year extension is far better than terminating the trust, but I personally feel this program needs longevity, so appropriate data can be gathered and evaluated. The economic recession is on the rebound, but time is needed for significant changes and growth to take place. Long-range data can lead to sound judgments and planning and can prove useful to other entities.

Passing SB2797 will not only be a fair course of action but will send a clear message from Hawaii's lawmakers as well. It will firmly acknowledge that professional groups such as HSTA can be entrusted with administering programs that foster the well-being of its members. The VEBA Trust operates with full understanding that competition is healthy and economically beneficial. This can certainly strengthen recruitment and retention efforts at a time when states rigorously compete for quality teachers. Since the cost of living in Hawaii is high, salary is not the primary draw to the teaching profession. I believe the benefits and climate of support and respect accorded teachers rank high.

I do not think that dedicated and committed teachers seek to be placed on pedestals by the public, but we relish the notion that our communities value, respect, and appreciate us. As lawmakers, you play a tremendous role in cultivating this sentiment. Your support of SB 2797 is a step in this positive direction, because it ultimately impacts the keiki in our classrooms. Mahalo for your efforts on our behalf.

Sincerely,  
Eunice Sato



**SENATE COMMITTEE ON WAYS AND MEANS**

***S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.***

*Wednesday, February 24, 2010, 10am*

**TESTIMONY FOR SB 2797**

Donna Nooney  
Retired HSTA  
Email: nooney@hawaiiantel.net

Aloha Senator Mercado Kim, Chairperson,

I am a retired teacher writing to emphasize the importance of the VEBA Trust Bill. It must be made a permanent benefit to all teachers. Teachers in Hawaii need to be of the highest caliber in order to facilitate our youth in becoming Hawaii's leaders, labor force, and business owners. The pay being offered to teachers is not competitive when compared to many other states, but because teachers choose to stay in Hawaii, or move to Hawaii, they must be offered incentives to put their trust in the State of Hawaii to continue to provide for their health even after they retire.

I was privileged to teach for 36 years, and I need to know that my VEBA provided health benefits will not be negatively impacted by legislation. Being retired is fantastic, but only when we are able to maintain our health. We gave our all with joy when we were working and in great health. As we age, we must monitor our health and receive care for our weakening bodies. My husband would be lost without the VEBA health care. He has Parkinson's Disease, COPD, and he suffers from depression. I personally have a weakening heart and a genetic pool which includes stroke, heart disease, and cancer, so I monitor closely for these diseases.

I write to beseech our elected representatives to stand by the individuals who served during times of good health, and who now need health care more than ever before. Demonstrating loyalty to teachers will keep and attract effective teachers in Hawaii.

Thank you for your efforts to support us,  
Donna Nooney  
Retired HSTA  
Email: nooney@hawaiiantel.net

## **SENATE COMMITTEE ON WAYS AND MEANS**

### **S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

#### **TESTIMONY FOR SB 2797 SD1**

Jim Nageldinger  
Ka'u High & Pahala Elementary teacher  
P.O. Box 202  
Pahala, HI 96777  
(808)937-7296

To Whom It May Concern,

Please, please, please keep VEBA. Without it, a teacher already suffering from a loss of income due to furloughs, will be forced to look for work elsewhere.

Please stop the drain of Hawaii's precious teaching resources by ensuring that teachers will have affordable health insurance. It is one of the only things left keeping many of us here. Increase the premiums and you will fire yet another shot into Hawaii's own foot by crippling an already struggling institution.

Keep VEBA.

Jim Nageldinger  
Kau High/Pahala Elementary

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

**Testimony**

Roxane K. Stewart

Secondary Science Teacher, Ke Ana La'ahana, PCS

808-981-0270

Email: rstewart99489@hawaii.rr.com

To Senator Donna Kim and the members of the Senate Ways And Means Committee:

I am a secondary science teacher at Ke Ana La'ahana in Keaukaha, Hilo, Hawai'i and I strongly support SB 2797. Healthcare benefits are an important issue for all employees. Although I hold a bachelor's degree, a teaching certificate and a master's degree, as a public school teacher, I struggle to make ends meet, literally paycheck to paycheck. The VEBA health benefit program has given me much needed assistance in making ends meet and allowing myself to continue in public education. I know and understand that pay increases are highly unlikely, especially in these tough economic times. With that thought in mind, VEBA has saved us money and has saved our employer money. VEBA also works to help retain public school teachers like myself.

SB 2797 RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS affects all our members. Please ask Chair Kim to schedule SB 2797 to give this important bill a fair hearing. If making VEBA permanent is not possible, I strongly urge its extension for the next two years to ensure that teachers continue to have a well-deserved health benefit program without disruption of services and coverage.

When considering SB 2797, please consider hard-working teachers like myself that count on VEBA and other employee benefits that allow us to remain in our home communities as dedicated public educators shaping the communities of tomorrow, one lesson at a time, one student at a time. I and many other teachers are invested in our calling as educators despite the numerous challenges we face as public educators. We all want a better Hawai'i for past, present and future generations. What are you willing to invest to make that happen? Mahalo for this opportunity to testify.

Me ka ha'aha'a,

Roxane K. Stewart

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

**TESTIMONY**

Ravae Todd  
Hawaii District Resource Teacher  
P.O. Box 492623  
Keeau, HI 96749  
(808)937-0769  
Email: [ravaetodd@hotmail.com](mailto:ravaetodd@hotmail.com)

I am a district special education resource teacher in the Ka'u-Kea'au-Pahoa Complex Area. I am requesting that you please pass the VEBA bill, SB2797. It is a very crucial issue for all teachers to have a health benefit program without disruption of service or coverage. Please be aware that a strong health benefit program helps the state by attracting and retaining public school teachers. VEBA has saved the employer as well as its members so it is a win win proposal! History has proven that healthy competition between health providers enables VEBA to offer members competitive rates. So please help support education by passing the VEBA bill SB2797.

Sincerely,

Ravae Todd

Email: [ravaetodd@hotmail.com](mailto:ravaetodd@hotmail.com)

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Hearing: Wednesday, February 24, 2010, 10am**

**TESTIMONY FOR SB 2797**

**Betsy Poulos  
Kalaniana'ole Elementary & Intermediate School  
808 959-2374  
[betsyp.pbetsy@hawaiiantel.net](mailto:betsyp.pbetsy@hawaiiantel.net)**

**To Senator Donna Kim and the members of the Senate Ways and Means Committee;**

**I am a counselor at Kalaniana'ole School and I strongly support SB 2797.**

**I am approaching retirement and have had the opportunity to enjoy the the benefits of VEBA. I am a cancer survivor and have required surgery and numerous treatments and very expensive medication. I am able to relax about the costs for myself and my husband because of the the coverage I have as a result of VEBA. That makes for less stress in my treatment. When I retire at the end of this school year the treatments will continue and hopefully so will VEBA.**

**As I am retiring the school system I see new teachers beginning their teaching careers and so the cycle continues. A strong health benefit program is an attraction for young teachers, single and with families. It is certainly something that is considered when being hired as well as deciding to stay with the education system in Hawaii. The cost of living in Hawaii is high. Teachers deciding to work with our children must be able to afford their health care as they make their decisions to stay on in the system or leave. It is one less stressor for them and for me as well. I would hate to lose my health plan and /or have disruption of coverage so close to retirement. It has served me and my family well.**

**Thank you for the opportunity to testify**

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

**TESTIMONY**

Susan Kay Anderson  
Teacher, Pahoa High/Intermediate School  
P.O. Box 1055  
Keaau, Hawaii 96749  
(808) 965-7212  
Email: lonepoethelloyou@yahoo.com

Dear Senator,

I am a teacher at Pahoa High & Intermediate School. I teach English to 7th, 9th, and 11th graders. I've been a teacher in Hawaii schools since 1994.

Healthcare benefits are an important issue for all employees.  
SB 2797 RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS affects all our members. Please support this bill.

Affordable health care is extremely important to me. I support a family of four by working full-time as a teacher. I also hold an after-school job, and still struggle to make ends meet on a monthly basis. This has become more of a challenge due to the furlough days impacting my paycheck. It is expensive to live and work in Hawaii. I am doing my best to support my family and provide the basics, but need to beg you to do everything you can to support teachers by voting for SB 2797.

Sincerely,  
Susan Kay Anderson

**TESTIMONY**

**For Senate Committee on Ways and Means**

**Hearing date: February 24, 2010, 10am**

**SB 2797, SD 1: Relating to Voluntary Employees' Beneficiary Trusts**

Lisa Leach

Na`alehu Elementary School Librarian

(808) 443-9788

Email: lleach2456@gmail.com

To Senator Donna Kim and the members of the Senate WAM Committee;

I am a librarian at Na`alehu Elementary School and am asking that you support SB 2797. I am asking that you allow for at least a 2 year extension of the VEBA pilot program, or make it permanent.

I have always been enrolled in VEBA and appreciate the strong health benefits this program provides me. A permanent strong health benefit program will attract and retain public school teachers throughout our state.

I cannot afford to have a disruption in services and coverage should my health plan be put in jeopardy. Nor can I afford increased rates through the EUTF plan. Healthy competition between health providers enables VEBA to continue to offer me competitive rates. It is my understanding that VEBA does not just save me money but the Employer saves money as well.

Please provide my colleagues and myself peace of mind by permanently establishing VEBA as our health benefit program.

Thank you for the opportunity to testify.

Sincerely,

Lisa Leach  
Na`alehu School Librarian

**TESTIMONY**  
**For Senate Committee on Ways and Means**  
**Hearing date: February 24, 2010, 10am**

**SB 2797, SD1: Relating to Voluntary Employees' Beneficiary Trusts**

Lacey Cabral  
Kea'au High School counselor  
40 Kaunaloa St.  
Hilo, HI 96720  
(808)896-1159  
Email: laceycabral@gmail.com

I am a counselor at Kea'au High School and strongly support SB 2797.

It is my understanding that the VEBA pilot program is due to sunset on June 30, 2010. This concerns me a lot. Since the inception of VEBA, my coverage has been exceptional. My premiums are manageable, the services I receive are competitive to other plans, and the customer service is outstanding.

During these hard economic times, we cannot afford a 20% increase in premiums that others have faced with EUTF. Please consider allowing VEBA to continue as it has proven to be cost effective and efficient for our teachers!

Therefore, I humbly ask that you support SB 2797 by extending the VEBA pilot for another 2 more years, or better yet, amend to make VEBA permanent.

Thank you for your time and the opportunity to testify.

Sincerely,

Lacey Cabral



**TESTIMONY**  
**For Senate Committee on Ways and Means**  
**Hearing date: February 24, 2010, 10a.m.**

**SB 2797, SD1: Relating to voluntary Employees' Beneficiary Association Trusts.**

Ku'u lei Arceo  
Kea'au Middle School teacher  
P.O. Box 493  
Papākou, HI 96781  
(808)381-9187  
Email: [kumu66@gmail.com](mailto:kumu66@gmail.com)

I am a fifth year teacher at Kea'au Middle School and strongly support SB 2797. Healthcare benefits are an important issue for all employees.

Teachers (actives and retirees) need to continue to have a health benefit program without disruption of services and coverage. It took six months to switch to VEBA. VEBA is a strong health benefit program that helps to attract and retain public school teachers. VEBA has saved the Employer as well as its members money. Healthy competition between health providers enables VEBA to offer members competitive rates. VEBA allows teachers to acquire prescriptions locally instead of through the mainland.

Teachers have come to rely on VEBA and it should not be terminated.

Thank you for your time and the opportunity to testify.

Sincerely,

Ku'u lei Arceo

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

**TESTIMONY FOR SB 2797**

**Gertruda Taylor**

**Kapiolani Elementary School Teacher**

**(808) 89608923**

**Email: gtaylor005@hawaii.rr.com**

**To Senator Donna Kim and the members of the Senate Ways and Means Committee;**

**I am a teacher at Kapiolani Elementary School and strongly support SB 2797.**

- 1. Teachers (actives and newer retirees) will continue to have a health benefit program without disruption of services and coverage.**
- 2. A strong health benefit program helps to attract and retain public school teachers.**
- 3. VEBA has saved the Employer as well as its members money.**
- 4. Healthy competition between health providers enables VEBA to offer members competitive rates ).**

**As a single person age 61, I am extremely concerned about the cost of health care. If teachers no longer have a competitive health benefit program, especially now that we are forced into an 8% salary reduction by the governor, where does that leave us**

***when we have to pay higher premiums and have to have medications mailed to us from who knows where? You have the power to keep SB 2797 alive.***

***I report to work every day and work extended hours even after school. I don't have a 9-5 job in an airconditioned environment. I arrive at 6:30 in the morning and often leave at 5:00 in the afternoon. I tutor 3 afternoons to earn extra money so I can pay my mortgage and help others who need my financial assistance.***

***I strongly urge you to give SB 2797 your full attention.***

**Thank you for the opportunity to testify.**

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

**TESTIMONY**

Karen Kohagura

Pahoa Elementary School teacher

15-493 Limu St.

Pahoa, HI 96778

(808)965-5326

Email: [kkohagura@hotmail.com](mailto:kkohagura@hotmail.com)

Dear Chair Kim and Members of the Committee,

My name is Karen Kohagura, and I am a teacher at Pahoa Elementary School on the Big Island. I am completing my 21<sup>st</sup> year as a classroom teacher with the Department of Education.

Thank you for your past support of the HSTA VEBA Trust.

I humbly ask for your consideration of SB2797, relating to the HSTA VEBA Trust. This bill authorizes and sets forth the continuation of a VEBA Trust to provide health savings for public school teachers at an affordable rate while at the same time providing savings to the state.

I hope you agree with me that it makes sense to continue a program that helps both the teachers and the state. Teachers already have a 7.9% pay reduction

through furloughs. Therefore, putting us back into the EUTF will mean a significant increase in the amount we will have to pay for medical premiums and even less take-home pay. VEBA provides quality health benefits to teachers at an affordable rate.

Furthermore, by saving the state money, the VEBA Trust allows those funds to be available for education and other state programs and services.

Therefore, I would like to ask you to consider passing SB2797, relating to the HSTA VEBA Trust.

Thank you for this opportunity to testify.

Sincerely yours,

*Karen Kohagura*

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10AM**

**TESTIMONY**

Marvel H. Bento  
HSTA-Retired  
285 W. Kawaiiani St.  
Hilo, HI 96720

To Senator Donna Kim and members of the Senate Ways and Means  
Committee;

My name is Marvel H. Bento and I am a HSTA-Retired member of the VEBA Trust. I would like to see the VEBA Trust become permanent because of easy access and quick response to concerns about my medical plan. I cringe at the systemic changes that would be required should the existing program come to an end in June.

As a retired educator I have worked to promote teacher recruitment and retention in the state of Hawaii as a member of the Hawaii Alliance for Future Teachers and the Advisory and Advocacy Group to the Education Department at UH Hilo, and have helped with the New Hire Orientation in east Hawaii district for many years. I firmly believe that a stable and comprehensive health benefit plan for teachers will continue to attract and retain qualified teachers for Hawaii's public school system and provide a greater incentive for employment than salary alone.

Thank you for this opportunity to testify on behalf of SB2797. Please give it your time and consideration for the highest good.

Sincerely,  
Marvel H. Bento  
HSTA-Retired  
285 W. Kawaiiani St.  
Hilo, HI 96720

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010, 10am**

**TESTIMONY**

Dr. Angie Miyashiro  
Ka'u High School Teacher  
Terqu2004@yahoo.com  
808-960-2303

To Senator Donna Kim and the members of the Senate Ways and Means Committee:

I am a teacher and coach at Ka'u High and Pahala Elementary and I strongly support SB 2797. Having VEBA permanent will allow me to have uninterrupted coverage. I am very healthy except for my asthma. My medication allows me to train as an athlete as well as not miss teaching and coaching days.

Money will be saved by allowing the retention of VEBA. It will also be difficult if we have to send out for medications that will add extra expense. With our budgets already tight, this is very important.

I know that new teachers that come to our Island look at the health benefits before making decisions. Health benefits are what may help to retain needed teachers here to help with quality education programs. Some teachers may have to return to the mainland if good and reasonable health benefits are not available

Please help us to retain and make permanent the VEBA and support SB 2797.

Thank-you for your time and consideration.

Sincerely Dr. Angie Miyashiro

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

*Wednesday, February 24, 2010, 10am*

David Panoff  
Hilo High School Teacher  
808 935-7232  
e-mail: [panoff@prodigy.net](mailto:panoff@prodigy.net)

To Senator Donna Kim and the members of the Senate Ways and Means Committee;

**I am a teacher at Hilo High School and I strongly support SB 2797.**

The VEBA Trust is an essential benefit for the public school teachers of Hawaii. In these troubled times, with the financial pressures mounting on us, and already having taken an 8% cut in salary, termination of the VEBA trust would be a cruel additional "twisting of the knife" by our government. The VEBA trust allows us to access health care at reasonable rates. The Trust was ended once before, and then reinstated, I can attest with certainty that it represents a great advantage over EUTF in terms of both price and coverage. Why deny us a system which is working well? There are many things to "fix" in terms of the DOE, the BOE, and our educational system, but health care for teachers is NOT BROKEN! It has introduced competition between providers and this, in turn, has already resulted in lower prices and increased levels of benefits.

There is little enough in place to attract and retain teachers in the profession – does the legislature want to drive another nail in the coffin of teacher/Hawaii government relations by forcing teachers to pay more for inferior health benefits? The same process that brought about reinstatement of the Trust after the first hiatus should be the rationale for its continuation. The transition costs and inefficiencies of reversion to EUTF are alone enough to discourage such a thoughtless decision.

I am asking our HSTA representatives to promulgate a "scorecard" to union members detailing who voted for the trust and who did not. Thus we'll see who the true "friends" of our profession are, lip-service notwithstanding.

**I strongly urge you to vote for the continuation of the VEBA trust.**

Thank you for the opportunity to testify.

**David Panoff**

Hilo High School, Hilo



SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Ruth Sanner  
Wilcox Elementary School Teacher  
(808) 245-4746

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Ruth Sanner

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Kathy Shibuya  
King Kaumualii School Teacher  
(808) 245-4746

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Kathy Shibuya

**From:** [Valerie\\_Oka/KAPOLEIH/HIDOE@notes.k12.hi.us](mailto:Valerie_Oka/KAPOLEIH/HIDOE@notes.k12.hi.us)  
**To:** [WAM Testimony](#)  
**Subject:** Please Keep VEBA  
**Date:** Tuesday, February 23, 2010 7:49:25 AM

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Please keep the bill going... Teachers have already been through a lot this year... please don't make it worse... I already have 3 jobs to pay my bills... I don't need another increase in something that I hardly use, but have to pay for.

COMMITTEE ON WAYS AND MEANS

Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

NOTICE OF DECISION MAKING

DATE: Wednesday February 24, 2010  
TIME: 10:00 am  
PLACE: Conference Room 211  
State Capitol  
415 South Beretania Street

SB2797 SD1

RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.

Extends voluntary employees' beneficiary association trusts (VEBA) to July 1, 2012. Retains amendments unrelated to VEBA made to sections 89-6 and 89-9, Hawaii Revised Statutes, since the enactment of Acts 202 and 245, Session Laws of Hawaii 2005, upon the repeal and reenactment of those sections on the sunset date of Act 245 (2005). (SD1)

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Elisabeth Dingus  
Kapa'a Elementary School Teacher  
(808) 821-4424

I am a teacher at Kapa'a Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Elisabeth Dingus

**From:** [okadad004@hawaii.rr.com](mailto:okadad004@hawaii.rr.com)  
**To:** [WAM Testimony](#)  
**Subject:** VEBA Bill  
**Date:** Tuesday, February 23, 2010 7:14:21 AM

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· Testifier's name: Darlene Chang, Teacher, Kapolei High School  
· To: COMMITTEE ON WAYS AND MEANS; Senator Donna Mercado Kim, Chair and Senator Shan S. Tsutsui, Vice Chair  
· Date and time of the hearing: Wednesday, February 24, 2010, 10:00am  
· Measure number: SB2797 SD1  
· The number of copies the Committee is requesting: 2 copies  
PLACE: Conference Room 211  
State Capitol  
415 South Beretania Street  
SB2797 SD1

**RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Extends voluntary employees' beneficiary association trusts (VEBA) to July 1, 2012. Retains amendments unrelated to VEBA made to sections 89-6 and 89-9, Hawaii Revised Statutes, since the enactment of Acts 202 and 245, Session Laws of Hawaii 2005, upon the repeal and reenactment of those sections on the sunset date of Act 245 (2005). (SD)

Dear COMMITTEE ON WAYS AND MEANS; Senator Donna Mercado Kim, Chair and Senator Shan S. Tsutsui, Vice Chair,

Aloha! My name is Darlene Chang. I am a resident of Ewa Beach and a teacher at Kapolei High School. I am writing to request that your committee pass the bill above. The EUTF clearly needs time to regroup and in the meantime, VEBA can continue to save the state millions of dollars in premium payments for both actives and retirees. "When money is tough to come by, we shouldn't be spending more".

This current academic year has been a challenge. Our Governor expressed our economic situation and without listening to the people, ordered furloughs. We teachers, did our share to help the economy, even though it meant a pay cut for us. We plug on and try to teach our students the same amount of information in less time. We need our VEBA benefits for health care. I recently married and hope to try to have a child soon and my husband and I can't afford increased health care when we already are suffering from a pay cuts due to the furlough situation. We really need to carefully consider how VEBA can continue to save the state millions of dollars in premium payments for both actives and retirees. We work so hard for our children and are doing our best under the current struggles and our health care benefits shouldn't be altered when it is already cost efficient. A person is nothing without good health and health care.

Thank you for reading this request. Again, please pass the VEBA bill so that we can continue to have the health care through VEBA which we currently have.

Sincerely,

/Darlene Chang/

SENATE COMMITTEE ON WAYS AND MEANS  
S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.  
Wednesday February 24, 2010, 10:00 AM

Name: Stephanie Yamamoto  
School: Ka'ewai Elementary School  
Contact Phone: 677-7032

I am a teacher at Ka'ewai Elementary School and strongly support SB 2797 . VEBA has provided me with affordable health care benefits, which I appreciate, especially as I get older. VEBA allows competition between health care providers and gives members the best rates. As a member, I really believe that I am paying the best coverage rates and getting the most benefit for my money. I feel it is important to continue this program without disruption of services and coverage. I ask your help in making VEBA permanent.

Thank you for the opportunity to testify.

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Tuesday, February 23, 2010

Felicia Villalobos  
Wilcox Elementary School Teacher  
(808) 634-2322

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. I am already struggling to make ends meet. I'm currently working two jobs and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Felicia Villalobos

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [5island@hawaiiantel.net](mailto:5island@hawaiiantel.net)  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM  
**Date:** Monday, February 22, 2010 11:48:28 PM

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Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Brandon Goshima  
Organization: Individual  
Address:  
Phone:  
E-mail: [5island@hawaiiantel.net](mailto:5island@hawaiiantel.net)  
Submitted on: 2/22/2010

**Comments:**

I am asking you all to please support VEBA. It has helped my parents, my brother and myself get quality health care for the best price. My parents work hard for what they have and always say how thankful they are that my mom has good benefits through VEBA. They even have long term care for their future through VEBA. The Honolulu Advertiser on Thursday, February 18, 2010 helped me understand why we need VEBA. It states that EUTF has made processing errors for recent retirees and those who wanted to make changes in their medical plans. One family received a hospital bill for \$19,500 and was unable to get confirmation of coverage. Also, there's been ongoing complaints about changes in drug plans. EUTF's board of trustees chairman, George Kahooohanohano states "It's almost like a perfect storm." The trustees have not met in a while because of lack of quorum. It is evident that the EUTF is not equipped or prepared to do the job effectively. Please keep VEBA. It makes good sense and is the right thing to do. Thank you!



SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Devi Berg  
King Kaumuali'i Elementary School Teacher  
(808) 482-0671

My name is Devi Berg and I teach at King Kaumuali'i Elementary School on Kauai. I strongly support SB 2797. Please make HSTA VEBA permanent.

Being a mother of a young child, having good health insurance that is affordable is important to me. In this tough economic time, I simply cannot afford to pay more in health care benefits. With the recent cut in pay due to furloughs, sometimes it is a struggle to make ends meet. By making teachers go into the EUTF we will pay higher premiums while getting less coverage. In addition, we won't be able to use our local pharmacies for any maintenance drugs we need, instead we will need to use a mail order system from Florida.

Please support teachers and make VEBA permanent so that teachers can continue to care for our families.

Thank you for the opportunity to testify.

Sincerely,  
Devi Berg

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Tammy Tokita  
King Kaumualii School Teacher  
(808) 635-2042

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Tammy Tokita

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Monday, February 22, 2010

Gordon Muramaru  
Kapaa Middle School  
(808) 651-0992

I am a teacher at Kapaa Middle School and I strongly support SB 2797. My wife and I are both teachers and this would be another hit to our financial situation. . In addition, we do not want to have to buy any maintenance drugs from a company in Florida. Instead, we feel that we should be supporting local businesses here in Hawaii. I have a medical condition where medication is needed daily. It is also less stressful when I can purchase the medication from my local pharmacy.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Gordon Muramaru

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [ann\\_uda@yahoo.com](mailto:ann_uda@yahoo.com)  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM  
**Date:** Monday, February 22, 2010 10:47:54 PM

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Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Mildriene A. C. Uda  
Organization: HSTA-R  
Address:  
Phone:  
E-mail: [ann\\_uda@yahoo.com](mailto:ann_uda@yahoo.com)  
Submitted on: 2/22/2010

Comments:  
February 22, 2010

SENATE Ways and Means Committee regarding SB 2797

Testimony for SB 2797

Honorable members of the Senate Ways and Means Committee,

I recently retired after 38+ years as a teacher in Central Oahu District and have been fortunate to have been a VEBA participant for the past 2 years.

I am asking you to hear SB 2797 and extend VEBA for Department of Education at least two years to further demonstrate that VEBA provides quality medical benefits at a savings to both members and the State.

Thank you for consideration,  
Mildriene A. C. Uda

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Monday, February 22, 2010

Noreen Muramaru  
Kapaa Elementary  
(808) 651-0992

I am a teacher at Kapaa Elementary School and I strongly support SB 2797. My husband and I are both teachers and this would be another hit to our financial situation. . In addition, we do not want to have to buy any maintenance drugs from a company in Florida. Instead, we feel that we should be supporting local businesses here in Hawaii. My husband has a medical condition where medication is needed daily. It is also less stressful when we can purchase the medication from our local pharmacy. Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Noreen Muramaru

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Leslie Ramos  
King Kaumuali'i Elementary School Teacher  
(808) 241-3150

I am a first grade teacher at King Kaumuali'i Elementary School and strongly support SB 2797. I am asking that the VEBA Trust remain permanent for teachers.

I am a new teacher who is trying to save money for the time being and also for my future and with the recent pay cut that we had due to the furlough days I am having a difficult time doing even just that. I have already lost about \$200 per paycheck or \$400 a month. Switching over to Hawaii EUTF would be asking me to give up even more every month. I just recently moved into my own place with rent and utilities to pay for and I am still paying off my student loans. I am also getting married in about a year and want to start a family soon after. I really don't know how possible it is for me to afford all the things that I need with the kind of paycheck I'd be receiving if we switch over to EUTF. I put a lot of hours into my career, coming in early and staying in way past work hours, as I know a lot of teachers do because we love the children. However, there is a time when we need to start thinking about ourselves and our personal lives. I would really hate to leave the job I love because the paycheck is just not going to be enough. I need benefits that are going to remain affordable for me and my future family as the VEBA Trust has been able to provide me with thus far.

The VEBA Trust consistently demonstrated significant cost savings and benefits of a VEBA Trust when compared to the Hawaii EUTF. Please consider keeping the VEBA Trust as a benefit for Hawaii's teachers and their families for years to come.

Thank you for taking the time to listen and understand how the change to EUTF is going to affect us all individually.

Sincerely,  
Leslie Ramos

I am a teacher at Mililani High School and I strongly support SB 2797. I chose to come to Hawaii to teach more than 15 years ago. Since that time, I have been repeatedly made aware that I would be better off financially teaching in many other states across the country, but I have chosen to stay here. One of the factors that has made staying in Hawaii an option for me is that I have been able to afford quality health care even with lower real wages than I would be earning elsewhere. The dissolution of VEBA and the transfer to EUTF, with significantly higher rates, in conjunction with the nearly 8% pay reduction teachers have already taken, will be financially devastating for me.

In addition to the financial burden that will be placed on my colleagues and myself, as a practical matter, EUTF is entirely unprepared to take on current bargaining unit 05 members and retirees. We have seen that the EUTF struggles to keep up with its current load and an additional burden will likely be a disaster. It makes no sense to eliminate VEBA, which has been able to save money for the members as well as the state, and force teachers to move into a troubled and significantly more expensive plan.

Please give due consideration to not only extending VEBA, but making it permanent. Affordable, quality healthcare is essential to attracting and retaining public school teachers.

Thank you for your consideration.

Andrew Snow

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Thursday, March 4, 2010

Margaret Chow  
King Kaumuali'i Elementary School Teacher  
(808) 634-8554

Hello. My name is Margaret Chow. I teach at King Kaumuali'i Elementary School on Kauai. I strongly support SB 2797 Relating to the Voluntary Employees Beneficiary Trust.

I do not want pay more for my medical insurance in these challenging economic times. Also as a cancer survivor, I do not want to be getting my anti cancer drug from Florida. I prefer my local pharmacy.

I encourage you to support SB 2797. Make VEBA permanent.

Thank you for the opportunity to testify.

Sincerely,  
Margaret Chow



SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Thursday, March 4, 2010

Bobbie Kawakami  
King Kaumuali'i Elementary School Teacher  
(808) 634-8554

I am a teacher at King Kaumuali'i Elementary School and I strongly support SB 2797.

I have two children and having a family medical plan is crucial and a plan that is affordable is very important. Without the kind of medical benefits we currently receive, that would mean that for many teachers and their families, the cost of medication as well as costs to seek medical attention would go up. The current economic state we're in is hard enough as it is. With the pay cut we already have because of furlough Fridays it makes it tough enough to make ends meet for many of us teachers.

I humbly ask that you consider what I have said before making a decision to increase the cost of medical benefits. Please do not cut VEBA and make us pay more. Please continue to support teachers and let us be able to continue to care for our families.

Thank you for the opportunity to testify.

Sincerely,  
Bobbie Kawakami

For: Senate WAM Committee  
Position: **SUPPORT of SB2797: VEBA Trust**  
Hearing Date: 10 A.M. Wed. Feb. 24, 2010  
From: Melanie P. Mundon  
4<sup>th</sup> Grade Teacher / Mokapu Elementary  
Residence: Kane'ohe

Sunday February 21, 2010

Dear Chair of the Senate WAM and fellow Committee Members,

Thank you so much for convening a WAM Committee meeting to discuss SB2797. I am writing in **SUPPORT of SB 2797: VEBA Trust**. VEBA Trust provides health benefits for public school teachers at an affordable rate while at the same time providing a savings to the state. In addition, savings created by the VEBA Trust may be diverted to other state programs and services.

I am a 4<sup>th</sup> Grade teacher at Mokapu Elementary on MCBH. I have taught for 8 years now. While I want to thank you for your support of teachers in the past, I do not envy the tough decisions you have to make during this 2010 Legislative Session. However, I will always support our legislators in all their efforts to make Hawai'i a place that our keiki can receive a quality public education by employing and retaining highly qualified teachers.

My parents moved away from Hawai'i at 18 yrs. old in hopes of being able to support a family. I was born in California. My mother taught in the public school for over 30 years in Los Angeles. Now I have been fortunate enough to return a generation later and have been able to support myself as a teacher while also serving my community. I love Hawai'i and its children and unlike my parents, I hope to be able to afford to call this paradise my home forever.

It has been discouraging continuing to keep faith that things will get better in our State and Nation. Teachers took the financial burden of furloughs with the combined feeling that we were all going to have to sacrifice. Since then, teachers have been slaughtered like sacrificial lambs by the Public and Governor Lingle.

I can attest to the good-natured belief of our teachers. No one was out to "stick it" to the Public or the Children. It was a shared sacrifice that was required due to the unprecedented state of our Nation. It was a result of drastic budget cuts to the Hawai'i DOE combined with threats from Governor Lingle of 36 furloughs and possible layoffs. The latter of which would have put our teachers out of work while compounding our State's current unemployment deficits and shortfalls.

At what point is enough, enough? Like salt in an open wound, asking teachers to sacrifice further financially for basic health services is appalling. While our Nation is looking for fair and affordable Health Care alternatives, our State is going backwards by trying to limit the number of competing Trusts.

Seeing VEBA sunset in July 2010 would be a travesty. I would like to see VEBA continued indefinitely or until it is found that over 2 years it no longer saves the State or its Members of BU 05 Money. When you can prove EUTF will save me and the State money, then and only then will I accept VEBA's sunset.

Many of us did not create this mess that our State is in. However, we can be sure to be part of the solution rather than create more problems where there are none. There are no problems with VEBA Trust. It benefits the State of Hawaii and it benefits the HSTA Retired and Active Members of BU05. It doesn't hurt anyone. Please move SB 2797: VEBA Trust forward.

In these tough times, everyone, including us teachers, could use every bit of help we can get to survive during these times of hardship. Together we can achieve anything. If you have any questions please send to [pamundon@hotmail.com](mailto:pamundon@hotmail.com)

Mahalo for your time,  
Melanie P. Mundon/ 4<sup>th</sup> Grade Teacher/ Mokapu Elem.

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION AND TRUSTS.**

Wednesday, February 24, 2010

James Aronica  
King Kaumuali'i Elementary School Teacher  
(808) 391-7605

I am a teacher at King Kaumuali'i Elementary and strongly support SB 2797.

The purpose of this letter is to notify and explain the importance and necessity of making VEBA permanent.

Teachers as a whole have already taken cuts in pay due to furloughs. Combined with rate increases in health care premiums, has made it a struggle to survive. Changing back to the EUTF would only increase the cost of insurance benefits; taking away even more money from teachers. Teachers have shouldered the burden and done more than their fair share.

Fairness is important make sure VEBA stays permanent. It is in the best interest of all parties concerned.

Thank you for the opportunity to testify.

Sincerely,  
James Aronica

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24,, 2010

Cynthia Ikehara  
King Kaumuali'i Elementary Teacher  
808 246-3150

I am a First Grade Teacher at King Kaumuali'i Elementary School on Kaua'i.

I strongly support Bill SB 2797.

I am concerned that if you do not support Bill SB 2797 it will bring added difficulties to all teachers.

We have already received a pay cut due to the furloughs this year. If this bill does not pass it will add further monetary problems for teachers.

I encourage you to vote for the passage of Bill SB 2797.

Thank you for giving me the opportunity to testify.

Cynthia C. Ikehara  
[cikehara@hawaiiantel.net](mailto:cikehara@hawaiiantel.net)  
808 822-9531  
334 Makani Rd.  
Kapaa, Hi 96746

**From:** [Casey Alinan](#) on behalf of [webmaster](#)  
**To:** [WAM Testimony](#); [EDH Testimony](#); [LBR Testimony](#)  
**Subject:** FW: SB2797 Testimony (Feb 10, 2010) Senate Hearing (10:00 am)  
**Date:** Tuesday, February 23, 2010 7:59:16 AM

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Forwarding email that was received by the [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

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**From:** Clifford Fukuda [<mailto:mraloha@clearwire.net>]  
**Sent:** Tuesday, February 23, 2010 6:27 AM  
**To:** webmaster  
**Subject:** SB2797 Testimony (Feb 10, 2010) Senate Hearing (10:00 am)

SB2792  
Hearing (Feb 10 2010)  
10:00 am

Aloha Senator Kim and committee members,

I understand your position with the VEBA Health Plan, but if you would allow it to be placed for the full Senate vote, we would sincerely appreciate it.

Currently I am losing \$532.15, "net" from each of my pay checks and there is "talk" about taking planning days away, now so I can plan my lessons on my holidays and church sundays.

Now, the legislature is planning to take away my health plan, and possibly making me pay more at the end of June.

Please reconsider and pass the bill out of committee. Thank you for your support of teachers in the past. (and I personally as an individual support your ideas on gaming)

Sincerely Yours,

Cliff Fukuda

Teacher at Aiea High School  
P O Box 1363  
Kaneohe Hawaii 96744  
([mraloha@Clearwire.net](mailto:mraloha@Clearwire.net))

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [milpon2@hotmail.com](mailto:milpon2@hotmail.com)  
**Subject:** Testimony for SB2797 on 2/24/2010 10:00:00 AM  
**Date:** Tuesday, February 23, 2010 7:58:28 AM

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Testimony for WAM 2/24/2010 10:00:00 AM SB2797

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: stacie cantu  
Organization: Individual  
Address: Hawaii  
Phone: 808-346-7802  
E-mail: [milpon2@hotmail.com](mailto:milpon2@hotmail.com)  
Submitted on: 2/23/2010

Comments:  
Thursday, March 4, 2010

Stacie Cantu  
King Kaumualii School Teacher  
(808)241-3150

I am a teacher at King Kaumualii Elementary School and strongly support SB 2797.

My daughter has been recently diagnosed with a brain tumor and needs to see a variety of specialist in the mainland. We need to have a medical plan that allows us to see specialist that she needs, not what the insurance allows. We need medical that we can afford. Our family is already facing hardship due to unemployment (husband) and furloughs. We also need immediate access to medication and would want to support local pharmacies instead of a mainland company.

Please support SB 2797. My daughter's well being depends on it.

Thank you for the opportunity to testify.  
Stacie Cantu  
Elementary School Teacher

**From:** [Angel.Legaspi/KAPOLEIH/HIDOF@notes.k12.hi.us](mailto:Angel.Legaspi/KAPOLEIH/HIDOF@notes.k12.hi.us)  
**To:** [WAM Testimony](#)  
**Subject:** VEBA  
**Date:** Tuesday, February 23, 2010 8:26:00 AM

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TO WHOM IT MAY CONCERN,

I am writing this letter to inform you that I oppose the HD1287 version as written because if there will be an extension, it should be for at least 2 years. The EUTF clearly needs time to regroup and in the meantime, VEBA can continue to save the state millions of dollars in premium payments for both actives and retirees. The bill I am referring to is

SB2797 SD1

RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS.

Extends voluntary employees' beneficiary association trusts (VEBA) to July 1, 2012. Retains amendments unrelated to VEBA made to sections 89-6 and 89-9, Hawaii Revised Statutes, since the enactment of Acts 202 and 245, Session Laws of Hawaii 2005, upon the repeal and reenactment of those sections on the sunset date of Act 245 (2005). (SD1)

DATE: Wednesday February 24, 2010  
TIME: 10:00 am  
PLACE: Conference Room 211  
State Capitol  
415 South Beretania Street

Thank you for your time.

Sincerely,  
Mr. Angel Legaspi



SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD1: RELATING TO VOLUNTARY EMPLOYEES'  
BENEFICIARY ASSOCIATION TRUSTS

Wednesday, February 24, 2010

Aileen Matsunaga  
King Kaumuali'i Elem. School Teacher  
(808) 241-3150

I am a first grade teacher at King Kaumuali'i Elementary School. I strongly support SB 2797.

My husband and I are public school teachers and have three young children attending public schools on Kaua'i. Our family has already been affected financially by the furloughs and we cannot afford to be burdened with additional costs for healthcare if the VEBA Trust is taken away from teachers. Please keep us in mind when attending this matter to support SB 2797.

Thank you for the opportunity to testify.

Sincerely,

Aileen Matsunaga

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Michelle Valenciano  
King Kaumualii School Teacher  
(808) 245-2279

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Michelle Valenciano

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Jeannett Martins  
King Kaumualii School Teacher  
(808) 241-3150 x110

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet and I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Jeannett Martins

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Maria Carmela S. Pablo  
Wilcox Elementary School Teacher  
(808) 241-3771 ext. 110

I am a teacher at Wilcox Elementary School and I strongly support SB 2797. I have been teaching for the past 22 years and even with my current salary, I am struggling to make ends meet. I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Maria Carmela S Pablo

**From:** [Stacey\\_Svadlenka/KAPOLEIH/HIDOF@notes.k12.hi.us](mailto:Stacey_Svadlenka/KAPOLEIH/HIDOF@notes.k12.hi.us)  
**To:** [WAM Testimony](#)  
**Subject:** HB1287  
**Date:** Tuesday, February 23, 2010 8:06:00 AM

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**From:** Stacey Svadlenka, Special Education Teacher, Kapolei High School  
**To:** House Committee on Finances  
**Hearing Date and time:** February 23, 2010 at 4:30 p.m.  
**Measure number:** HB1287 Proposed HD2

I oppose the HB1287 proposed HD2 version of as it is written. If there is to be an extension, I want to pass this bill. This would give the EUTF the necessary time it needs to regroup. Also, this would further demonstrate that VEBA provides quality medical benefits at a savings to both the members and the state.

VEBA provides a strong health benefit program for teachers. I want to continue on with VEBA without disruption of services and coverage.

If the teachers were to change back to EUTF, I am not sure how I will be able to pay for the additional \$200 plus a month out of my pocket for health benefits. I am already making 8% less and having difficulty making ends meet as it is now. I am not sure how I will make the ends meet with the additional cost in health benefits.

Sincerely,  
Stacey Svadlenka

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010

Camilla Sone  
King Kaumualii School Teacher  
(808) 822-1688

I am a teacher at King Kaumualii Elementary School and I strongly support SB 2797. I am already struggling to make ends meet as I have a child attending college. I simply cannot afford to pay more for healthcare benefits. In addition, I do not want to have to buy any maintenance drugs from a company in Florida. Instead, I think we should be supporting local businesses here in Hawaii.

Again, please support SB 2797. If you cannot support a permanent extension, then at the very least, please extend VEBA for another two years.

Thank you for the opportunity to testify.

Sincerely,

Camilla Sone

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

Name: Maria DaSilva

Contact Phone: 732 4567

I am a teacher at University Laboratory School and I strongly support SB 2797.

This bill authorizes and sets forth the continuation of a VEBA Trust to provide health care benefits for public school teachers at an affordable rate while at the same time provides the State of Hawaii a Savings too. Please respect the wishes of HSTA teachers and keep this health plan in effect.

Thank you very much.

Sincerely,

Maria DaSilva

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

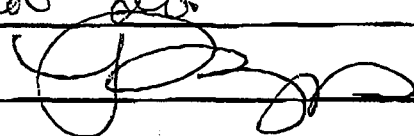
**Name:** Lauren Johanna Kaupp

**Contact Phone:** 808.754.5396

I am a teacher at University Laboratory School and I strongly support SB 2797.

In order to attract and keep quality teachers  
to the public school system in the state  
of Hawaii, competitive benefits  
must be offered. Part of such a package  
is choice in health care options. Extending  
the VEBA trust will allow the  
state to continue to hire new teachers  
and retain veteran teachers. With  
cuts in pay, the increase in premiums  
in other programs will hit current  
teachers hard and event discourage  
potential teachers. Please consider  
continued support of VEBA a direct  
support of public education in Hawaii.

Thank you for all you do





**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

Name: Elaine Yang

Contact Phone: unlisted

I am a teacher at \_\_\_\_\_ School and I strongly support SB 2797.

Please continue VEBA. It means  
so much to Teachers.  
Good health care with  
reasonable costs are vital!

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Sheryl (Sherry) Rose

Contact Phone: 396-7702

I am a teacher at Paoua Elementary School and I strongly support SB 2797.

As a cancer survivor and a person for whom affordable health care is extremely important, I am asking the committee to support the VEBA bill. I am on my own and with the cuts in my pay if I also must pay more for my health care (by returning to EUTF) this would be a hardship.

VEBA works very well for teachers, is cost effective, saves us money, and health services are excellent

please vote to make VEBA permanent!

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

Name: LAVERNE MOORE

Contact Phone: 780-5714

I am a teacher at McKenley H.S. School and I strongly support SB 2797.

*as a teacher working in the DOE for forty years, my health insurance benefits is most important to me and my peers. Especially for my peers who are close to retirement. With the impact of Surloughs, I want to remain in VEBA (no premiums) will go up if we move back into the state plan. Please extend VEBA till 2014.*

*Mahalo, Laverne Moore*

**SENATE COMMITTEE ON WAYS AND MEANS****S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Tiffany Mina

Contact Phone: 7325128

I am a teacher at Kamiloiki Elementary School and I strongly support SB 2797.

I am fairly healthy, however I am a mother of two precious girls, under the age of five years old.

I, like any parent, love my children and wish they were healthy most if not all the time.

Unfortunately this is not reality, and for me it's more than that. My 5 year old has allergies and asthma, so I need to see specialists for this, in addition to the regular pediatrician visits.

My one year old has been worse off. She also suffers from allergies and asthma and in her short life we have already seen countless specialists for her. Since she was 2 months old

we have seen dermatologists, allergists, hematologist.

In addition to her well baby check ups with the pediatrician, and her visits when she had colds. It's stressful enough to have a sick

infant, visiting the doctors every month, wondering where the money to cover all the bills medical expenses adds to it. We already are being paid less due to furloughs, I feel as though I can't cover the medical bills without VEBA. It's hard enough to be a parent of sick children, but even more difficult feeling as though I'd have to choose to not take them to the doctors because of the cost.

Please help me keep VEBA alive.

Mahalo for your time!

## SENATE COMMITTEE ON WAYS AND MEANS

## S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

Wednesday, February 24, 2010  
10:00 AMName: Scott PowellContact Phone: 382-0359I am a teacher at Kalakana Middle School and I strongly support SB 2797.

I think that VEBA will/Does help to recruit and retain teachers. The teacher shortage will only get worse and the UH College of Education hasn't kept up w/ demand. Having Quality health care will not only encourage more folks to enter the profession but also make them want to stay. VEBA is a vital part of what ~~the Department~~ can be offered to teachers. ~~The~~ With the pay cuts this year and next having to go back to EUTP would cause more financial hardship and less responsiveness to teachers needs. As a teacher, husband and father of three I need good, quality health care for me and my families needs. I strongly support SB 2797 SD 1 and hope you will too.

**SENATE COMMITTEE ON WAYS AND MEANS****S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

**Name:** Lawrence H. Wayman

**Contact Phone:** 295-9691

I am a teacher at Farrington H.S. School and I strongly support SB 2797.

May I ask for your support for SB 2797 I have ~~been~~ been  
a teacher since 1962 in several states and school districts. In  
every situation I have been grateful for the community's  
support of its teachers by providing adequate health care as  
part of their contract. Our salary is not huge, although, with  
supplene ts we are able to get through these difficult  
financial times. VEBA plays an important part of our  
compensation package. To lose this program during this  
period of furloughs and reduced income would cause  
additional hardships and could serve as an incentive to  
seek positions in other states. The loss of VEBA will also  
put the state of Hawaii at a disadvantage for attracting  
qualified teachers from other states or retaining new  
teachers who are graduating from U. of Hawaii. I urge  
your support for SB 2797.

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

**Name:** Michelle Ray

**Contact Phone:** 765-491-3254

I am a teacher at Stevenson Middle School and I strongly support SB 2797.

VEBA needs to remain for the well-being of the teachers it involves. Teachers are already getting hit hard financially with lower paychecks and losing VEBA would only raise our premiums. I am a young teacher who will be married this summer and in the process of buying a townhouse. I need VEBA to continue as it helps me feel secure with my benefits. Once again I strongly support SB2797.



**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Troi Orias

Contact Phone: ~~780-7886~~ 587-4564

I am a teacher at Pauoa School and I strongly support SB 2797.

As a teacher during these tough times, VEBA  
is more important to me now more than ever.  
With fur bougles, I am already living paycheck  
to paycheck + dipping into my savings. The  
additional money (about \$700/month) that I would  
pay would be the straw that broke the camel's back."  
This would force me out of teaching and  
even out of Hawaii. Please do the right  
thing and let the teachers keep the only  
benefit we get from teaching. Please let  
us keep VEBA.

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Geoffrey Au

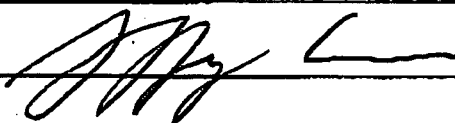
Contact Phone: 292-8091

I am a teacher at Farrington High School and I strongly support SB 2797.

Esteemed members of the senate committee on  
Ways and Means, and Honorable chairwoman  
Donna Mercado-Kim;

Please keep supporting the Voluntary Employee's  
Beneficiary Association trusts. An increase in  
health benefit premiums coinciding with decreased  
pay due to furloughs would be devastating to many  
teachers. Without strong salaries to attract teachers  
due to the high cost of living in Hawaii, the  
benefits provide a strong pillar for retention of  
new teachers.

Thank You very much for your time, effort &  
attentiveness to this bill!



**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

Name: LORI TOWATA

Contact Phone: 783-3283

I am a teacher at Lunalilo School and I strongly support SB 2797.

As a relatively new teacher, I have come to rely upon the VEBA Trust to provide health benefits. It is important to request this extension to continue to provide wonderful coverage.

With all of our other fiscal concerns, it is critical that our physical health is accounted for - I feel that VEBA can continue to provide this reassurance. My other family members do not have this program and often have the added stress of participating in the EUTF med management program.

I did not enter teacher teaching to get rich. I did it for the hope that I could inspire the future. Please do this little bit to help my fellow teachers out so we are without medical worry.

Thank you for listening. Lori Towata

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Deborah Cheeseman

Contact Phone: 898-2784

I am a teacher at Jefferson Elementary school and I strongly support SB 2797.

The recent furloughs and accompanying paycuts  
have made it difficult to survive with the high  
cost of living in Hawaii. Anything you can do to  
support teachers during these difficult times is  
imperative. If you want to attract the best and  
brightest to teach in Hawaii's public schools,  
you need to show commitment in taking care of  
these individuals.

I urge you to support SB2797 and extend the  
VEBA Trust through 2012. It just makes good  
sense.

Mahalo, Deborah Cheeseman

Debbie Cheeseman

Registered Voter

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Chartis Lee

Contact Phone: 832-3340

I am a teacher at Dole Middle School and I strongly support SB 2797.

As a diabetic having medication  
available by phoning a local Drugist  
is important to - I am able to get  
on a monthly basis. I donot need  
to order from the mainland for a  
3month supply - I don't need to be  
worried about ordering in time. Also,  
Cost is lower than EUTE.

Please allow VEBA to continue.

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Ignacio M. Cariaga

Contact Phone: 220-9830

I am a teacher at Kaiser HS School and I strongly support SB 2797, especially during these rather hectic months. The savings created by VEBA will go a long way for all parties concerned. VEBA has been an extremely beneficial institution for all these past years that I have a teacher in Hawaii.

Please make VEBA permanent. Do all you can to support SB 2797 VEBA Trust.

Thank you very much.

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

Name: Lauren Yee

Contact Phone: 393-0558

I am a teacher at Aiea High School and I strongly support SB 2797.

I support the bill because  
I have a family of 5 and with  
rising costs and a reduction in pay  
due to furloughs, I cannot afford  
to pay higher premiums.

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

Wednesday, February 24, 2010  
10:00 AM

Name: Shari Heen

Contact Phone: 386-2376

I am a teacher at Kahala Elementary School and I strongly support SB 2797.

I currently have VEBA and am pleased with  
the benefits it provides. VEBA should be made  
permanent so teachers will continue to have a  
health benefit program without a disruption of  
services and coverage.



**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2797 SD 1: RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.**

**Wednesday, February 24, 2010  
10:00 AM**

**Name:** Evelyn Say

**Contact Phone:** 533-4179

I am a teacher at Kalaeakua Midd. Sch. School and I strongly support SB 2797.

I am on medication which may be adjusted at anytime.  
With Veba, my physician is able to prescribe any  
changes and adjustments according to my condition  
on a weekly basis. EUTF prescriptions must be  
made through the mail, which means a delay in  
changing or adjusting medication. According to  
my understanding, my premiums will not cover the  
same benefits that I am currently receiving  
through Veba. This would mean that my money  
will be giving me less benefit per dollar. Please  
assist us in continuing the Veba benefits for teachers.  
We make less money than most people in Congress  
and now are making even less due to Furlough  
Fridays. I do not want to have to take a third  
job to pay for my health insurance benefits.

-Mahalo