
A BILL FOR AN ACT

RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the counties need
2 representation on the board of trustees of the Hawaii employer-
3 union health benefits trust fund. The counties contribute a
4 substantial amount to the fund and the health and well-being of
5 their employees and retirees depend on the benefit decisions
6 made by the board of trustees. Despite their lack of
7 representation, as public employers, the counties are affected
8 by board decisions. In a recent case brought by retirees
9 objecting to board of trustees benefit decisions, the counties
10 were joined in the lawsuit even though they did not have any
11 part in making the decisions.

12 The purpose of this Act is to require that one of the five
13 seats on the board allocated to public employers be occupied by
14 a member appointed by the mayors of all four counties and
15 approved by the Hawaii State Association of Counties, who will
16 provide fiscal expertise and knowledge of county finances and
17 the county workplace. This requirement will enable the effect



1 of proposed benefit changes on the county's workplace and
2 finances to be adequately considered in board decisions.

3 SECTION 2. Section 87A-5, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§87A-5 Composition of board.** The board of trustees of
6 the employer-union health benefits trust fund shall consist of
7 ten trustees appointed [~~by the governor~~] in accordance with the
8 following procedure:

9 (1) Five trustees[7] appointed by the governor, one of
10 whom shall represent retirees, to represent employee-
11 beneficiaries and to be selected as follows:

12 (A) Three trustees shall be appointed from a list of
13 two nominees per trustee selected by each of the
14 three exclusive representative organizations that
15 have the largest number of employee-
16 beneficiaries;

17 (B) One trustee shall be appointed from a list of two
18 nominees selected by mutual agreement of the
19 remaining exclusive employee representative
20 organizations; and

21



1 (C) One trustee representing retirees shall be
2 appointed from a list of two nominees selected by
3 mutual agreement of all eligible exclusive
4 representatives; and

5 (2) Five trustees to represent public employers[-], four
6 of whom shall be appointed by the governor, and one of
7 whom shall be appointed by unanimous agreement of the
8 mayors of each of the four counties and approved by
9 the Hawaii State Association of Counties to represent
10 the city and county of Honolulu and the counties of
11 Hawaii, Maui, and Kauai; provided that if the counties
12 do not make an appointment within sixty days, the
13 governor may fill the vacancy.

14 Section 26-34 shall not apply to board member selection and
15 terms. Notwithstanding any other provision of this section, no
16 exclusive representative of a bargaining unit that sponsors or
17 participates in a voluntary employee beneficiary association
18 shall be eligible to select nominees or to be represented by a
19 trustee on the board.

20 As used in this section, the term "exclusive
21 representative" shall have the same meaning as in section 89-2."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.



Report Title:

HSAC Package; Employer-Union Health Benefits Trust Fund;
Counties

Description:

Requires one of the members of the EUTF board of trustees to be appointed by agreement of the mayors of the four counties and approved by the Hawaii State Association of Counties. Permits the Governor to fill the vacancy should it not be filled within sixty days. (HB175 HD1)

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