

**HB 814**

**HD1, SD1**

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 814, H.D. 1, S.D. 1

April 1, 2011

RELATING TO PUBLIC EMPLOYMENT

House Bill No. 814, H.D. 1, S.D. 1, limits the Hawaii Employer-Union Health Benefits Trust Fund to providing life insurance benefits only to those retired employees who retired before July 1, 2011, maintains a flat dollar amount for group life insurance for those retirees, and repeals provisions pertaining to the negotiation of group life insurance contributions for active employees.

The Department of Budget and Finance supports the concepts in this bill as a long-term cost saving measure and believes further discussion of this measure would be prudent.

The State currently pays annually approximately \$2.5 million for active employees and \$1.5 million for retirees.

DEPARTMENT OF BUDGET & FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**

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PETER B. CARLISLE  
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MICHAEL R. HANSEN  
DIRECTOR

April 1, 2011

The Honorable David Ige, Chair  
and Members of the Committee on Ways and Means  
The Senate  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Ige and Members:

Re: House Bill 814, House Draft 1—Relating to Public Employment

The City and County of Honolulu offers the following comments related to House Bills 814, H.D. 1, S.D. 1 which will limit the life insurance benefits to those who retire prior to July 1, 2011.

The City is supportive of initiatives, such as this one, aimed at addressing the significant benefits liabilities we face. The City estimates it spends \$440,000 a year for active employees enrolled in this plan.

Thank you for the opportunity to comment on House Bills 814.

Yours truly,

Handwritten signature of Michael R. Hansen in black ink.

Michael R. Hansen, Director  
Department of Budget & Fiscal Services

Handwritten signature of Noel T. Ono in black ink.

Noel T. Ono, Director  
Department of Human Resources



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

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**The Twenty-Sixth Legislature, State of Hawaii  
The Senate  
Committee on Ways and Means**

**Testimony by  
Hawaii Government Employees Association  
April 1, 2011**

**H.B. 814, H.D. 1, S.D. 1 – RELATING TO  
PUBLIC EMPLOYMENT**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes the purpose and intent of H.B. 814, H.D. 1, S.D.1, which limits the Employer-Union Health Benefits Trust Fund (EUTF) to providing group life insurance benefits only to retired employees who retire before July 1, 2011, maintains the flat dollar contribution but repeals the annual adjustment for the group life benefit of retired, and repeals provisions pertaining to the negotiation of group life insurance contributions for active employees.

The language in Section 7 of H.B. 814, H.D. 1, S.D.1 amends §89.9 HRS by eliminating the provisions on negotiating group life insurance contributions for active employees, which undermines both the Union and Employers' scope to negotiate benefits. The legislation, as proposed is an infringement on the collective bargaining process. We support legislation that expands the Union and Employers' scope to negotiate a comprehensive and fair package of wages and benefits for government employees.

We strongly oppose H.B. 814, H.D. 1, S.D.1 and respectfully request the Committee to defer the measure.

Respectfully submitted,

**Randy Perreira**  
**Executive Director**

