

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 814

February 25, 2011

RELATING TO PUBLIC EMPLOYMENT

House Bill No. 814 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 and maintains a flat dollar amount for group life insurance for those retirees.

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

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.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2011**

ON THE FOLLOWING MEASURE:

H.B. NO. 814, RELATING TO PUBLIC EMPLOYMENT.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Friday, February 25, 2011 **TIME:** 10:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): David M. Louie, Attorney General, or
Brian Aburano, Deputy Attorney General

Chair Oshiro and Members of the Committee:

The Department of the Attorney General has comments on this bill as currently written.

This bill amends section 87A-17, Hawaii Revised Statutes (HRS), to: (1) require the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF Board") to provide group life insurance benefits to retired employees who retire before July 1, 2011; and (2) require the EUTF Board to not provide group life insurance benefits to active employees or retirees who retire after June 30, 2011. The bill amends other sections in HRS chapters 87A and 89 that relate to the changes made to section 87A-17, HRS.

Currently section 87A-17 only provides that the EUTF Board "may" provide a group life insurance benefits program to employees. This wording indicates that providing a group life insurance benefits program to active employees and retirees is discretionary and, therefore, eliminating or limiting the program should not violate article XVI, section 2 of the Hawaii Constitution ("article XVI, section 2"). However, you should note that when, how, and what types of retiree benefits accrue is currently being litigated in pending lawsuits.



Committee on Finance
February 25, 2011
10:00 am

HB 814, Relating to Public Employment; Group Life Insurance

Dear Chairman Oshiro and Committee Members,

On behalf of the University of Hawaii Professional Assembly (UHPA), the union opposes HB 814. The legislation seeks to repeal the rights to negotiate life insurance as a part of public employee compensation while allowing current retirees to maintain the life insurance benefit. UHPA believes this is an attempt to undermine the ability of active public employees to negotiate compensation that is a balance of wages and benefits that best meet the needs of the employee and employer.

UHPA supports the expansion of bargaining that allows respective employers and public sector unions to determine the appropriate mix of wages and benefits that maintains the integrity and value of total compensation. HB 814 moves in a direction that will not resolve the issue of rising benefit costs.

UHPA encourages the committee to reject this proposal.

Respectfully submitted,

Kristeen Hanselman
Associate Executive Director

UNIVERSITY OF HAWAII
PROFESSIONAL ASSEMBLY

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FINTestimony

From: Joel Fischer [jfischer@hawaii.edu]
Sent: Wednesday, February 23, 2011 12:10 PM
To: FINTestimony
Subject: HB814; FIN; 2/25/11; 10AM; Rm 308

Importance: High

HB814, Relating to Public Employment
FIN; Chair, Rep Oshiro

PLEASE KILL THIS BILL, MAKE-DIE-DEAD!!

Today's entire agenda (#1) is absolutely frightening to me. I have never seen any set of bills that are more anti-worker and anti-elderly. How can a democratic Governor and Democrat-controlled legislature countenance this attack on your most important constituencies? Even Republican administrations would never submit these attacks on workers and the elderly. **HEWA!**

The budget problems in Hawai'i nei are not the fault of workers and retirees. But there is a clear line of blame for these problems: first, the hundreds of millions of dollars wasted on tax credits that do virtually nothing to create jobs, and, second, the tax changes introduced in faux-liberal Ben Cayetano's regime that absolutely robbed the state of hundreds of millions of tax dollars from the rich under the absolutely false assumptions of the trickle-down theory.

Until the Governor and Legislature really attack these inequities, I am unalterably opposed to the bills on today's agenda.

"Everybody" sharing the burden does NOT mean only the poor, elderly and state workers!!

Aloha, joel

Dr. Joel Fischer, ACSW
Professor (Ret.)
University of Hawai'i, School of Social Work
Henke Hall
Honolulu, HI 96822

"It is reasonable that everyone who asks justice should DO justice."
Thomas Jefferson

"There comes a time when one must take a position that is neither safe, nor politic, nor popular, but one must take it because one's conscience tells one that it is right."
Dr. Martin Luther King, Jr.

"Never, never, never quit."
Winston Churchill