

HB814

TESTIMONY

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

March 21, 2011

RELATING TO PUBLIC EMPLOYMENT

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

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
MAYOR



MICHAEL R. HANSEN
DIRECTOR

March 21, 2011

The Honorable Clayton Hee, Chair
and Members of the Committee on
Judiciary and Labor
The Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Hee and Members:

Subject: House Bill No. 814, House Draft 1, Relating to Public Employment
House Bill No. 1041, House Draft 2, Relating to the Hawaii Employer-
Union Health Benefits Trust Fund

The City and County of Honolulu offers the following comments related to House Bills 814, H.D. 1 and 1041, H.D. 2, which will limit the life insurance benefits to those who retire prior to July 1, 2011, and will eliminate the Medicare Part B reimbursement for retirees and their spouses for employees hired after June 30, 2011.

The City is supportive of initiatives, such as these, aimed at addressing the significant benefits liabilities we face. In the past fiscal year, the City's cost for the Medicare Part B reimbursement was approximately \$6.3 million.

Thank you for the opportunity to testify on these measures.

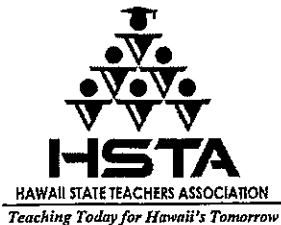
Yours truly,

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



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Wil Okabe
President

Karolyn Mossman
Vice President

Joan Kamila Lewis
Secretary-Treasurer

Alvin Nagasako
Executive Director

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
JUDICIARY AND LABOR**

RE: HB 814, HD1 - RELATING TO PUBLIC EMPLOYEMENT.

March 21, 2011

**WIL OKABE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION**

Chair Hee and Members of the Committee:

The Hawaii State Teachers Association (HSTA) opposes HB814, HD1, which limits the Hawaii Employer-Union Health Benefits trust fund to provide group life insurance to only retired employees who retire before July 1, 2011.

We feel that all members should be afforded equitable benefits. We also feel that decisions regarding benefits that are managed by the Hawaii Employer-Union Health Benefits trust fund should be made by the trust fund and not through legislation.

Therefore, we oppose HB814, HD1, and we urge this committee to reassess the action of this bill.

Thank you for the opportunity to submit testimony.



Senate Committee on Judiciary and Labor
Monday March 21, 2011
8:30 am

HB 814, HD 1, Relating to Public Employment; Group Life Insurance

Dear Chairman Hee and Committee Members:

On behalf of the University of Hawaii Professional Assembly (UHPA), the union opposes this proposed legislation. 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. This proposal 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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From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 18, 2011 10:03 AM
To: JDLEstimony
Cc: GKahooahano@gmail.com
Subject: Testimony for HB814 on 3/21/2011 8:30:00 AM

Testimony for JDL 3/21/2011 8:30:00 AM HB814

Conference room: 016
Testifier position: oppose
Testifier will be present: No
Submitted by: George Kahooahano
Organization: Individual
Address:
Phone:
E-mail: GKahooahano@gmail.com
Submitted on: 3/18/2011

Comments:

I oppose this bill with the fact that there are a lot of State and County workers who were promised this a part of the package when retired. This would be a breach of contract between the State or County and the individual.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 18, 2011 3:19 PM
To: JDLTestimony
Cc: swartzg001@hawaii.rr.com
Subject: Testimony for HB814 on 3/21/2011 8:30:00 AM

Testimony for JDL 3/21/2011 8:30:00 AM HB814

Conference room: 016
Testifier position: oppose
Testifier will be present: No
Submitted by: gregory swartz
Organization: Individual
Address:
Phone:
E-mail: swartzg001@hawaii.rr.com
Submitted on: 3/18/2011

Comments:

I oppose the amendment to HRS Section 87A-37(b) in Section 5 of the bill. This amendment eliminates annual adjustments in the base composite monthly contribution for group life insurance benefits. For currently retired employees, this annual adjustment is an accrued benefit that may not be eliminated or reduced.