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# 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. Each county contributes 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 the 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  
14 by a member appointed by the mayors of all four counties and  
15 approved by the Hawaii State Association of Counties. That  
16 member will provide fiscal expertise and knowledge of county  
17 finances and the county workplace. This requirement will enable  
18 the effect of any proposed benefit changes on the county's



1 workplace and finances to be adequately considered in board  
2 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 (C) One trustee representing retirees shall be  
22 appointed from a list of two nominees selected by



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

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

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

20 SECTION 3. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.





# S.B. NO. 2049

**Report Title:**

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

**Description:**

Requires that one of the five seats on the board of trustees of the Hawaii employer-union health benefits trust fund, allocated to public employers, be occupied by a member appointed by each mayor of all four counties of Hawaii and by the Hawaii State Association of Counties. Authorizes the governor to fill the vacancy should it not be filled within 60 days. Takes effect 7/1/12.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

