

STAND. COM. REP. NO.

259

Honolulu, Hawaii

Feb 15, 2011

RE: H.B. No. 167

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 167 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose of this bill is to change the manner in which health care and other benefits are provided to public employees by decentralizing the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to the extent that each of the 13 bargaining units will have a separate bargaining unit health benefits trust fund (Bargaining Unit Trust Fund), leaving EUTF for employees who are excluded from collective bargaining and retirees. The new health care provision system includes, among other things:

- (1) A name change of EUTF to the Hawaii Public Employee Health Benefits Trust Fund (Public Employee Trust Fund);
- (2) A seven-member board of trustees for the Public Employee Trust Fund and for each of the 13 Bargaining Unit Trust Funds;
- (3) Authorization to the Public Employee Trust Fund and each of the 13 Bargaining Unit Trust Funds to employ or retain an attorney; and



- (4) A revised collective bargaining dispute resolution process that, among other things, deletes the participation of the Legislature with respect to the amount of health benefit contributions by the State and counties and allows bargaining units to strike on the issue of health benefit contributions.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the intent of this bill. The Department of Budget and Finance and Department of Human Resources of the City and County of Honolulu opposed this bill. The State Procurement Office and University of Hawaii Professional Assembly offered comments.

The EUTF was established to provide a single health benefits delivery system for State and County employees, retirees, and their dependents and was intended to provide quality health insurance that met the needs of all public employees and their dependents.

Your Committee notes that the new Bargaining Unit Trust Fund system could result in higher rates for particular bargaining units and calls into question its fairness with respect to the different benefits provided by each Bargaining Unit Trust Fund for its members. With the administrative and fiscal challenges of EUTF, your Committee is committed to exploring any reasonable means that may develop into a cost-effective and efficient health care provision system that is both sustainable and serves the health needs of public employees. Your Committee finds that the concept of separate Bargaining Unit Trust Funds warrants further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167 and recommends that it pass Second Reading and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,

Karl Rhoads

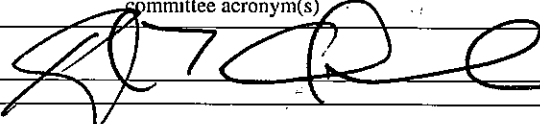
KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 259

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 167	Committee Referral: LAB, FIN	Date: 1-28-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	✓			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.		/		
7. LUKE, Sylvia	/			
8. SAIKI, Scott K.	/			
9. SOUKI, Joseph M.	/			
10. TAKUMI, Roy M.	/			
11. FONTAINE, George R.			/	
12. JOHANSON, Aaron Ling		/	<i>sk 259</i>	
TOTAL (12)	9	2	1	-
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				