

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 2661
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2661, H.D. 1, 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 measure is to improve the financial health of the Hawaii Employer-Union Health Benefits Trust Fund by appropriating funds to and requiring the Department of Budget and Finance to:

- (1) Conduct a study on the Hawaii Employer-Union Health Benefits Trust Fund; and
- (2) Submit a report prior to the convening of the Regular Session of 2014, to the Governor, Legislature, and Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; United Public Workers, AFSCME, Local 646, AFL-CIO; and University of Hawaii Professional Assembly testified in opposition to this measure. The Department of Budget and Finance and the City and County of Honolulu commented on this measure.



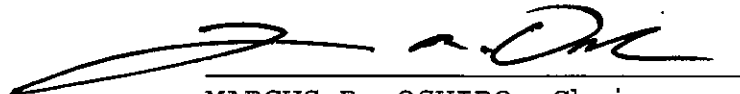
Your Committee recommends that the study in the measure be conducted six months after or in coordination with the biennial valuation of the Hawaii Employer-Union Health Benefits Trust Fund and Other Postemployment Benefits program valuations, which are required by the Governmental Accounting Standards Board.

Your Committee has amended this measure by:

- (1) Requiring, rather than permitting, an interim report for the Regular Session of 2013;
- (2) Requiring that the study not recommend any diminishment of health benefits or employer contributions for employees who retired from public service before July 1, 2013;
- (3) Deleting the appropriation amount;
- (4) Changing its effective date to July 1, 2030, to encourage continued discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2661, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2661, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



