

Honolulu, Hawaii

April 26, 2013

RE: H.B. No. 546  
H.D. 2  
S.D. 2  
C.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 546, H.D. 2, S.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to reduce the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF).

More specifically, this measure:

- (1) Convenes and appropriates funds for a task force placed within the Department of Budget and Finance to examine the unfunded liability of the EUTF;
- (2) Requires, rather than authorizes, the Board of Trustees of the EUTF to establish a separate trust fund to receive



employer contributions to prefund other post-employment health and other benefit plan costs for retirees and their beneficiaries;

- (3) Requires public employers to pay actuarially-determined, annual required contributions to the trust fund;
- (4) Uses general excise tax revenues and transient accommodations tax revenues or other sources of revenue to supplement deficient payments by state public employers and county public employers, respectively;
- (5) Requires full payments of the annual required contribution commencing with fiscal year 2018-2019, with a transitional schedule of payments commencing with fiscal year 2014-2015; and
- (6) Requires and appropriates funds for the Director of Finance to develop an implementation plan with regard to:
  - (A) The sharing of investment information, advice, and services between the Employees' Retirement System and the EUTF for the investment of moneys in the separate trust fund; and
  - (B) Procedures for the receipt of payments from county public employers into the separate trust fund.

After careful deliberation, your Committee on Conference has amended this measure by:

- (1) Specifying the amounts of the appropriations for both the task force and the implementation plan;
- (2) Changing the effective date to July 1, 2013; and
- (3) Making technical nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 546, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 546, H.D. 2, S.D. 2, C.D. 1.



Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

*Clayton Hee*

CLAYTON HEE, Chair

*Mark M. Nakashima*

MARK M. NAKASHIMA, Co-Chair

*David K. Ige*

DAVID K. IGE, Co-Chair

*Sylvia Luke*

SYLVIA LUKE, Co-Chair



CCR 144

Hawaii State Legislature

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: <b>HB 546, HD 2, SD 2</b>	Date/Time: <b>APR 26, 2013 10:35</b>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

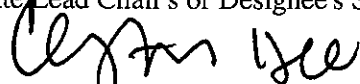
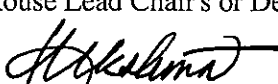
The Committee is reconsidering its previous decision.

<input checked="" type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input checked="" type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
HEE, Clayton, Chr.	/				NAKASHIMA, Mark M., Co-Chr.	/			
IGE, David Y., Co-Chr.	/				LUKE, Sylvia, Co-Chr.	/			
KEITH-AGARAN, Gilbert S.C.	/				CACHOLA, Romy M.	/			
KOUCHI, Ronald D.	/			/	JOHANSON, Aaron Ling	/			
SLOM, Sam				/					
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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