



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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LATE TESTIMONY

The Twenty-Seventh Legislature, State of Hawaii
House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii Government Employees Association
February 5, 2013

H.B. 594 – RELATING TO THE HAWAII
EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO offers comments on the amendments proposed in H.B. 594, which changes the composition of the Employer-Union Health Benefits Trust Fund (EUTF) board of trustees to have eight members – the Director of Budget and Finance, four employees who are currently enrolled in the EUTF, and three residents of the general public, one of which must be an officer of a financial institution or public accounting firm.

The proposed amendments in H.B. 594 mirror the composition, duties and powers of the Employees' Retirement System Board of Trustees; however, we respectfully question the employee representation on the proposed EUTF board. Providing for a teacher and a retiree representative to statutorily occupy two of the seats while the rest of the public employees share the remaining seats lends for significantly disproportionate representation on the board. Further, although it may be advantageous to our organization, strictly due to our large membership size, a popular election does not promote fair representation – one or two organizations may dominate the turn-out, leaving other organizations excluded from decision-making. Also, given the multitude of concerns over the increasing unfunded accrued actuarial liability, we respectfully question if trustee elections are cost-effective and appropriate at this time. Lastly, it will be more beneficial for one of the resident trustees to be knowledgeable in health benefits plan design and premium cost containment, versus a member with financial expertise, as the EUTF's primary charge is to develop coverage plans.

Thank you for the opportunity to provide comments on the changes proposed in H.B. 594.

Respectfully submitted,

Randy Perreira
Executive Director

