



WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 1057, S.D. 1

February 21, 2013

RELATING TO EMPLOYER UNION HEALTH BENEFITS TRUST FUND
CONTRIBUTIONS

Senate Bill No. 1057, S.D. 1, provides public employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund (EUTF) health benefit plan premiums for the employees of Collective Bargaining Unit 10 and its excluded counterparts.

The Department of Budget and Finance strongly supports this Administration measure. The decision of the arbitration panel appointed pursuant to Section 89-11, HRS, for Bargaining Unit 10, represented by the United Public Workers, was received on January 10, 2013. An agreement was not able to be reached concerning the Hawaii EUTF employer contributions. Therefore, in accordance with Section 89-11(g), the employer was required to submit its recommendation for contributions to the Legislature. Section 89-11(g) states that the parties shall submit their recommendations for contributions to the Legislature, and that the final and binding agreement of the parties on all provisions shall consist of the panel's decision and the amounts of contributions established by the Legislature by enactment, after the Legislature has considered the recommendations for such contributions by the parties.

The employer recommends contributions at the 50% level. The Legislature included specific adjustments to the FB 2011-13 budget to fund employer contributions for EUTF benefits at the 50% level. Senate Bill No. 1057, S.D. 1, is designed to effectuate 50% employer contribution levels for Bargaining Unit 10 members and their excluded counterparts retroactive to July 11, 2011. These rates are the same as for employees of other bargaining units with current collective bargaining agreements.