

TESTIMONY BY SANDRA YAHIRO  
ACTING ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST  
FUND, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 946 SD1, HD1

April 2, 2013

RELATING TO RESOLVING THE UNFUNDED LIABILITIES OF THE STATE AND THE  
COUNTIES.

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of  
Trustees (Board) supports the intent of examining the unfunded Other Post Employment  
Benefit (OPEB) liability.

Regarding establishing the Hawaii Employer-Union Health Benefits Trust Fund  
Captive Insurance Company to effectively manage the administration and financing of  
the current and potential future employee benefit obligations of the state and county  
governments, the EUTF Board opposes this part. The Board believes this bill does not  
articulate how changing EUTF into a captive insurance company will more effectively  
manage the administration and financing of the current and potential future employee  
health benefit obligations of the State and county governments.

Thank you for the opportunity to testify.

# **BIA-HAWAII**

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*"Building Better Communities"*

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## **Testimony to the House Committee on Finance**

**Tuesday, April 2, 2013**

**2:00 p.m.**

**State Capitol – Room 308**

### **RE: S.B. 946, S.D. 1, H.D. 1, RELATING RESOLVING THE UNFUNDED LIABILITIES OF THE STATE AND COUNTIES**

Dear Chair Luke, Vice-Chairs Nishimoto and Johanson, and members of the Committee:

My name is Gladys Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii), the voice of the construction industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, affiliated with the National Association of Home Builders.

BIA-Hawaii **strongly supports** the overall intent of S.B. 946, S.D. 1, H.D. 1, which proposes to:

- (1) Establish the Hawaii Employer-Union Health Benefits Trust Fund Task Force to examine the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund and requiring the Task Force to report its findings, recommendations, and implementing draft legislation to the 2014 Legislature; and
- (2) Establish the Hawaii Employer-Union Health Benefits Trust Fund Captive Insurance Company to more effectively manage the administration and financing of the current and potential future employee health benefit obligations of the State and county governments.

The unfunded liabilities of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) is a looming crisis that, unless addressed, will jeopardize future bond ratings for the State of Hawaii.

Thank you for this opportunity to express our views.