

STAND. COM. REP. NO. 148

Honolulu, Hawaii

February 6, 2013

RE: H.B. No. 1177

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

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1177 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 transfer jurisdiction over the Hawaii Employer-Union Health Benefits Trust Fund from the Department of Budget and Finance to the Department of Human Resources Development.

Additionally, this measure further restructures the Hawaii Employer-Union Health Benefits Trust Fund by:

- (1) Exempting specified procurements of professional and administrative services from the procurement code;
- (2) Outlining the duties and liabilities of fiduciaries of the trust;
- (3) Authorizing the Employer-Union Health Benefits Trust Fund to retain its own attorneys rather than requiring the Attorney General to provide legal advice and representation;
- (4) Increasing the size of the Board of Trustees of the Employer-Union Health Benefits Trust Fund from ten to



twelve members and adjusting the quorum and voting requirements accordingly;

- (5) Specifying the several collective bargaining units for which Board representation is required;
- (6) Specifying the several public employers both within the executive branch of state Government and among the several counties for which Board representation is required;
- (7) Requiring the creation of a sub-board of trustees if the exclusive representative of a collective bargaining unit negotiates a specific contribution to apply to only that bargaining unit;
- (8) Making indefinite each trustee's term of office;
- (9) Requiring the Chief Justice of the Hawaii Supreme Court to fill vacancies if the appointing authority fails to do so; and
- (10) Clarifying the source of contributions for the different types of beneficiaries.

Testimony in support of this measure was received from the Mayor of Kauai. Testimony in opposition to this measure was received from the Department of Budget and Finance and the State Procurement Office. Comments on this measure were received from the Department of Human Resources Development.

Your Committee finds that the various structural changes proposed under this measure will improve and facilitate the operations and administration of the Employer-Union Health Benefits Trust Fund.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1177 and recommends that it pass Second Reading and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR148

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 1177	Committee Referral: LAB, FIN	Date: 2/1/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	X			
2. HASHEM, Mark J. (VC)	X			
3. AQUINO, Henry J.C.	X			
4. ICHIYAMA, Linda	X			
5. ING, Kaniela	X			
6. TAKUMI, Roy M.	X			
7. YAMANE, Ryan I.				X
8. YAMASHITA, Kyle T.	X			
9. JOHANSON, Aaron Ling	X			
TOTAL (9)	8	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				