

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 2265

February 19, 2014

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
TASK FORCE

House Bill No. 2265 extends the sunset date and the report due date of the Hawaii Employer-Union Health Benefits Trust Fund Task Force and extends the lapse date of the appropriation to support the task force to June 30, 2015, by amending Act 268, Session Laws of Hawaii 2013.

The Department of Budget and Finance (B&F) supports this measure. Due to logistical constraints and difficulties constituting the members, the task force was not able to meet to produce a report that would warrant the significance of the task force's scope of responsibility. However, B&F has been approached by The Pew Charitable Trusts (The Pew Center for States) to assist with research, fiscal analysis and more specifically Multi-State Benefits Assessment, Presentations and Facilitation, and Long-Term Sustainability Framework. We expect this to be significantly beneficial for Hawaii and task force members in developing a more informative curriculum and work product. If House Bill No. 2265 is passed the delivery of this report would also coincide with another report required of B&F in Act 268, SLH 2013, related to an implementation plan for investments between the Employer Union Trust Fund and the Employees' Retirement System. This would further add to the benefit of synergizes with the timing and delivery of both reports.

Thank you for the opportunity to testify.

TESTIMONY BY SANDRA YAHIRO  
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE

ON

HOUSE BILL NO. 2265

February 19, 2014, 3:00 p.m.

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
TASK FORCE

Chairperson Luke and Members of the Committee:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees (Board) supports House Bill No. 2265 relating to the Hawaii Employer-Union Health Benefits Trust Fund Task Force. The passage of this bill will allow more time for the Task Force to have ample opportunity to execute its mission.

Thank you for the opportunity to testify in support of this measure.

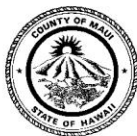


Council Chair  
Gladys C. Baisa

Vice-Chair  
Robert Carroll

Presiding Officer Pro Tempore  
Michael P. Victorino

Council Members  
Elle Cochran  
Donald G. Couch, Jr.  
Stacy Crivello  
Don S. Guzman  
G. Riki Hokama  
Mike White



Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
www.maui-county.gov/council

February 18, 2014

TO: The Honorable Sylvia Luke, Chair  
House Committee on Finance

FROM: Gladys C. Baisa  
Council Chair

SUBJECT: **HEARING OF FEBRUARY 19, 2014; TESTIMONY IN SUPPORT OF HB 2265,  
RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST  
FUND TASK FORCE**

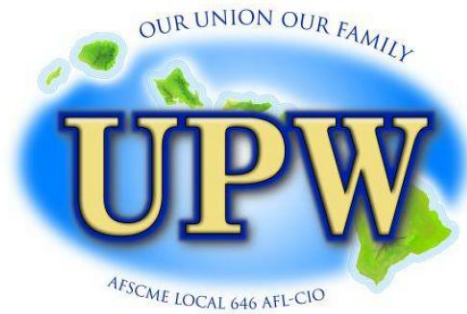
Thank you for the opportunity to testify in **support of** this important measure. The purpose of this measure is to extend the sunset date and report due date of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF") Task Force.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. The Task Force examines the EUTF's unfunded liability, estimated to be \$11 billion to \$18 billion. The Task Force must submit a report to the Legislature in consultation with the State Director of Finance, and including findings, recommendations, and proposed legislation. The Task Force needs more time to complete this important work.
2. The Hawaii State Association of Counties representative to the Task Force is Maui County Councilmember Mike White, who chairs the Council's Budget and Finance Committee. Recommendations from the Task Force may affect the County budget and County employees' benefits.

For the foregoing reasons, I **support** this measure.



THE HAWAII HOUSE OF REPRESENTATIVES  
The Twenty-Seventh Legislature  
Regular Session of 2014

COMMITTEE ON FINANCE

The Honorable Rep. Sylvia Luke, Chair  
The Honorable Rep. Aaron Ling Johanson, Vice Chair  
The Honorable Rep. Scott Y. Nishimoto, Vice Chair

DATE OF HEARING: Wednesday, February 19, 2014  
TIME OF HEARING: 3:00 PM  
PLACE OF HEARING: Conference Room 308

**TESTIMONY ON HB2265 RELATING TO THE HAWAII EMPLOYER-UNION HEALTH  
BENEFITS TRUST FUND TASK FORCE**

By DAYTON M. NAKANELUA,  
State Director of the United Public Workers,  
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW supports HB2265, which extends the sunset date and the report due date of the Hawaii Employer-Union Health Benefits Trust Fund Task Force and extends the lapse date of the appropriation to support the task force to June 30, 2015, by amending Act 268, Session Laws of Hawaii 2013

We ask that you pass this bill.

Thank you for the opportunity to testify on this measure.

Council Chair  
Gladys C. Baisa

Vice-Chair  
Robert Carroll

Council Members  
Elle Cochran  
Donald G. Couch, Jr.  
Stacy Crivello  
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Director of Council Services  
David M. Raatz, Jr., Esq.

**LATE**

February 18, 2014

TO: Honorable Sylvia Luke, Chair  
House Committee on Finance

FROM: Robert Carroll  
Council Vice Chair

A handwritten signature in black ink that reads "Robert Carroll".

DATE: Wednesday, February 19, 2014

SUBJECT: **SUPPORT HB 2265, RELATING TO THE HAWAII EMPLOYER-UNION  
HEALTH BENEFITS TRUST FUN TASK FORCE**

I support HB 2265 for the reasons cited in testimony submitted by the Maui County Council Chair, and urge you to support this measure.