

Honolulu, Hawaii  
February 17, 2016

RE: H.B. No. 2015  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2015 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 amend the management and administrative structure of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). Specifically, this measure:

- (1) Exempts procurement of plan carriers, administrators, and professional service providers from the State Procurement Code;
- (2) Specifies the fiduciary duties of EUTF trustees;
- (3) Amends the composition, appointing authorities, vacancy-filling procedure, and quorum requirements of the EUTF board of trustees;
- (4) Authorizes the establishment of sub-boards of the EUTF board for the negotiation of contributions that apply only to particular bargaining units;
- (5) Authorizes the EUTF board to appoint attorneys independent of the attorney general; and



- (6) Amends the administration of EUTF moneys and transfers control of EUTF to the department of human resources development.

The University of Hawaii Professional Assembly; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported this measure. The Department of Budget and Finance opposed this measure. The Department of the Attorney General; Department of Human Resources Development; State Procurement Office; and Department of Budget and Fiscal Services of the City and County of Honolulu commented on this measure.

Your Committee has amended this measure by:

- (1) Removing the provision that would have established an alternate board trustee position to sit in the absence of the county-appointed trustee;
- (2) Adjusting the quorum requirements for board actions and repealing detailed statutory voting procedures;
- (3) Placing fund administration under the Office of Collective Bargaining;
- (4) Including a sunset on June 30, 2017;
- (5) Changing the effective date to July 1, 2091, to encourage further discussion; and
- (6) Making technical nonsubstantive amendments for clarity, consistency, and style.

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. 2015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2015, H.D. 1, and be referred to your Committee on Finance.



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



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MARK M. NAKASHIMA, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 356-16

**Record of Votes of the Committee on Labor & Public Employment**

Bill/Resolution No.: <b>HB 2015</b>	Committee Referral: <b>LAB, FIN</b>	Date: <b>2/12/16</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" 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)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. AQUINO, Henry J.C.	/			
4. HAR, Sharon E.	/			
5. ICHIYAMA, Linda	/			
6. JOHANSON, Aaron Ling	/			
7. LoPRESTI, Matthew S.				/
8. SAN BUENAVENTURA, Joy A.				/
9. TAKUMI, Roy M.	/			
10. YAMASHITA, Kyle T.	/			
11. TUPOLA, Andria P.L.	/			
<b>TOTAL (11)</b>	<b>9</b>			<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ 				
<b>Distribution:</b> Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				