

Honolulu, Hawaii
March 4, 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 Finance, to which was referred H.B. No. 2015, H.D. 1, 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, quorum requirements, and voting procedures 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

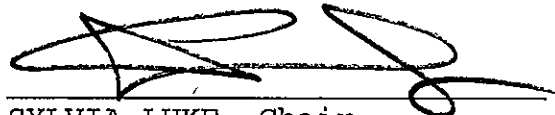


- (6) Amends the administration of EUTF moneys and transfers control of the EUTF to the Office of Collective Bargaining.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and University of Hawaii Professional Assembly supported this measure. The Department of Budget and Finance opposed this measure. The State Procurement Office, Office of Collective Bargaining, and City and County of Honolulu's Department of Budget and Fiscal Services and Department of Human Resources provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2015, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


SYLVIA LUKE, Chair



