

Honolulu, Hawaii

MAR 24 2016

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Judiciary and Labor and Government
Operations, 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,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Exempt certain procurements of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) from the state procurement code;
- (2) Specify the fiduciary duties of EUTF trustees;
- (3) Amend the composition, appointing authorities, vacancy-filling procedure, and quorum requirements of the EUTF Board of Trustees;
- (4) Authorize the establishment of a sub-board of the EUTF Board of Trustees to administer contributions and benefits of a particular bargaining unit if the exclusive bargaining representative negotiates a specific contribution to apply to only that bargaining unit;
- (5) Authorize the EUTF Board of Trustees to appoint attorneys independent of the Attorney General; and



- (6) Amend the administration of EUTF monies and transfer control of EUTF from the Department of Budget and Finance to the Office of Collective Bargaining.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Fire Fighters Association, IAFF Local 1463, AFL-CIO; and University of Hawaii Professional Assembly. Your Committees received testimony in opposition to this measure from the Department of Budget and Finance and Department of the Attorney General. Your Committees received comments on this measure from the Office of Collective Bargaining and State Procurement Office.

Your Committees find that there is concern regarding the operation of the EUTF and reforms are necessary to control costs, encourage preventive care, implement wellness programs, and provide information on provider performance and efficiency. Implementation of this measure will help reduce some of the concerns associated with the operation of the EUTF.

Your Committees have amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 2434, S.D. 1, Regular Session of 2016, which:
 - (A) Amends the composition, appointing authorities, and quorum requirements of the EUTF Board of Trustees; and
 - (B) Has an effective date of January 7, 2059; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2015, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2015, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Government
Operations,



DONNA MERCADO KIM, Chair



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

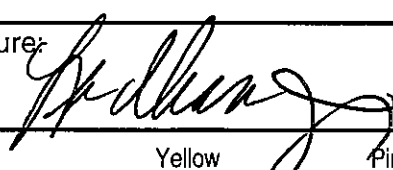
Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 2015 HD1	Committee Referral: JDL / GVO, WAM	Date: 3/22/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)	/			
GABBARD, Mike				/
KAHELE, Kaiali'i				/
KIM, Donna Mercado	/			
THIELEN, Laura H.	/			
SLOM, Sam	/			
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* <i>HB 2015, HD1</i>	Committee Referral: <i>JDL/GVO, WAM</i>	Date: <i>03-22-16</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	✓			
IHARA, Jr., Les (VC)	✓			
DELA CRUZ, Donovan M.	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
SHIMABUKURO, Maile S.L.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam	✓			
TOTAL	<i>6</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes