

STAND. COM. REP. NO. 1667-16

Honolulu, Hawaii

April 8, 2016

RE: S.B. No. 2839
S.D. 2
H.D. 2

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 S.B. No. 2839, S.D. 2, 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:

- (1) Amend the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) definition of "dependent-beneficiary" to:
 - (A) Clarify the eligibility of children for participation in EUTF benefits plans; and
 - (B) Conform with the federal Patient Protection and Affordable Care Act of 2010;
- (2) Amend the management and administrative structure of the EUTF by:
 - (A) Exempting contracts for the procurement of EUTF benefit plan carriers, third-party administrators, and professional service providers from the Hawaii Public Procurement Code;

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- (B) Amending the fiduciary duties and composition, as well as the appointment, vacancy, and voting procedures, of the EUTF Board of Trustees;
 - (C) Authorizing the establishment of sub-boards of the EUTF Board of Trustees for the negotiation of contributions that apply specifically to particular bargaining units;
 - (D) Authorizing the EUTF Board of Trustees to appoint attorneys independent of the Department of the Attorney General; and
 - (E) Transferring the administrative attachment of the EUTF from the Department of Budget and Finance to the Office of Collective Bargaining; and
- (3) Make housekeeping amendments to sections 87A-34 and 87A-36, Hawaii Revised Statutes.

The Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO supported this measure. The Department of the Attorney General; Department of Budget and Finance; State Procurement Office; EUTF Board of Trustees; Office of Collective Bargaining; and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provided comments.

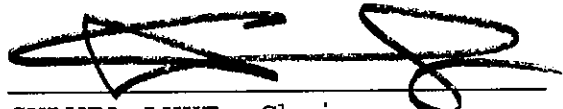
Your Committee has amended this measure by:

- (1) Inserting the contents of H.B. No. 2012, H.D. 1, which was passed out from this Committee earlier this session as Part III and specifies that the benefits of the Hawaii Employer-Union Health Benefits Trust Fund are subject to collective bargaining negotiations;
- (2) Changing its effective date to July 1, 2091, to encourage further discussion; and
- (3) Making technical nonsubstantive amendments for clarity, consistency, and style.



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 S.B. No. 2839, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2839, S.D. 2, H.D. 2.

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



SYLVIA LUKE, Chair



