

JAN 25 2017

A BILL FOR AN ACT

RELATING TO STAFF OF THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Hawaii employer-
2 union health benefits trust fund (EUTF) would operationally
3 benefit from employing certain EUTF staff through a civil
4 service system. The purpose of this Act is to permit the EUTF
5 to employ certain EUTF staff through a civil service system.

6 SECTION 2. Section 87A-24, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§87A-24 Other powers. In addition to the power to
9 administer the fund, the board may:

- 10 (1) Collect, receive, deposit, and withdraw money on
11 behalf of the fund;
- 12 (2) Invest moneys in the same manner specified in section
13 88-119;
- 14 (3) Hold, purchase, sell, assign, transfer, or dispose of
15 any securities or other investments of the fund, as
16 well as the proceeds of those investments and any
17 money belonging to the fund;

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- 1 (4) Appoint, and at pleasure dismiss, an administrator and
2 other fund staff. The administrator [~~and staff~~] shall
3 be exempt from chapter 76 and other fund staff may be
4 exempt from chapter 76. The administrator and staff
5 shall serve under and at the pleasure of the board[~~r~~].
6 Positions under this section that are created after
7 July 1, 2014, shall be exempt from section 76-
8 16(b)(17)(A);
- 9 (5) Make payments of periodic charges and pay for
10 reasonable expenses incurred in carrying out the
11 purposes of the fund;
- 12 (6) Contract for the performance of financial audits of
13 the fund and claims audits of its insurance carriers;
- 14 (7) Retain auditors, actuaries, investment firms and
15 managers, benefit plan consultants, or other
16 professional advisors to carry out the purposes of
17 this chapter, including the retaining of an actuary to
18 determine the annual required public employer
19 contribution for the separate trust fund established
20 under section 87A-42;
- 21 (8) Establish health benefits plan and long-term care
22 benefits plan rates that include administrative and

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1 other expenses necessary to effectuate the purposes of
2 the fund; and

3 (9) Require any department, agency, or employee of the
4 State or counties to furnish information to the board
5 to carry out the purposes of this chapter."

6 SECTION 3. There is appropriated out of the fund the sum
7 of \$86,837 or so much thereof as may be necessary for fiscal
8 year 2018-2019, and the sum of \$104,616 or so much thereof as
9 may be necessary for fiscal year 2019-2020, for the EUTF to
10 employ certain EUTF staff through a civil service system. The
11 sums appropriated shall be expended by the EUTF for purposes of
12 this Act.

13 SECTION 4. The EUTF shall submit a report of its findings
14 and recommendations, including any proposed legislation,
15 regarding changes to its personnel and operations as a result of
16 this Act, to the legislature no less than twenty days prior to
17 the convening of the regular sessions of [~~2017 and~~] 2018 and
18 2019.

19 SECTION 5. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

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1 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

M. N. M.

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BY REQUEST

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Report Title:

Hawaii Employer-Union Health Benefits Trust Fund (EUTF); Public Employment

Description:

Converts most EUTF staff from exempt to civil service employees.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

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JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO STAFF OF THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

PURPOSE: To provide the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) board of trustees the ability to convert exempt positions to civil service positions and to create new positions that are civil service positions, and to appropriate funds necessary to accomplish these tasks.

MEANS: Amend section 87A-24, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Currently, 49 out of the 57 EUTF positions are exempt from civil service. Additionally, any new positions must be exempt in accordance with section 87A-24, HRS. The EUTF would operationally benefit from employing certain EUTF staff through a civil service system.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUND: None.

OTHER FUNDS: \$86,837 in fiscal year 2018-2019 and \$104,616 in fiscal year 2019-2020, all to be appropriated from the EUTF fund.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.