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**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**  
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**TESTIMONY BY DEREK MIZUNO**  
**ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**  
**DEPARTMENT OF BUDGET AND FINANCE**  
**STATE OF HAWAII**  
**TO THE HOUSE COMMITTEE ON FINANCE**  
**ON SENATE BILL NO. 935 S.D. 2 H.D. 1**

**April 4, 2017**  
**2:00 p.m.**  
**Room 308**

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

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The EUTF Board of Trustees strongly supports this Administration bill. Currently, 49 out of the 57 EUTF authorized positions are exempt from civil service. Additionally, any new positions must be exempt in accordance with section 87A-24, Hawaii Revised Statutes. In certain respects, the exempt status has been detrimental to both the EUTF staff and operations. EUTF staff currently do not receive step movements that their civil service counterparts receive as well as other benefits under the civil service system. EUTF operations have been hindered through high turnover as some employees have left EUTF citing the exempt status as one of the reasons. EUTF believes that this change will improve operations by helping EUTF retain employees.

We are also requesting additional Trust funds of \$86,837 in fiscal year 2017-2018 and \$104,616 in fiscal year 2018-2019.

**EUTF's Mission:** We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

EUTF will work with the Department of Budget and Finance Personnel Office and the employee-organization representing the staff to ensure that the staff are not negatively impacted by the change and will report back to the Legislature no later than 20 days prior to the convening of the regular sessions of 2018 and 2019.

Thank you for the opportunity to testify.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

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The Twenty-Ninth Legislature, State of Hawaii  
House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association

April 4, 2017

**S.B. 935, S.D. 2, H.D. 1 - RELATING TO STAFF OF THE  
HAWAII EMPLOYER-UNION HEALTH  
BENEFITS TRUST FUND**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 935, S.D. 2, H.D. 1 which converts most staff of the Employer-Union Health Benefits Trust Fund from exempt status to civil service employment.

We have long supported the conversion of exempt positions and have consistently questioned the Employer's attempts to circumvent the civil service system. Exempt employees do not have the same rights and benefits of civil service employees and that is inherently unfair. Therefore, we are pleased to support this measure which proactively converts most of the EUTF staff from exempt to civil service status.

Thank you for the opportunity to testify in strong support of the passage of S.B. 935, S.D. 2, H.D. 1.

Respectfully submitted,

Randy Perreira  
Executive Director