



**GOV. MSG. NO. 3**

**EXECUTIVE CHAMBERS**

HONOLULU

DAVID Y. IGE  
GOVERNOR

January 16, 2018

The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker  
and Members of the House of  
Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

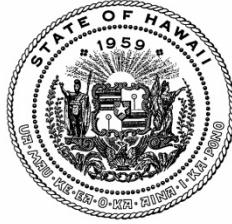
Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Hawaii Employer-Union Health Benefits Trust Fund's report of its findings and recommendations, including any proposed legislation, regarding changes to its personnel and operations as result of Act 145, as required by Act 145, SLH 2017. I am also informing you that the report may be viewed electronically at <http://budget.hawaii.gov/budget/reports-to-the-legislature/>.

Sincerely,

DAVID Y. IGE  
Governor, State of Hawaii

Enclosure



**REPORT TO THE 2018 LEGISLATURE**

**ACT 145, SESSION LAWS OF HAWAII 2017**

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

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
STATE OF HAWAII**

**December 2017**

**THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND (EUTF)**  
**RELATING TO STAFF OF THE HAWAII EMPLOYER-UNION HEALTH BENEFITS**  
**TRUST FUND**  
**December 2017**

**BACKGROUND**

Act 145, SLH2017 was enacted to permit the EUTF to employ certain EUTF staff through the civil service system. The EUTF would operationally benefit from employing certain staff through the civil service system. Act 145, SLH2017 also requires the EUTF to submit a report of its findings and recommendations, including any proposed legislation, regarding changes to its personnel and operations as a result of this Act.

**FINDINGS AND RECOMMENDATIONS**

The EUTF has a total of fifty seven (57) positions as of June 30, 2017. Eight (8) positions are already civil service, seven (7) positions will remain exempt from civil service and forty-two (42) positions will be given the opportunity to convert to civil service. The EUTF has been working with the Department of Budget and Finance, Administrative and Research Office (B&F) on the conversion of the forty-two (42) EUTF staff exempt positions to civil service. The following is the agreed upon plan of conversion:

1. Convert the positions to civil service by organizational units. 1<sup>st</sup> unit will be Financial Services Branch, 2<sup>nd</sup> will be Information Systems Branch, 3<sup>rd</sup> will be Member Services Branch, and 4<sup>th</sup> will be Administration.
2. Current position descriptions for the exempt positions that will be converted to civil service will be updated.
3. Determine eligibility of exempt employee in the position to be converted to civil service.
4. Employee will have a one-time election to remain exempt from civil service. If employee elects to remain exempt, the position shall be converted to civil service when the employee vacates the position.
5. If employee elects to be civil service, employee's compensation will be adjusted in accordance with the respective collective bargaining agreement.

The EUTF Board of Trustees approved conversion of all EUTF positions to civil service except for the:

- Assistant Administrator
- Financial Management Officer
- Information Systems Chief
- Member Services Branch Manager
- Investment Office
- Administrative Secretary

The Administrator position shall be exempt from civil service (per Chapter 87A-24(4)).

The timeline for the forty-two (42) positions to be converted to civil service will be based on 1) meeting the minimum qualifications for the position and 2) incumbent has occupied the position for at least one year.

In summary, the EUTF has been working with B&F on converting certain exempt positions to civil service and the target completion date will be by January 2019 when all existing staff meets the minimum criteria for conversion to civil service.