

Honolulu, Hawaii

MAR 01 , 2019

RE: H.B. No. 1462

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1462, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO UNFUNDED LIABILITIES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the State Auditor to study the feasibility of providing health benefits to state and county employees using a self-insured model and appropriate funds for that purpose;
- (2) Establish the Rate Stabilization Reserve Fund to hold excess amounts over a newly-established cap on funds held in the Employer Union Health Benefits Trust Fund and the other Post-Employment Benefits Trust Fund; and
- (3) Allocate the portion of TAT revenues to supplement deficient county public employer contribution amounts to the Rate Stabilization Reserve Fund instead of the other Post-Employment Benefits Trust Fund.


Hawaii-Western Management Group and a few concerned individuals testified in support of this measure. The Office of the Auditor, Department of Budget and Finance, Hawaii Employer-



Union Health Benefits Trust Fund, and Tax Foundation of Hawaii provided comments on this measure.

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 H.B. No. 1462, H.D. 1, and recommends that it pass Third Reading.

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



SYLVIA LUKE, Chair



