

STAND. COM. REP. NO. 376

Honolulu, Hawaii

February 13, 2019

RE: H.B. No. 393
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 Labor & Public Employment, to which was referred H.B. No. 393 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 create a fiduciary duty on Hawaii Employer-Union Health Benefits Trust Fund (EUTF) trustees, prohibit transactions where a trustee has a conflict of interest, and establish liabilities for breach of fiduciary duty.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported this measure. The Department of Budget and Finance opposed this measure. The University of Hawaii Professional Assembly provided comments.

Your Committee has amended this measure by:

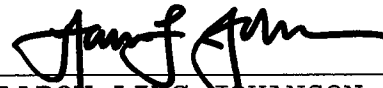
- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making a nonsubstantive technical amendment to correct a reference to federal law.



Should this measure be considered further, your Committee respectfully requests that the Committee on Judiciary examine the provisions creating personal liability for EUTF trustees contained in this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 393, H.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



AARON LING JOHANSON, Chair



