

Honolulu, Hawaii

, 2020

FEB 13

RE: H.B. No. 1700

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1700 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:

- (1) Require each Hawaii Employer-Union Health Benefits Trust Fund (EUTF) trustee, in addition to the EUTF Board, to administer health and other benefit plans for the sole and exclusive benefit of EUTF beneficiaries; and
- (2) Repeals provisions requiring health and other benefit plans to be provided at an affordable cost to public employers and public employees.

Your Committee received testimony in support of this measure from the University of Hawaii Professional Assembly and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

Your Committee finds that based on the discussion at the public hearing on this measure, one of the main concerns is



conflicting statutory duties of the EUTF trustees and whether their respective duties are to the trust in a fiduciary capacity or to the trust's beneficiaries.

Your Committee has amended this measure by changing its effective date to January 1, 2050, to encourage further discussion.

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. 1700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1700, H.D. 1, and be referred to your Committee on Finance.

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


AARON LINE JOHANSON, Chair



