

STAND. COM. REP. NO. 3843

Honolulu, Hawaii

APR 07 2022

RE: H.B. No. 2240  
H.D. 1  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2240, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO OTHER POST-EMPLOYMENT BENEFITS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a financing option to help address and manage the unfunded actuarial accrued liabilities of the Hawaii Employer-Union Health Benefits Trust Fund.

Specifically, this measure:

- (1) Authorizes the Director of Finance to issue general obligation bonds to pay or prepay the State's other post-employment benefits liability; and
- (2) Requires that the outstanding debt created by the issuance of the general obligation bonds to pay or prepay the State's other post-employment benefits liability be considered when calculating the annual required contribution by the public employer.



Your Committee received written comments in support of this measure from the Department of Budget and Finance, Hawaii Government Employees Association, and one individual.

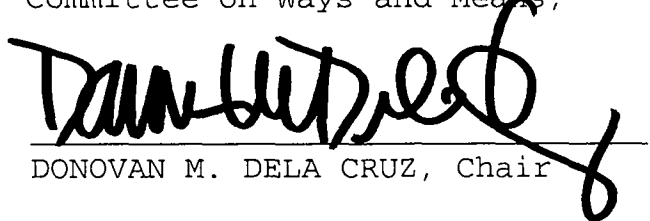
Your Committee finds that authorizing the State to issue general obligation bonds at a low interest rate and then invest the revenues from those bonds to earn interest at a higher rate will help to generate revenue to reduce future funding requirements and taxpayer burdens associated with the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee has amended this measure by:

- (1) Specifying that the annual required contribution amount shall be the greater of the new calculation added by the measure or the existing method of calculation;
- (2) Making sections 1, 3, and 4 of the measure effective upon its approval; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2240, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2240, H.D. 1, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



