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WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS
ON
HOUSE BILL NO. 2518

February 2, 2024
9:30 a.m.
Room 309 and Videoconference

RELATING TO HEALTH BENEFITS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2518 amends Chapter 87A, HRS, to: 1) add a new section for State and county contributions for retiree health benefits for employees hired after June 30, 2024, that will set employer payments as a percentage of the health benefits plan selected instead of a percentage of the base Medicare or non-Medicare monthly contribution set forth under Section 87A-33, subsection (b), HRS; and 2) amend Section 87A-36, HRS, for consistency.

B&F has serious concerns with the bill because the potential impact on the State's Annual Required Contribution in the future is uncertain. B&F strongly recommends that an actuarial study of the measure be conducted before acting on this bill.

Thank you for your consideration of our comments.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

HOUSE OF REPRESENTATIVES THE THIRTY-SECOND LEGISLATURE REGULAR SESSION OF 2024

COMMITTEE ON LABOR & GOVERNMENT OPERATIONS

Rep. Scot Z. Matayoshi, Chair
Rep. Andrew Takuya Garrett, Vice Chair

Friday, February 2, 2024, 9:30 AM
Conference Room 309 & Videoconference

Re: Testimony on HB2518 – RELATING TO HEALTH BENEFITS

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **opposes** HB2518, which amends the state and county contributions to the Hawai‘i Employer-Union Health Benefits Trust Fund for employees hired after 6/30/2024. This bill degrades the retirement benefits for prospective public workers at a time when the State and counties are struggling to compete with the private and federal sectors for qualified employees. We strongly believe this is not the direction we should be moving in.

Mahalo for the opportunity to testify on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kalani Werner", written over a light blue horizontal line.

Kalani Werner
State Director

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