

STAND. COM. REP. NO. 2441

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2262  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 2262 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to make permanent the three-year pilot program to establish an employee organization sponsored trust to provide health benefits for state and county employees of a particular bargaining unit as well as future retirees of that bargaining unit and existing retirees who wish to participate in such a trust.

Specifically, this measure establishes a voluntary employees' beneficiary association trust pursuant to section 501(c)(9) of the Internal Revenue Code of 1986, as amended, to be funded by employer contributions negotiated pursuant to a collective bargaining agreement and employee contributions to be determined by the trust's board of trustees for active employees. The measure also provides for retiree coverage for any employee who retires from the State or the counties who was a member of an employee organization that establishes such a trust pursuant to a collective bargaining agreement effective on or after July 1, 2005.



Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, the Hawaii State Teachers Association-Retired Oahu District, the Administrator of the Hawaii State Teachers Association VEBA Trust, and fifty-nine individual teachers. The Department of Budget and Finance, the Department of Human Resources Development, and the Administrator of the Hawaii Employer-Union Health Benefits Trust Fund submitted testimony in opposition.

Your Committee notes that the Auditor's comprehensive study of the results and impact of Act 245, Session Laws of Hawaii 2005, as requested in Senate Concurrent Resolution 178 (2007), has not been completed and is not available.


Upon further consideration, your Committee has amended this measure by:

- (1) Deleting the provision making the voluntary employees' beneficiary association trust a permanent program;
- (2) Extending by two years from July 1, 2009, to July 1, 2011, the repeal date of Act 245, Session Laws of Hawaii 2005, as amended by Act 295, Session Laws of Hawaii 2007, which established the voluntary employees' beneficiary association trust;
- (3) Making conforming amendments throughout the measure to reflect the temporary nature of the program;
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style; and
- (5) Changing the effective date to January 1, 2050, for the purpose of stimulating further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2262, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,

  
BRIAN T. TANIGUCHI, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:* <b>SB 2262</b>	Committee Referral: <b>JDL, WAM</b>	Date: <b>2/14/06</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
TANIGUCHI, BRIAN T. (C)	/			
HEE, Clayton (VC)	/			
GABBARD, Mike	/			
KOKUBUN, Russell S.	/			
NISHIHARA, Clarence K.	/			
SLOM, Sam			/	
<b>TOTAL</b>	<b>4</b>		<b>2</b>	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes