

Honolulu, Hawaii

MAR 19 2010

RE: H.B. No. 1287  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committees on Education and Housing and Labor, to which was referred H.B. No. 1287, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT,"

beg leave to report as follows:

The purpose of this measure is to extend the enabling law for voluntary employees' beneficiary association trusts from July 1, 2010, to December 31, 2010, to allow for a smoother transition to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) and to appropriate funds for EUTF staff to assist with the transition and other duties of the EUTF.

Testimony in support of this measure was submitted by one state agency, one county agency, one private organization, and one individual. Testimony in support of the intent of this measure was submitted by one state agency and two individuals. Testimony in opposition to this measure was submitted by one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The EUTF has encountered difficulties in performing its duties due to staff shortages and, more recently, the retirement of its Administrator. Your Committees find that allowing the beneficiaries of voluntary employees' beneficiary association (VEBA) trusts to transition back into the EUTF under these circumstances could precipitate further confusion, delays, errors, and other negative impacts. It is also unclear at this point what



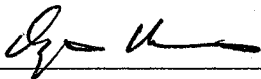
the exact impact on the EUTF, the Hawaii State Teachers Association (the only employee organization that has established a VEBA trust since the enactment of Act 245, Session Laws of Hawaii 2005, which authorized the establishment of voluntary employees' beneficiary association trusts in the State), and their respective beneficiaries will be when the VEBA is transitioned back into EUTF.

For the above reasons, your Committees have amended this measure as follows:

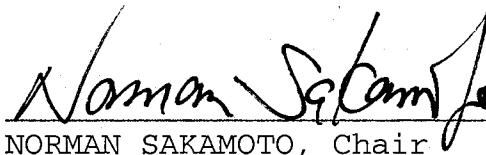
- (1) By extending the sunset date for the VEBA trust from July 1, 2010, to July 1, 2012, to provide the EUTF with additional time to ensure a smooth transition of the VEBA trust beneficiaries to EUTF;
- (2) By removing the language that establishes and appropriates funds for five temporary positions for the EUTF since the extension of the VEBA trust by two years should provide ample time for EUTF employees to perform the necessary tasks to ensure a smooth transition; and
- (3) By making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1287, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1287, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Education and  
Housing and Labor,



DWIGHT Y. TAKAMINE, Chair




NORMAN SAKAMOTO, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

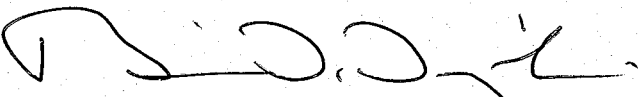
**Record of Votes**  
**Committee on Education and Housing**  
**EDH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1207 HD2	EDH/LBR, WAM	3-15-87		
<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				
Members	Aye	Aye (WR)	Nay	Excused
SAKAMOTO, Norman (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne				✓
GALUTERIA, Brickwood	✓			
TSUTSUI, Shan S.	✓			
HEMMINGS, Fred				✓
<b>TOTAL</b>	4			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes

The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Labor**  
**LBR**

Bill / Resolution No.:* <b>HB1287 HD2</b>	Committee Referral: <b>EDH/LBR, WAM</b>	Date: <b>3/16/10</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				
Members	Aye	Aye (WR)	Nay	Excused
TAKAMINE, Dwight Y. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BUNDA, Robert				✓
HEE, Clayton				✓
SLOM, Sam			✓	
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>1</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				

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