
HOUSE CONCURRENT RESOLUTION

REQUESTING AN AUDIT OF THE EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND.

1 WHEREAS, the Employer-Union Health Benefits Trust Fund
2 ("EUTF") provides health benefits for state and county employees
3 and their dependents; and

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5 WHEREAS, the contributions by the State and counties to the
6 EUTF are substantial; and

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8 WHEREAS, for example, in the executive budget bill proposed
9 by the Governor, the requested appropriation for general state
10 employees is \$174,600,000 in fiscal year 2011-2012 and
11 \$189,200,000 in fiscal year 2012-2013; and

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13 WHEREAS, for Department of Education employees, the
14 requested appropriation is \$234,300,000 in fiscal year 2011-2012
15 and \$255,000,000 in fiscal year 2012-2013; and

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17 WHEREAS, for University of Hawaii employees, the requested
18 appropriation is \$77,400,000 in fiscal year 2011-2012 and
19 \$83,900,000 in fiscal year 2012-2013; and

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21 WHEREAS, the data display the magnitude of the benefits
22 cost increases for the EUTF -- increases which may consume
23 greater proportions of the State's operating budget in the
24 future; and

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26 WHEREAS, moreover, according to the report, *State of Hawaii*
27 *Comprehensive Annual Financial Report for the Fiscal Year Ended*
28 *June 30, 2009*, the unfunded actuarial accrued liability of the
29 EUTF for employees other than teachers was \$7,100,000,000 on
30 July 1, 2007; and



1 WHEREAS, the unfunded actuarial accrued liability for
2 teachers was \$1,500,000,000 on the same date; and

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4 WHEREAS, clearly, the costs of and contributions to the
5 EUTF must be moderated; and

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7 WHEREAS, the Legislature finds that an audit is a necessary
8 step in the process to ascertain the most effective and fair
9 approaches to achieve the moderation; now, therefore,

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11 BE IT RESOLVED by the House of Representatives of the
12 Twenty-Sixth Legislature, Regular Session of 2011, the Senate
13 concurring, that the Auditor is requested to conduct a
14 management audit of the Employer-Union Health Benefits Trust
15 Fund; and

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17 BE IT FURTHER RESOLVED that the Auditor is also requested
18 to review the Hawaii Employer-Union Health Benefits Trust Fund
19 laws, rules, and policies to determine changes that may moderate
20 contribution increases in a manner fair to public employers,
21 public employees, and dependent-beneficiaries; and

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23 BE IT FURTHER RESOLVED that the Auditor is also requested
24 to study the management structure of the Employer-Union Health
25 Benefits Trust Fund, particularly the composition, voting
26 method, and fiduciary duty of the Board of Trustees, and
27 recommend changes for effectiveness, efficiency, or clarity; and

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29 BE IT FURTHER RESOLVED that the Auditor is also requested
30 to recommend methods to gradually decrease the Employer-Union
31 Health Benefits Trust Fund's unfunded actuarial accrued
32 liability to comply with any General Accounting Standards Board
33 standard; and

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35 BE IT FURTHER RESOLVED that the Auditor is requested not to
36 address or recommend any change that would diminish the
37 Employer-Union Health Benefits Trust Fund benefits of public
38 employees who retired before July 1, 2011, except that the
39 Auditor may recommend the elimination of any Employer-Union
40 Health Benefits Trust Fund health benefits for retirees that are
41 duplicative of Medicare; and
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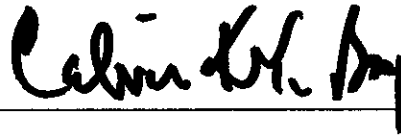
H.C.R. NO. 146

1 BE IT FURTHER RESOLVED that the Auditor is requested to
2 submit the audit, with recommended statutory changes, to the
3 Legislature by the convening of the Regular Session of 2012; and
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5 BE IT FURTHER RESOLVED that certified copies of this
6 Concurrent Resolution be transmitted to the Auditor and
7 Chairperson of the Board of Trustees of the Employer-Union
8 Health Benefits Trust Fund.
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OFFERED BY: _____



MAR 15 2011

