

STAND. COM. REP. NO.

964

Honolulu, Hawaii

MAR 21 2013

RE: H.B. No. 546  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 546, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION  
HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to convene a task  
force in the Department of Budget and Finance to examine the  
unfunded liability of the Hawaii employer-union health benefits  
trust fund.

Your Committee received testimony in support of this measure  
from the Department of Budget and Finance; Hawaii Employer-Union  
Health Benefits Trust Fund Board of Trustees; Department of Human  
Resources, City and County of Honolulu; Hawaii State Teachers  
Association; and five individuals. One individual submitted  
comments on this measure.

Your Committee finds that the unfunded liability of the  
Hawaii employer-union health benefits trust fund (EUTF) is  
substantial and requires collaboration and ingenuity to resolve.  
This measure will establish and empower a task force to address  
this critical issue.

Your Committee hopes that the work of the task force proposed  
under this measure will provide the Legislature with short- and  
long-term viable options of various dimensions to reduce the EUTF

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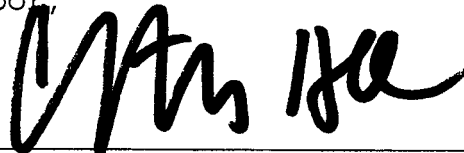
unfunded liability. Your Committee believes that a variety of options will assist the Legislature in developing more aggressive and effective solutions, similar to the solutions developed and enacted to reduce the unfunded liability of the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Adopting the amendment suggested by the Hawaii State Teachers Association and several members of the Hawaii State Teachers Association-Retired to:
  - (A) Delete the State's Chief Negotiator, or the Chief Negotiator's designee, as a member of the task force; and
  - (B) Add a member representing public employee retirees to the task force;
- (2) Clarifying that the unspecified appropriation to support the task force shall take effect on July 1, 2013; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 H.B. No. 546, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 546, 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  
Committee on Judiciary and  
Labor,




CLAYTON HEE, Chair



The Senate  
Twenty-Seventh Legislature  
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 546 . HD2	JDL, WAM	3/18/13		
<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
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam	✓			
<b>TOTAL</b>	4			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes