

STAND. COM. REP. NO. 1540

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 1356
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1356, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO UNFUNDED LIABILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the rate stabilization reserve fund to provide reserve funds for the Employer-Union Health Benefits Trust Fund.

Additionally, this measure:

- (1) Caps the mandatory annual public employer contributions to the separate trust fund for other post-employment benefits once the combined balance of the contributions is at least \$2,000,000,000; and
- (2) Authorizes the Board of Trustees of the Employer-Union Health Benefits Trust Fund to invest moneys in the same manner as the Board of Trustees of the Employees' Retirement System.

Your Committee received written comments on the measure from the Department of Budget and Finance, the Employer-Union Health Benefits Trust Fund, and the Tax Foundation of Hawaii.

Your Committee finds that the Employer-Union Health Benefits Trust Fund should be permitted to invest in the same asset classes



as the Employees' Retirement System to maximize returns within prudent levels of risk.

Your Committee has amended this measure by deleting all of its contents except for the amendment to the investment powers of the Board of Trustees of the Employer-Union Health Benefits Trust Fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1356, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1356, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

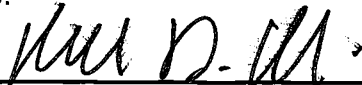


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB1356 SD1	Committee Referral: JDL, WAM	Date: 4-6-15 4/2/15 (NKA)		
<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
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
TOTAL	10	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes