

Representative Laura Cox
House Committee Testimony
Financial Liabilities Committee; Chairman Pat Somerville
House Bill 5421

Good Morning,

Mr. Chairman, members of the Committee, thank you for bringing House Bill 5421 before the House Financial Liabilities committee and for this opportunity to testify in support. With me today is Don Taylor, President of the Retired Detroit Police and Firefighters Association.

House Bill 5421 puts into statute a governance structure to protect VEBA trust beneficiaries. This legislation is very simply about defending retiree benefits by putting in place a reasonable governance structure to protect the interest and benefits of these public sector retirees.

Specifically, this legislation puts into place 5 basic structural principles for the VEBA boards:

1. Implements removal policies for VEBA trustees not acting in the best interest of the beneficiaries.
2. Ensures the VEBA board is meeting at least quarterly
3. Specifies that public VEBA trustee board meetings are subject to the Michigan Open Meetings Act and FOIA
4. Requires VEBA trustees to compile and provide an annual report to its membership
5. Implements appropriate compensation policies for VEBA trustees

This legislation is about good governance and making sure public VEBA boards are acting in the best interest of its membership. I urge the committees support.

With that, I will turn it over to President Taylor who will give additional background on why this legislation is needed.

Thank you