

JAN 22 2009

A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 Part I

2 SECTION 1. The legislature finds that the Hawaii health
3 systems corporation faces fiscal challenges amounting to a
4 projected deficit of \$62,000,000 for fiscal year 2008-2009 in
5 addition to an estimated shortfall of over \$35,000,000 in fiscal
6 year 2009-2010. This situation presents a potential crisis that
7 may seriously affect the delivery of health care to Hawaii's
8 residents by community hospitals statewide, especially health
9 facilities on the neighbor islands.

10 The purpose of this Act is to safeguard the delivery of
11 health care through the statewide community hospitals to all
12 Hawaii residents by supporting the operations of the Hawaii
13 health systems corporation by deferring its payments into the
14 employees' retirement system funds for a period of five years
15 while the corporation conducts a major statewide reorganization
16 to improve its operations and delivery of health care.



1 SECTION 2. Section 88-125, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§88-125 Contributions by certain state agencies. (a)

4 Each of the departments and agencies hereinafter described
5 [and], the office of Hawaiian affairs, and the Hawaii health
6 systems corporation shall reimburse the State for the respective
7 amounts payable by the State to cover the liability of the State
8 to the various funds of the system on account of the employees
9 in ~~[such]~~ the departments and agencies ~~[and]~~, the trustees of
10 the office of Hawaiian affairs[-], and the employees of the
11 Hawaii health systems corporation. This provision shall apply
12 to any department or agency of the State ~~[which]~~ that is
13 authorized by law to fix, regulate, and collect rents, rates,
14 fees, or charges of any nature. ~~[The provisions herein]~~ This
15 subsection shall not apply as to rental units receiving federal
16 subsidies until approval has been obtained from the appropriate
17 federal agency.

18 (b) Whenever any department or agency of the State or the
19 Hawaii health systems corporation receives federal-aid funds
20 ~~[which]~~ that may be expended for the purpose of covering the
21 liability of the State to the various funds of the system, the
22 department or agency or the Hawaii health systems corporation



1 shall set aside a portion of these funds sufficient to cover the
2 amount of the State's liability to the various funds of the
3 system on account of the employees in the department or agency
4 or the Hawaii health systems corporation whose compensation is
5 paid in whole or part from federal funds.

6 (c) The amount payable by each department or agency of the
7 State, [~~or~~] the office of Hawaiian affairs, or the Hawaii health
8 systems corporation, covered by this section shall be determined
9 at least quarterly by the department of budget and finance on
10 the basis of the payroll of the employees of the department or
11 agency, [~~or~~] trustees of the office of Hawaiian affairs, or the
12 Hawaii health systems corporation who are members of the system
13 in the same manner the allocation of employer contributions is
14 determined in section 88-123. The comptroller of the State, the
15 office of Hawaiian affairs, the Hawaii health systems
16 corporation, or any department or agency having control of its
17 own funds [~~shall~~], upon information furnished by the department
18 of budget and finance, shall issue a check for the proper amount
19 to the director of finance, charging the same to the appropriate
20 fund. The director of finance shall place all such sums to the
21 credit of the State as part payment of the State's contributions
22 to the various funds of the system.



S.B. NO. 41

1 (d) With respect to the Hawaii health systems corporation
 2 only, this section shall not be operative between July 1, 2009
 3 and June 30, 2014. The Hawaii health systems corporation shall
 4 reimburse the director of finance for the total amount of
 5 contributions deferred between the period July 1, 2009 and June
 6 30, 2014 no later than _____."

7 SECTION 3. Statutory material to be repealed is bracketed
 8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect upon its approval.

10

INTRODUCED BY:

Rosalyn H. Baker
Clarence A. Dickerson
Amiel Y. Lee
Will Egan
[Signature]
4. Kai Elish
[Signature]

Report Title:

Employees' Retirement System; Hawaii Health Systems Corporation

Description:

Defers reimbursement payments to the State by the Hawaii health systems corporation (HHSC) for employer contributions to the employees' retirement system funds for 5 years from 07/01/2009 to 06/30/2014. Requires HHSC to reimburse the director of finance the total amount deferred no later than an unspecified date.

