
A BILL FOR AN ACT

RELATING TO PUBLIC HEALTH FACILITIES.

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

1 SECTION 1. Chapter 323, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART

5 DIVISION OF COMMUNITY HOSPITALS ADMINISTRATION

6 §323-A Definitions. The following terms, whenever used or
7 referred to in this part, shall have the following meanings,
8 unless the context clearly requires a different meaning:

9 "Administrator" means the administrator of a public health
10 facility.

11 "Department" means the department of health.

12 "Division" means the division of community hospitals of the
13 department of health.

14 "Public health facility" means a health care facility that
15 may be placed within the jurisdiction of the division.

16 §323-B Division of community hospitals; establishment.

17 The department shall establish a division of community hospitals



1 under this part to plan, construct, improve, manage, control,
2 and operate public health facilities and perform all acts
3 necessary or convenient to carry out the purposes of this part.

4 §323-C Powers. The department may:

- 5 (1) Operate, manage, and control all public health
6 facilities and establish one or more public health
7 facilities as a system of public health facilities for
8 the purpose of issuing revenue bonds pursuant to part
9 III of chapter 39;
- 10 (2) Establish new public health facilities;
- 11 (3) Adopt, amend, and repeal bylaws and rules governing
12 the conduct of its affairs and the performance of the
13 powers and duties granted to or imposed upon it by
14 law;
- 15 (4) With the governor's approval, enter into and perform
16 contracts, leases, cooperative agreements, or other
17 transactions that may be necessary in the performance
18 of its duties and responsibilities, including entering
19 into contracts for the management or lease, or both,
20 of any component of a public health facility, and on
21 terms that it may deem appropriate, with any agency or



1 instrumentality of the United States, or with any
2 state, territory, or possession, or with any
3 subdivision thereof, or with any person, firm,
4 association, or corporation; provided that the
5 transaction shall further the public interest;

6 (5) With the governor's approval, enter into business
7 relationships, including:

8 (A) Creating nonprofit corporations;

9 (B) Establishing, subscribing to, and owning stock in
10 for-profit corporations individually or jointly
11 with others; and

12 (C) Entering into partnerships and other joint
13 venture arrangements; provided that the
14 relationship shall further the public interest;

15 (6) Participate in prepaid health care service and
16 insurance programs, and other alternative health care
17 delivery programs;

18 (7) Execute, in accordance with all applicable bylaws,
19 rules, and laws, all instruments necessary or
20 appropriate in the exercise of any of its powers;



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- 1 (8) Hire and dismiss, in accordance with section 323-E,
2 the administrator or assistant administrator, or both,
3 for each public health facility;
- 4 (9) Prepare and recommend all division-wide and facility-
5 specific budgets, policies, and procedures;
- 6 (10) Set rates and charges for all services provided in
7 each public health facility;
- 8 (11) Recommend capital improvement projects, and repair and
9 maintenance projects for each public health facility;
- 10 (12) Conduct annual audits through an independent certified
11 public accountant covering all financial operations of
12 the public health facilities and the division;
- 13 (13) Approve medical staff bylaws, rules, and medical staff
14 appointments and reappointments for all public health
15 facilities;
- 16 (14) Develop division-wide capital and strategic plans; and
- 17 (15) Perform all other acts necessary or appropriate to
18 carry out the purposes of this part.

19 **§323-D Division of community hospitals; personnel**
20 **recruitment and retention.** The director shall have the
21 following powers relating to personnel recruitment and retention



1 for the division, including the filling of existing vacancies
2 and the retention of incumbent personnel:

3 (1) To provide perquisites, which may include but shall
4 not be limited to quarters and utilities for shortage
5 categories;

6 (2) To provide monetary incentives; provided that:

7 (A) The monetary incentive may be paid in monthly
8 installments over an agreed period of time;

9 (B) If the employment is terminated prior to an
10 agreed upon period, the unpaid balance of the
11 amount in subparagraph (A) shall be forfeited;
12 and

13 (C) The monetary incentive shall not be used in the
14 computation of payment for overtime work; and

15 (3) To pay one-way travel and moving expenses to fill
16 shortage categories.

17 **§323-E Administration of public health facilities. (a)**

18 The appointment of hospital administrators and assistant
19 administrators shall be subject to chapter 76.

20 (b) Notwithstanding any other law to the contrary, the
21 director, with the approval of the governor, may contract with



1 private individuals or corporations for the administration or
2 lease of the public health facilities of the division in the
3 county of Hawaii. This subsection shall not supersede
4 collective bargaining agreements, civil service rules, and
5 existing statutes protecting employee rights; nor shall any
6 employee be adversely affected by actions taken under this
7 subsection.

8 **§323-F County public health facility management advisory**
9 **committees.** (a) There is established within the department for
10 each county, a public health facility management advisory
11 committee to consist of nine members to be appointed by the
12 governor. The members shall serve for a term of four years;
13 provided that upon the initial appointment of the members, two
14 shall be appointed for a term of one year, two for a term of two
15 years, two for a term of three years, and three for a term of
16 four years.

17 The committee shall select its own chairperson and vice
18 chairperson and may adopt such rules as it may consider
19 necessary for the conduct of its business.

20 The members of the committee shall serve without
21 compensation, but shall be reimbursed for traveling expenses



1 incurred in the performance of their duties. The department
2 shall provide for the necessary expenses of the committees;
3 provided that no expenses may be incurred without prior
4 authorization by the director.

5 (b) Each committee shall sit in an advisory capacity to
6 the director on matters concerning the planning, construction,
7 improvement, maintenance, and operation of public health
8 facilities within their respective jurisdictions; but nothing in
9 this section shall be construed as precluding or preventing the
10 committees from coordinating their efforts and activities with
11 the facility administrators within their counties.

12 **§323-G Contracts with territories and possessions of the**
13 **United States.** The governor may enter into and execute
14 contracts in the name of the State with territories,
15 possessions, and other areas in the Pacific Ocean region,
16 regarding the use of public health facilities of the State on a
17 space available basis; provided that any such contract shall
18 provide for the payment of costs to the State.

19 **§323-H Admittance to Leahi hospital.** (a) Leahi hospital
20 may admit as patients medically indigent persons who are
21 suffering from chronic disease and other patients as the



1 director determines can be accommodated by the facility;
2 provided that sufficient beds are at all times available to
3 persons with tuberculosis eligible for admission to the
4 hospital. The department may adopt rules under chapter 91
5 concerning the admission of these chronic disease and other
6 patients and the reimbursement for their care and treatment.

7 (b) Money appropriated to Leahi hospital for the care and
8 treatment of tuberculosis patients may be used to care for
9 patients suffering from chronic and other diseases who are
10 admitted to the hospital.

11 §323-I Gifts. (a) The department or the public health
12 facilities, or both, may receive, manage, and invest moneys or
13 other property, real, personal, or mixed which may be given,
14 bequeathed, devised, or in any manner received from sources
15 other than the legislature or any federal appropriation for the
16 benefit of the division, facilities improvement or equipment, or
17 the aid or advantage of patients or employees, and in general
18 act as trustee on behalf of the division for any of these
19 purposes or objectives.

20 (b) The department or public health facility, or both,
21 shall keep suitable books of accounts to record each gift, the



1 management of each gift, and the expenditure of the income. A
2 statement of all trust funds shall be included in the regular
3 reports required to be made by the department or public health
4 facility.

5 **§323-J Revenues.** (a) Pursuant to chapter 91, the
6 division shall impose and collect rates, rents, fees, and
7 charges for the use of its public health facilities and their
8 derived services, and shall revise these rates, rents, fees, and
9 charges from time to time whenever necessary to ensure that all
10 public health facilities, services, and projects of the division
11 may provide appropriate care to the community.

12 (b) Nothing in this part shall preclude the making of
13 appropriations to the division, or the use of funds derived from
14 the sale of stocks, bonds, or other assets in the possession of
15 the division, to pay all or part of the costs of construction or
16 maintenance, or both, of any or all facilities, services, and
17 projects of the division; provided that the rates, rents, fees,
18 and charges imposed at public health facilities that are part of
19 a system of public health facilities for which revenue bonds
20 have been issued shall not be less than the rates, rents, fees,
21 and charges required to enable the department to comply with



1 section 39-61 and any resolution or certificate authorizing and
2 securing the revenue bonds.

3 **§323-K Use of credit cards for public health facilities**
4 **charges.** Except as provided in this section and notwithstanding
5 any other law to the contrary, all charges due and owing to any
6 public health facility operated by the State may be paid by
7 means of credit cards as may be deemed acceptable by the
8 comptroller. The use of credit cards shall be exempt from
9 section 40-35. A service fee may be required by the department
10 for this use.

11 **§323-L Patient trust fund.** Patient funds received by the
12 public health facilities may be deposited outside the state
13 treasury in an individual trust account to the credit of the
14 patient. The facility shall maintain individual ledger accounts
15 for, and issue quarterly statements showing credits and debits
16 to, each patient having such funds.

17 **§323-M Establishment of special funds.** (a) Any other law
18 to the contrary notwithstanding, each public health facility
19 shall place its revenues and all other moneys collected,
20 acquired, or made available for the use of that facility, into a
21 special fund to be used for the payment of its lawful operating



1 expenditures. At the beginning of each quarterly allotment
2 period, the director shall assess from each hospital special
3 fund an amount equal to two per cent of the moneys in the
4 hospital special fund and deposit those amounts into the
5 facility administration fund established in subsection (b). At
6 the end of each quarterly allotment period, the director shall
7 transfer all moneys remaining in a hospital special fund not
8 required for the lawful operating expenditures of the hospital
9 for that quarterly allotment period into the facility
10 administration fund; provided that public health facilities that
11 do not receive general fund augmentation may retain not more
12 than twenty-five per cent of their unrequired special fund
13 revenues in their respective hospital special funds for payment
14 of their lawful operating expenditures. The director shall
15 determine the percentage that a public health facility not
16 supported by general funds may retain in its hospital special
17 fund. The amounts the director may transfer shall include all
18 unrequired special fund balances from prior years.

19 (b) There is established within the department of health a
20 special fund to be known as the facility administration fund.
21 The facility administration fund shall be used to defray the



1 general administrative costs of the division and provide
2 supplemental funds to public health facilities that do not have
3 sufficient moneys in their special funds to cover their required
4 lawful operating expenditures, including contingencies for
5 correcting hospital deficiencies cited by agencies that monitor
6 and evaluate the division. If the balance in the facility
7 administration fund at the end of any fiscal year exceeds ten
8 per cent of the expenditures of all the public health facilities
9 for that fiscal year, the funds in excess of ten per cent of the
10 expenditures shall be transferred by the director to the general
11 fund. The director may also transfer funds from the facility
12 administration fund to the general fund at any time pursuant to
13 section 37-53.

14 (c) Any other law to the contrary notwithstanding, a
15 separate special fund shall be established for each system of
16 public health facilities for which revenue bonds have been
17 issued. All income, revenues, and receipts derived from the
18 ownership or operation of the particular system shall be
19 deposited in the special fund and applied in accordance with
20 section 39-62 and the resolution or certificate authorizing and
21 securing the revenue bonds. For the purposes of determining the



1 amount to be assessed against a special fund established
2 pursuant to this subsection, the director may separately
3 allocate a portion of the special fund to each separate public
4 health facility that constitutes a component of the system, or
5 assess from the special fund as a whole.

6 (d) The director shall submit an annual report to the
7 legislature, twenty days prior to the convening of each regular
8 session, that identifies all fund balances and ceiling increases
9 in the various hospital and facility funds, the transfers and
10 expenditures made from the funds, and the purposes of the
11 expenditures."

12 SECTION 2. Section 26-5, Hawaii Revised Statutes, is
13 amended by amending subsection (e) to read as follows:

14 "(e) Nothing in this section shall be construed as in any
15 manner affecting the civil service laws applicable to the
16 several counties, or the judiciary, [~~or the Hawaii health
17 systems corporation or its regional system boards,~~] which shall
18 remain the same as if this chapter had not been enacted."

19 SECTION 3. Section 26-14.6, Hawaii Revised Statutes, is
20 amended by amending subsection (i) to read as follows:



1 "(i) Effective January 1, 1993, the functions and
2 authority heretofore exercised by the director of health and the
3 department of health relating to uniformed security employees
4 and security contracts at various state hospitals throughout the
5 State shall be transferred to the department of public safety.
6 Effective July 1, 2005, the functions, authority, and employee
7 positions of the department of public safety relating to
8 uniformed security employees and security contracts at health
9 facilities that are under the operation, management, and control
10 of the Hawaii health systems corporation shall be transferred to
11 the Hawaii health systems corporation. Effective July 1, 2015,
12 the functions, authority, and employee positions of the Hawaii
13 health systems corporation relating to uniformed security
14 employees and security contracts at health facilities that are
15 under the operation, management, and control of the Hawaii
16 health systems corporation shall be transferred to the
17 department of health."

18 SECTION 4. Section 26-35.5, Hawaii Revised Statutes, is
19 amended as follows:

20 1. By amending subsection (a) to read:



1 "(a) For purposes of this section, "member" means any
2 person who is appointed, in accordance with the law, to serve on
3 a temporary or permanent state board, including members of the
4 board of education, the governing board of any charter school
5 established under chapter 302D, council, authority, committee,
6 or commission, established by law, or elected to the board of
7 trustees of the employees' retirement system under section 88-
8 24 [~~, or the corporation board of the Hawaii health systems~~
9 ~~corporation under section 323F-3 and its regional system boards~~
10 ~~under section 323F-3.5]~~; provided that "member" shall not
11 include any person elected to serve on a board or commission in
12 accordance with chapter 11."

13 2. By amending subsection (e) to read:

14 "(e) The attorney general, or in the case of the board of
15 regents of the University of Hawaii, its university general
16 counsel, [~~or in the case of the board of directors of the Hawaii~~
17 ~~health systems corporation under section 323F-3 or its regional~~
18 ~~system boards under [section] 323F-3.5, the attorneys retained~~
19 ~~by the board of directors of the Hawaii health systems~~
20 ~~corporation or its regional system boards under section 323F-9,]~~
21 shall represent and defend a member in any civil action for



1 which immunity is conferred under subsection (b), or when the
2 attorney general, or, if the action involves a member of the
3 board of regents, the university general counsel, [~~or, if the~~
4 ~~action involves a member of the board of directors of the Hawaii~~
5 ~~health systems corporation or its regional system boards, the~~
6 ~~attorneys retained by the board of directors of the Hawaii~~
7 ~~health systems corporation or its regional system boards,]~~
8 determines that indemnification is available to the member under
9 subsection (c), and the member against whom the action is
10 brought has submitted a written request for representation and
11 has provided the attorney general [~~7~~] or the university general
12 counsel in the case of an action involving a member of the board
13 of regents [~~7~~, ~~or the attorneys retained by the board of directors~~
14 ~~of the Hawaii health systems corporation or its regional system~~
15 ~~boards in the case of an action involving a member of the board~~
16 ~~of directors of the Hawaii health systems corporation or its~~
17 ~~regional system boards]~~ with all process or complaint served
18 upon the member within a reasonable period of time, but not more
19 than five days after being served with the process or complaint.
20 The attorney general [~~7~~] or the university general counsel [~~7~~, ~~or~~
21 ~~an attorney retained by the board of directors of the Hawaii~~



1 ~~health systems corporation or its regional system boards]~~ may
2 terminate the representation and defense of the member at any
3 time if, after representation and defense is accepted, the
4 attorney general[~~7~~] or the university general counsel [~~7~~ ~~or an~~
5 ~~attorney retained by the board of directors of the Hawaii health~~
6 ~~systems corporation or one of its regional system boards]~~
7 determines that indemnification would not be available to the
8 member under subsection (c)."

9 SECTION 5. Section 28-8.3, Hawaii Revised Statutes, is
10 amended as follows:

11 1. By amending subsection (a) to read:

12 "(a) No department of the State other than the attorney
13 general may employ or retain any attorney, by contract or
14 otherwise, for the purpose of representing the State or the
15 department in any litigation, rendering legal counsel to the
16 department, or drafting legal documents for the department;
17 provided that the foregoing provision shall not apply to the
18 employment or retention of attorneys:

19 (1) By the public utilities commission, the labor and
20 industrial relations appeals board, and the Hawaii
21 labor relations board;



- 1 (2) By any court or judicial or legislative office of the
2 State; provided that if the attorney general is
3 requested to provide representation to a court or
4 judicial office by the chief justice or the chief
5 justice's designee, or to a legislative office by the
6 speaker of the house of representatives and the
7 president of the senate jointly, and the attorney
8 general declines to provide such representation on the
9 grounds of conflict of interest, the attorney general
10 shall retain an attorney for the court, judicial, or
11 legislative office, subject to approval by the court,
12 judicial, or legislative office;
- 13 (3) By the legislative reference bureau;
- 14 (4) By any compilation commission that may be constituted
15 from time to time;
- 16 (5) By the real estate commission for any action involving
17 the real estate recovery fund;
- 18 (6) By the contractors license board for any action
19 involving the contractors recovery fund;
- 20 (7) By the office of Hawaiian affairs;



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- 1 (8) By the department of commerce and consumer affairs for
- 2 the enforcement of violations of chapters 480 and
- 3 485A;
- 4 (9) As grand jury counsel;
- 5 (10) By the Hawaiian home lands trust individual claims
- 6 review panel;
- 7 ~~[(11) By the Hawaii health systems corporation, or its~~
- 8 ~~regional system boards, or any of their facilities,~~
- 9 ~~(12)]~~ (11) By the auditor;
- 10 ~~[(13)]~~ (12) By the office of ombudsman;
- 11 ~~[(14)]~~ (13) By the insurance division;
- 12 ~~[(15)]~~ (14) By the University of Hawaii;
- 13 ~~[(16)]~~ (15) By the Kahoolawe island reserve commission;
- 14 ~~[(17)]~~ (16) By the division of consumer advocacy;
- 15 ~~[(18)]~~ (17) By the office of elections;
- 16 ~~[(19)]~~ (18) By the campaign spending commission;
- 17 ~~[(20)]~~ (19) By the Hawaii tourism authority, as provided in
- 18 section 201B-2.5;
- 19 ~~[(21)]~~ (20) By the division of financial institutions for any
- 20 action involving the mortgage loan recovery fund; or



1 ~~[(22)]~~ (21) By a department, in the event the attorney
2 general, for reasons deemed by the attorney general to
3 be good and sufficient, declines to employ or retain
4 an attorney for a department; provided that the
5 governor waives the provision of this section."

6 2. By amending subsection (c) to read:

7 "(c) Every attorney employed by any department on a full-
8 time basis, except an attorney employed by the public utilities
9 commission, the labor and industrial relations appeals board,
10 the Hawaii labor relations board, the office of Hawaiian
11 affairs, [~~the Hawaii health systems corporation or its regional~~
12 ~~system boards,~~] the department of commerce and consumer affairs
13 in prosecution of consumer complaints, insurance division, the
14 division of consumer advocacy, the University of Hawaii, the
15 Hawaii tourism authority as provided in section 201B-2.5, the
16 Hawaiian home lands trust individual claims review panel, or as
17 grand jury counsel, shall be a deputy attorney general."

18 SECTION 6. Section 36-27, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) Except as provided in this section, and
21 notwithstanding any other law to the contrary, from time to



1 time, the director of finance, for the purpose of defraying the
2 prorated estimate of central service expenses of government in
3 relation to all special funds, except the:

- 4 (1) Special out-of-school time instructional program fund
5 under section 302A-1310;
- 6 (2) School cafeteria special funds of the department of
7 education;
- 8 (3) Special funds of the University of Hawaii;
- 9 (4) State educational facilities improvement special fund;
- 10 (5) Convention center enterprise special fund under
11 section 201B-8;
- 12 (6) Special funds established by section 206E-6;
- 13 (7) Housing loan program revenue bond special fund;
- 14 (8) Housing project bond special fund;
- 15 (9) Aloha Tower fund created by section 206J-17;
- 16 (10) Funds of the employees' retirement system created by
17 section 88-109;
- 18 (11) Hawaii hurricane relief fund established under chapter
19 431P;
- 20 (12) [~~Hawaii health systems corporation special funds and~~
21 ~~the subaccounts of its regional system boards,~~]



- 1 Facility administration fund and hospital special
2 funds of the public health facilities under section
3 323-M;
- 4 (13) Tourism special fund established under section 201B-
5 11;
- 6 (14) Universal service fund established under section 269-
7 42;
- 8 (15) Emergency and budget reserve fund under section 328L-
9 3;
- 10 (16) Public schools special fees and charges fund under
11 section 302A-1130;
- 12 (17) Sport fish special fund under section 187A-9.5;
- 13 (18) Glass advance disposal fee established by section
14 342G-82;
- 15 (19) Center for nursing special fund under section 304A-
16 2163;
- 17 (20) Passenger facility charge special fund established by
18 section 261-5.5;
- 19 (21) Court interpreting services revolving fund under
20 section 607-1.5;
- 21 (22) Hawaii cancer research special fund;



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- 1 (23) Community health centers special fund;
- 2 (24) Emergency medical services special fund;
- 3 (25) Rental motor vehicle customer facility charge special
- 4 fund established under section 261-5.6;
- 5 (26) Shared services technology special fund under section
- 6 27-43;
- 7 (27) Automated victim information and notification system
- 8 special fund established under section 353-136;
- 9 (28) Deposit beverage container deposit special fund under
- 10 section 342G-104; and
- 11 (29) Hospital sustainability program special fund under Act
- 12 217, Session Laws of Hawaii 2012, as amended by Act
- 13 141, Session Laws of Hawaii 2013;
- 14 [+] (30) [+] Nursing facility sustainability program special
- 15 fund under Act 156, Session Laws of Hawaii 2012;
- 16 [+] (31) Hawaii 3R's school improvement fund[+] under section
- 17 302A-1502.4; and
- 18 [+] (32) [+] After-school plus program revolving fund under
- 19 section 302A-1149.5,
- 20 shall deduct five per cent of all receipts of all special funds,
- 21 which deduction shall be transferred to the general fund of the



1 State and become general realizations of the State. All
2 officers of the State and other persons having power to allocate
3 or disburse any special funds shall cooperate with the director
4 in effecting these transfers. To determine the proper revenue
5 base upon which the central service assessment is to be
6 calculated, the director shall adopt rules pursuant to chapter
7 91 for the purpose of suspending or limiting the application of
8 the central service assessment of any fund. No later than
9 twenty days prior to the convening of each regular session of
10 the legislature, the director shall report all central service
11 assessments made during the preceding fiscal year."

12 SECTION 7. Section 36-30, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) Each special fund, except the:

- 15 (1) Transportation use special fund established by section
16 261D-1;
- 17 (2) Special out-of-school time instructional program fund
18 under section 302A-1310;
- 19 (3) School cafeteria special funds of the department of
20 education;
- 21 (4) Special funds of the University of Hawaii;



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- 1 (5) State educational facilities improvement special fund;
2 (6) Special funds established by section 206E-6;
3 (7) Aloha Tower fund created by section 206J-17;
4 (8) Funds of the employees' retirement system created by
5 section 88-109;
6 (9) Hawaii hurricane relief fund established under section
7 431P-2;
8 (10) Convention center enterprise special fund established
9 under section 201B-8;
10 (11) ~~[Hawaii health systems corporation special funds and~~
11 ~~the subaccounts of its regional system boards,]~~
12 Facility administration fund and hospital special
13 funds of the public health facilities under section
14 323-M;
15 (12) Tourism special fund established under section 201B-
16 11;
17 (13) Universal service fund established under section 269-
18 42;
19 (14) Emergency and budget reserve fund under section 328L-
20 3;



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- 1 (15) Public schools special fees and charges fund under
- 2 section 302A-1130;
- 3 (16) Sport fish special fund under section 187A-9.5;
- 4 (17) Center for nursing special fund under section 304A-
- 5 2163;
- 6 (18) Passenger facility charge special fund established by
- 7 section 261-5.5;
- 8 (19) Court interpreting services revolving fund under
- 9 section 607-1.5;
- 10 (20) Hawaii cancer research special fund;
- 11 (21) Community health centers special fund;
- 12 (22) Emergency medical services special fund;
- 13 (23) Rental motor vehicle customer facility charge special
- 14 fund established under section 261-5.6;
- 15 (24) Shared services technology special fund under section
- 16 27-43;
- 17 (25) Nursing facility sustainability program special fund
- 18 established pursuant to Act 156, Session Laws of
- 19 Hawaii 2012;
- 20 (26) Automated victim information and notification system
- 21 special fund established under section 353-136; and



1 (27) Hospital sustainability program special fund under Act
2 217, Session Laws of Hawaii 2012, as amended by Act
3 141, Session Laws of Hawaii 2013,
4 shall be responsible for its pro rata share of the
5 administrative expenses incurred by the department responsible
6 for the operations supported by the special fund concerned."

7 SECTION 8. Section 37-53, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§37-53 Transfer of special funds.** At any time during a
10 fiscal year, notwithstanding any other law to the contrary, any
11 department may, with the approval of the governor or the
12 director of finance if so delegated by the governor, transfer
13 from any special fund relating to such department to the general
14 revenues of the State all or any portion of moneys determined to
15 be in excess of fiscal year requirements for such special fund,
16 except for special funds under the control of the department of
17 transportation relating to highways, airports, transportation
18 use, and harbors activities, [~~special funds under the control of~~
19 ~~the Hawaii health systems corporation or subaccounts under the~~
20 ~~control of its regional system boards,] the facility
21 administration fund and the hospital special funds of public~~



1 health facilities under section 323-M, and special funds of the
2 University of Hawaii. At any time the department of
3 transportation, with the approval of the governor or the
4 director of finance if so delegated by the governor, may
5 transfer from any special fund under the control of the
6 department of transportation, or from any account within any
7 such special fund, to the general revenues of the State or to
8 any other special fund under the control of the department of
9 transportation all or any portion of moneys determined to be in
10 excess of requirements for the ensuing twelve months determined
11 as prescribed by rules adopted pursuant to chapter 91; provided
12 that no such transfer shall be made which would cause a
13 violation of federal law or federal grant agreements."

14 SECTION 9. Section 37-74, Hawaii Revised Statutes, is
15 amended by amending subsection (d) to read as follows:

16 "(d) No appropriation transfers or changes between
17 programs or agencies shall be made without legislative
18 authorization; provided that:

19 (1) Authorized transfers or changes, when made, shall be
20 reported to the legislature;



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1 (2) Except with respect to appropriations to fund
2 financing agreements under chapter 37D, the University
3 of Hawaii shall have the flexibility to transfer
4 appropriated funds and positions for the operating
5 cost category among programs, among cost elements in a
6 program, and between quarters, as applicable; and
7 except with respect to appropriations to fund
8 financing agreements under chapter 37D, the department
9 of education shall have the flexibility to transfer
10 appropriated funds and positions for the operating
11 cost category among programs and among cost elements
12 in a program, and between quarters, as applicable;
13 ~~[and the Hawaii health systems corporation and its~~
14 ~~regional system boards shall have the flexibility to~~
15 ~~transfer special fund appropriations among regional~~
16 ~~system hospital facilities as applicable and as~~
17 ~~mutually agreed to by the corporation and the~~
18 ~~respective regional system board; provided that the~~
19 ~~Hawaii health systems corporation and the regional~~
20 ~~system boards shall maintain the integrity and~~
21 ~~services of each individual regional system and shall~~



1 ~~not transfer appropriations out of any regional system~~
2 ~~that would result in a reduction of services offered~~
3 ~~by the regional system, with due regard for statutory~~
4 ~~requirements, changing conditions, the needs of the~~
5 ~~programs, and the effective utilization of resources,]~~
6 and

7 (3) The university and the department of education shall
8 account for each transfer implemented under this
9 subsection in quarterly reports to the governor and
10 annual reports at the end of each fiscal year to the
11 legislature and the governor, which shall be prepared
12 in the form and manner prescribed by the governor and
13 shall include information on the sources and uses of
14 the transfer."

15 SECTION 10. Section 37D-1, Hawaii Revised Statutes, is
16 amended by amending the definition of "agency" to read as
17 follows:

18 ""Agency" means the judiciary, any executive department,
19 independent commission, board, authority, bureau, office, other
20 establishment of the State (except the legislature and its
21 agencies), or public corporation that is supported in whole or



1 in part by state funds, or any agent thereof, authorized by law
2 to expend available moneys [~~provided that the Hawaii health~~
3 ~~systems corporation and its regional system boards shall not be~~
4 ~~governed by this chapter for any financing agreement unless it~~
5 ~~elects to be~~]."

6 SECTION 11. Section 37D-2, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§37D-2 **Financing agreements.** (a) There is hereby
9 established and authorized the financing agreement program of
10 the State. Any agency desiring to acquire or improve projects
11 through the financing agreement program established and
12 authorized by this chapter shall submit a written request to the
13 department providing any information that the department shall
14 require. Notwithstanding any other law to the contrary, [~~and~~
15 ~~except for the Hawaii health systems corporation and its~~
16 ~~regional system boards,~~] only with the approval by the attorney
17 general as to form and legality and upon the written request of
18 one or more agencies may the department enter into a financing
19 agreement in accordance with this chapter, and only with the
20 approval by the attorney general as to form and legality, and by
21 the director as to fiscal responsibility, and upon the written



1 request of an agency, the agency may enter into a financing
2 agreement in accordance with this chapter, except that the
3 department of education may enter into a financing agreement in
4 accordance with section 36-32 with the concurrence of the
5 director and with the approval of the attorney general as to
6 form and legality; and that the board of regents of the
7 University of Hawaii may enter into a financing agreement in
8 accordance with this chapter without the approval of the
9 director and of the attorney general as to form and legality if
10 the principal amount of the financing agreement does not exceed
11 \$3,000,000. A financing agreement may be entered into by the
12 department on behalf of one or more agencies, or by an agency,
13 at any time (before or after commencement or completion of any
14 improvements or acquisitions to be financed) and shall be upon
15 terms and conditions the department finds to be advantageous.
16 In each case of a written request by the judiciary to
17 participate in the financing agreement program, the department
18 shall implement the request; provided that the related financing
19 agreement shall be upon terms and conditions the department
20 finds to be advantageous. Any financing agreement entered into
21 by the department without the approval, or by an agency without



1 the approvals required by this section shall be void and of no
2 effect. A single financing agreement entered into by the
3 department may finance a single item or multiple items of
4 property to be used by multiple agencies or may finance a single
5 item or multiple items of property to be used by a single
6 agency. If the financing agreement is by the department, the
7 department shall bill any agency that benefits from property
8 acquired with the proceeds of a financing agreement for the
9 agency's pro rata share of:

- 10 (1) The department's costs of administration of the
11 financing agreement program; and
- 12 (2) The financing costs, including the principal and
13 interest components of the financing agreement and
14 insurance premiums,
15 on a monthly or other periodic basis, and may deposit payments
16 received in connection with the billings with a trustee as
17 security for the financing agreement. Any agency receiving such
18 a bill shall be authorized and shall pay the amounts billed from
19 available moneys.

20 If a financing agreement is by an agency, the agency shall
21 deposit on a monthly or other periodic basis with the



1 department, payments from available moneys with respect to the
2 agency's financing costs, including the principal and interest
3 components of the financing agreement and insurance premiums,
4 which payments the department may deposit with a trustee as
5 security for the financing agreement. The department may bill
6 an agency for the department's costs of administering the
7 agency's payments and the agency receiving such a bill shall be
8 authorized to and shall pay the amounts billed from available
9 moneys.

10 (b) Financing agreements shall be subject to the following
11 limitations:

12 (1) Amounts payable by an agency to or upon the direction
13 of the department in respect to a project and by the
14 department or an agency under a financing agreement
15 shall be limited to available moneys. In no
16 circumstance shall the department or an agency be
17 obligated to pay amounts due under a financing
18 agreement from any source other than available moneys.
19 If, by reason of insufficient available moneys or
20 other reason, amounts due under a financing agreement
21 are not paid when due, the lender may exercise any



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1 property right that the department or the agency has
2 granted to it in the financing agreement, against the
3 property that was purchased with the proceeds of the
4 financing agreement, and apply the amounts so received
5 toward payments scheduled to be made by the department
6 or the agency under the financing agreement;

7 (2) No property rights may be granted in property unless
8 the property is being acquired, is to be substantially
9 improved, is to be refinanced with the proceeds of a
10 financing agreement, or is land on which the property
11 is located;

12 (3) Notwithstanding any other law to the contrary, [~~and~~
13 ~~except for the Hawaii health systems corporation and~~
14 ~~its regional system boards,~~] and as otherwise provided
15 in this section with respect to the department of
16 education and the University of Hawaii, [~~and except as~~
17 ~~provided in chapter 323F as to the Hawaii health~~
18 ~~systems corporation and its regional system boards,~~]
19 an agency shall not have the power to enter into a
20 financing agreement, except as authorized by this
21 chapter, and nothing in this chapter shall be



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1 construed to authorize the sale, lease, or other
2 disposition of property owned by an agency;

3 (4) Except as otherwise provided in this section with
4 respect to the department of education and the
5 University of Hawaii, the sale, assignment, or other
6 disposition of any financing agreements, including
7 certificates of participation relating thereto, shall
8 require the approval of the director; and

9 (5) The department or the agency proposing to enter into a
10 financing agreement shall not be subject to
11 chapter 103D and any and all other requirements of law
12 for competitive bidding for financing agreements."

13 SECTION 12. Section 41D-2, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) Any provision in this section to the contrary
16 notwithstanding, the University of Hawaii (as to casualty
17 insurance risks only), the Research Corporation of the
18 University of Hawaii (as to casualty insurance risks only), and
19 the public health facilities of the department of health (with
20 respect to medical malpractice risks only) [~~and the Hawaii~~



1 ~~health systems corporation and its regional system boards]~~ shall
2 be exempt from the requirements of this chapter."

3 SECTION 13. Section 76-1.5, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) The director of human resources development shall
6 compile a profile on the workforce of the executive branch of
7 the State that shall include:

8 (1) Demographic data on the entire executive branch
9 workforce covering both civil service employees hired
10 through recruitment procedures based on merit and
11 employees exempt from such procedures;

12 (2) Breakouts of the data required by paragraph (1) for
13 the systems administered by the department of human
14 resources development, the board of education, and the
15 University of Hawaii board of regents, [~~and the Hawaii~~
16 ~~health systems corporation,~~] respectively; and

17 (3) Information on the number of employees who are
18 currently eligible for retirement and projected
19 retirements for the succeeding five years."



1 SECTION 14. Section 76-11, Hawaii Revised Statutes, is
2 amended by amending the definitions of "employer", "chief
3 justice", and "jurisdiction" to read as follows:

4 "Employer" or "public employer" means the governor in the
5 case of the State, the respective mayors in the case of the
6 counties, the chief justice of the supreme court in the case of
7 the judiciary, the board of education in the case of the
8 department of education, the board of regents in the case of the
9 University of Hawaii, [~~the Hawaii health systems corporation~~
10 ~~board in the case of the Hawaii health systems corporation,~~] and
11 any individual who represents one of the employers or acts in
12 their interest in dealing with public employees. In the case of
13 the judiciary, the administrative director of the courts shall
14 be the employer in lieu of the chief justice for purposes which
15 the chief justice determines would be prudent or necessary to
16 avoid conflict.

17 "Chief executive" means the governor, the respective
18 mayors, and the chief justice of the supreme court [~~, and the~~
19 ~~chief executive officer of the Hawaii health systems~~
20 ~~corporation~~]. It may include the superintendent of education
21 and the president of the University of Hawaii with respect to



1 their employees on any matter that applies to employees in
2 general, including employees who are not covered by this
3 chapter.

4 "Jurisdiction" means the State, the city and county of
5 Honolulu, the county of Hawaii, the county of Maui, the county
6 of Kauai, the judiciary, the department of education, and the
7 University of Hawaii [~~and the Hawaii health systems~~
8 ~~corporation~~]."

9 SECTION 15. Section 76-47, Hawaii Revised Statutes, is
10 amended by amending subsection (c) to read as follows:

11 "(c) The merit appeals board shall adopt rules of practice
12 and procedure consistent with section 76-14 and in accordance
13 with chapter 91, except that, in the case of the judiciary [~~and~~
14 ~~the Hawaii health systems corporation~~], the adoption, amendment,
15 or repeal of rules shall be subject to the approval of their
16 respective chief executives. The rules shall recognize that the
17 merit appeals board shall sit as an appellate body and that
18 matters of policy, methodology, and administration are left for
19 determination by the director. The rules may provide for the
20 sharing of specific expenses among the parties that are directly
21 incurred as a result of an appeal as the merit appeals board



1 deems would be equitable and appropriate, including but not
2 limited to expenses for transcription costs or for services,
3 including traveling and per diem costs, provided by persons
4 other than the board members or permanent staff of the board.
5 Official business of the merit appeals board shall be conducted
6 in meetings open to the public, except as provided in chapter
7 92."

8 SECTION 16. Section 88-125, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "§88-125 Contributions by certain state agencies. (a)
11 Each of the departments and agencies hereinafter described [7]
12 and the office of Hawaiian affairs [~~7 and the Hawaii health~~
13 ~~systems corporation~~] shall reimburse the State for the
14 respective amounts payable by the State to cover the liability
15 of the State to the various funds of the system on account of
16 the employees in the departments and agencies [7] and the
17 trustees of the office of Hawaiian affairs [~~7 and the employees~~
18 ~~of the Hawaii health systems corporation~~]. This provision shall
19 apply to any department or agency of the State that is
20 authorized by law to fix, regulate, and collect rents, rates,
21 fees, or charges of any nature. This subsection shall not apply



1 as to rental units receiving federal subsidies until approval
2 has been obtained from the appropriate federal agency.

3 (b) Whenever any department or agency of the State [~~or the~~
4 ~~Hawaii health systems corporation~~] receives federal-aid funds
5 that may be expended for the purpose of covering the liability
6 of the State to the various funds of the system, the department
7 or agency [~~or the Hawaii health systems corporation~~] shall set
8 aside a portion of these funds sufficient to cover the amount of
9 the State's liability to the various funds of the system on
10 account of the employees in the department or agency [~~or the~~
11 ~~Hawaii health systems corporation~~] whose compensation is paid in
12 whole or part from federal funds.

13 (c) The amount payable by each department or agency of the
14 State[~~7~~] or by the office of Hawaiian affairs[~~7~~, ~~or the Hawaii~~
15 ~~health systems corporation~~], covered by this section shall be
16 determined at least quarterly by the department of budget and
17 finance on the basis of the payroll of the employees of the
18 department or agency[~~7~~] or of the trustees of the office of
19 Hawaiian affairs[~~7~~, ~~or the Hawaii health systems corporation~~] who
20 are members of the system in the same manner the allocation of
21 employer contributions is determined in section 88-123. The



1 comptroller of the State, the office of Hawaiian affairs, [the
2 Hawaii health systems corporation,] or any department or agency
3 having control of its own funds, upon information furnished by
4 the department of budget and finance, shall issue a check for
5 the proper amount to the director of finance, charging the same
6 to the appropriate fund. The director of finance shall place
7 all such sums to the credit of the State as part payment of the
8 State's contributions to the various funds of the system.

9 (d) With respect to the Hawaii health systems corporation
10 only, this section shall be operative with respect to costs
11 accrued beginning July 1, 1996."

12 SECTION 17. Section 89-2, Hawaii Revised Statutes, is
13 amended by amending the definitions of "employer",
14 "jurisdiction", and "legislative body" to read as follows:

15 "Employer" or "public employer" means the governor in the
16 case of the State, the respective mayors in the case of the
17 counties, the chief justice of the supreme court in the case of
18 the judiciary, the board of education in the case of the
19 department of education, the board of regents in the case of the
20 University of Hawaii, [~~the Hawaii health systems corporation~~
21 ~~board in the case of the Hawaii health systems corporation,~~] and



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1 any individual who represents one of these employers or acts in
2 their interest in dealing with public employees. In the case of
3 the judiciary, the administrative director of the courts shall
4 be the employer in lieu of the chief justice for purposes which
5 the chief justice determines would be prudent or necessary to
6 avoid conflict.

7 "Jurisdiction" means the State, the city and county of
8 Honolulu, the county of Hawaii, the county of Maui, the county
9 of Kauai, and the judiciary~~[, and the Hawaii health systems~~
10 ~~corporation]~~.

11 "Legislative body" means the legislature in the case of the
12 State, including the judiciary, the department of education, and
13 the University of Hawaii~~[, and the Hawaii health systems~~
14 ~~corporation]~~; the city council, in the case of the city and
15 county of Honolulu; and the respective county councils, in the
16 case of the counties of Hawaii, Maui, and Kauai."

17 SECTION 18. Section 89-6, Hawaii Revised Statutes, is
18 amended by amending subsection (d) to read as follows:

19 "(d) For the purpose of negotiating a collective
20 bargaining agreement, the public employer of an appropriate



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1 bargaining unit shall mean the governor together with the
2 following employers:

3 (1) For bargaining units (1), (2), (3), (4), (9), (10),
4 (13), and (14), the governor shall have six votes and
5 the mayors~~[7]~~ and the chief justice~~[7, and the Hawaii~~
6 ~~health systems corporation board]~~ shall each have one
7 vote if they have employees in the particular
8 bargaining unit;

9 (2) For bargaining units (11) and (12), the governor shall
10 have four votes and the mayors shall each have one
11 vote;

12 (3) For bargaining units (5) and (6), the governor shall
13 have three votes, the board of education shall have
14 two votes, and the superintendent of education shall
15 have one vote; and

16 (4) For bargaining units (7) and (8), the governor shall
17 have three votes, the board of regents of the
18 University of Hawaii shall have two votes, and the
19 president of the University of Hawaii shall have one
20 vote.



1 Any decision to be reached by the applicable employer group
2 shall be on the basis of simple majority, except when a
3 bargaining unit includes county employees from more than one
4 county. In that case, the simple majority shall include at
5 least one county."

6 SECTION 19. Section 89C-1.5, Hawaii Revised Statutes, is
7 amended by amending the definition of "appropriate authority" to
8 read as follows:

9 "Appropriate authority" means the governor, the respective
10 mayors, the chief justice of the supreme court, the board of
11 education, the board of regents, the state public charter school
12 commission, [~~the Hawaii health systems corporation board,~~] the
13 auditor, the ombudsman, and the director of the legislative
14 reference bureau. These individuals or boards may make
15 adjustments for their respective excluded employees."

16 SECTION 20. Section 102-2, Hawaii Revised Statutes, is
17 amended by amending subsection (b) to read as follows:

18 "(b) The bidding requirements of subsection (a) shall not
19 apply to concessions or space on public property set aside for
20 the following purposes:



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- 1 (1) For operation of ground transportation services and
2 parking lot operations at airports, except for motor
3 vehicle rental operations under chapter 437D;
- 4 (2) For lei vendors;
- 5 (3) For airline and aircraft operations;
- 6 (4) For automated teller machines and vending machines,
7 except vending machines located at public schools
8 operated by blind or visually handicapped persons in
9 accordance with section 302A-412;
- 10 (5) For operation of concessions set aside without any
11 charge;
- 12 (6) For operation of concessions by handicapped or blind
13 persons; except concessions operated in the public
14 schools by blind or visually handicapped persons in
15 accordance with section 302A-412;
- 16 (7) For operation of concessions on permits revocable on
17 notice of thirty days or less; provided that no such
18 permits shall be issued for more than a one year
19 period;
- 20 (8) For operation of concessions or concession spaces for
21 a beach service association dedicated to the



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- 1 preservation of the Hawaii beach boy tradition,
2 incorporated as a nonprofit corporation in accordance
3 with state law, and whose members are appropriately
4 licensed or certified as required by law;
- 5 (9) For operation of concessions at county zoos, botanic
6 gardens, or other county parks which are
7 environmentally, culturally, historically, or
8 operationally unique and are supported, by nonprofit
9 corporations incorporated in accordance with state law
10 solely for purposes of supporting county aims and
11 goals of the zoo, botanic garden, or other county
12 park, and operating under agreement with the
13 appropriate agency solely for such purposes, aims, and
14 goals;
- 15 (10) For operation of concessions that furnish goods or
16 services for which there is only one source, as
17 determined by the head of the awarding government
18 agency in writing that shall be included in the
19 contract file;
- 20 [~~11~~] ~~For any of the operations of the Hawaii health systems~~
21 ~~corporation and its regional system boards;~~



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- 1 ~~(12)~~ (11) For airport operation of concessions providing
- 2 electronic communication services;
- 3 ~~(13)~~ (12) For airport operation of concessions consisting
- 4 solely of advertising;
- 5 ~~(14)~~ (13) For the stadium authority operation of
- 6 concessions providing electronic communication
- 7 services; and
- 8 ~~(15)~~ (14) For the stadium authority operation of
- 9 concessions consisting solely of advertising."

10 SECTION 21. Section 103-53, Hawaii Revised Statutes, is
11 amended by amending subsection (e) to read as follows:

- 12 "(e) This section shall not apply to:
- 13 (1) Any procurement of less than \$25,000 or that is
- 14 considered a small purchase under section 103D-305 and
- 15 any state or county department contract of less than
- 16 \$25,000;
- 17 (2) Emergency purchases for the procurement of goods,
- 18 services, or construction under section 103D-307 or an
- 19 emergency or disaster under chapter 127A;
- 20 (3) Grants disbursed by a state agency pursuant to chapter
- 21 42F or in accordance with standards provided by law as



- 1 required by article VII, section 4, of the state
2 constitution, or made by the counties pursuant to
3 their respective charters or ordinances;
- 4 (4) Contracts or agreements between government agencies;
- 5 (5) Contracts or agreements to disburse funds:
- 6 (A) To make payments to or on behalf of public
7 officials, officers, and employees for salaries,
8 fringe benefits, professional fees, and
9 reimbursements;
- 10 (B) To satisfy obligations required to be paid by
11 law, including fees, judgments, settlements, and
12 other payments for resolving claims;
- 13 (C) To make refunds or return funds held by the State
14 or county as trustee, custodian, or bailee;
- 15 (D) For entitlement programs, including public
16 assistance, unemployment, and workers'
17 compensation programs, established by state or
18 federal law;
- 19 (E) For deposit, investment, or safekeeping,
20 including sums to pay expenses related to their
21 deposit investment, or safekeeping;



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- 1 (F) For loans under government-administered loan
- 2 programs; or
- 3 (G) To make periodic, recurring payments for utility
- 4 services; and
- 5 (6) Rent for the use or occupation of the premises and
- 6 facilities at Aloha Stadium, the convention center, or
- 7 any other state or county large spectator events
- 8 facility[; ~~and~~
- 9 ~~(7) Contracts or agreements of the Hawaii health systems~~
- 10 ~~corporation and its regional system boards]."~~

11 SECTION 22. Section 103D-102, Hawaii Revised Statutes, is
 12 amended by amending subsection (c) to read as follows:

13 "(c) Notwithstanding subsection (a), this chapter shall
 14 not apply to contracts made by[; ~~and~~

15 ~~(1) Any regional system board of the Hawaii health systems~~
 16 ~~corporation; or~~

17 ~~(2) The] the~~ Kaho'olawe island reserve commission, except
 18 as provided by section 6K-4.5."

19 SECTION 23. Section 103D-203, Hawaii Revised Statutes, is
 20 amended by amending subsection (a) to read as follows:



- 1 "(a) The chief procurement officer for each of the
2 following state entities shall be:
- 3 (1) The judiciary--the administrative director of the
4 courts;
- 5 (2) The senate--the president of the senate;
- 6 (3) The house of representatives--the speaker of the house
7 of representatives;
- 8 (4) The office of Hawaiian affairs--the chairperson of the
9 board;
- 10 (5) The University of Hawaii--the president of the
11 University of Hawaii; provided that, except as
12 specified in section 304A-2672(2), for contracts for
13 construction and professional services furnished by
14 licensees under chapter 464, the administrator of the
15 state procurement office of the department of
16 accounting and general services shall serve as the
17 chief procurement officer;
- 18 (6) The department of education, excluding the Hawaii
19 public library system--the superintendent of
20 education; and



1 ~~[(7) The Hawaii health systems corporation the chief~~
2 ~~executive officer of the Hawaii health systems~~
3 ~~corporation, and~~

4 ~~(8)]~~ (7) The remaining departments of the executive branch
5 of the State and all governmental bodies
6 administratively attached to them--the administrator
7 of the state procurement office of the department of
8 accounting and general services."

9 SECTION 24. Section 321-33, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) For the purpose of this section:

12 "Hospital" includes [~~+~~

13 ~~(1) An]~~ an institution with an organized medical staff,
14 regulated under section 321-11(10), that admits
15 patients for inpatient care, diagnosis, observation,
16 and treatment [~~+~~and

17 ~~(2) A health facility under chapter 323F].~~

18 "Medical care" means every type of care, treatment,
19 surgery, hospitalization, attendance, service, and supplies as
20 the nature of the injury or condition requires.



1 "Parent" includes a biological mother or father, foster
2 mother or foster father, adoptive mother or adoptive father, and
3 stepmother or stepfather.

4 "Shaken baby syndrome" means an injury caused by the
5 vigorous shaking of an infant or young child that may result in
6 injuries such as subdural [hematoma], head injury, irreversible
7 brain damage, blindness, retinal hemorrhage, eye damage,
8 cerebral palsy, hearing loss, spinal cord injury, paralysis,
9 seizures, learning disability, central nervous system injury,
10 rib fracture, or death."

11 SECTION 25. Section 323D-71, Hawaii Revised Statutes, is
12 amended by amending the definition of "hospital" to read as
13 follows:

14 "Hospital" means an institution with an organized medical
15 staff, regulated under section 321-11(10) which admits patients
16 for inpatient care, diagnosis, observation, and treatment [~~but~~
17 ~~does not include a public health facility under chapter 323F~~]."

18 SECTION 26. Section 846-2.7, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

20 "(b) Criminal history record checks may be conducted by:



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- 1 (1) The department of health or the department's designee
2 on operators of adult foster homes or developmental
3 disabilities domiciliary homes and their employees, as
4 provided by section 333F-22;
- 5 (2) The department of health or the department's designee
6 on prospective employees, persons seeking to serve as
7 providers, or subcontractors in positions that place
8 them in direct contact with clients when providing
9 non-witnessed direct mental health services as
10 provided by section 321-171.5;
- 11 (3) The department of health or the department's designee
12 on all applicants for licensure for, operators for,
13 prospective employees, and volunteers at one or more
14 of the following: skilled nursing facility,
15 intermediate care facility, adult residential care
16 home, expanded adult residential care home, assisted
17 living facility, home health agency, hospice, adult
18 day health center, special treatment facility,
19 therapeutic living program, intermediate care facility
20 for individuals with intellectual disabilities,
21 hospital, rural health center and rehabilitation



- 1 agency, and, in the case of any of the above
2 facilities operating in a private residence, on any
3 adult living in the facility other than the client as
4 provided by section 321-15.2;
- 5 (4) The department of education on employees, prospective
6 employees, and teacher trainees in any public school
7 in positions that necessitate close proximity to
8 children as provided by section 302A-601.5;
- 9 (5) The counties on employees and prospective employees
10 who may be in positions that place them in close
11 proximity to children in recreation or child care
12 programs and services;
- 13 (6) The county liquor commissions on applicants for liquor
14 licenses as provided by section 281-53.5;
- 15 (7) The county liquor commissions on employees and
16 prospective employees involved in liquor
17 administration, law enforcement, and liquor control
18 investigations;
- 19 (8) The department of human services on operators and
20 employees of child caring institutions, child placing



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1 organizations, and foster boarding homes as provided
2 by section 346-17;

3 (9) The department of human services on prospective
4 adoptive parents as established under section
5 346-19.7;

6 (10) The department of human services on applicants to
7 operate child care facilities, prospective employees
8 of the applicant, and new employees of the provider
9 after registration or licensure as provided by section
10 346-154;

11 (11) The department of human services on persons exempt
12 pursuant to section 346-152 to be eligible to provide
13 child care and receive child care subsidies as
14 provided by section 346-152.5;

15 (12) The department of health on operators and employees of
16 home and community-based case management agencies and
17 operators and other adults, except for adults in care,
18 residing in foster family homes as provided by section
19 321-484;



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- 1 (13) The department of human services on staff members of
2 the Hawaii youth correctional facility as provided by
3 section 352-5.5;
- 4 (14) The department of human services on employees,
5 prospective employees, and volunteers of contracted
6 providers and subcontractors in positions that place
7 them in close proximity to youth when providing
8 services on behalf of the office or the Hawaii youth
9 correctional facility as provided by section 352D-4.3;
- 10 (15) The judiciary on employees and applicants at detention
11 and shelter facilities as provided by section 571-34;
- 12 (16) The department of public safety on employees and
13 prospective employees who are directly involved with
14 the treatment and care of persons committed to a
15 correctional facility or who possess police powers
16 including the power of arrest as provided by section
17 353C-5;
- 18 (17) The board of private detectives and guards on
19 applicants for private detective or private guard
20 licensure as provided by section 463-9;



- 1 (18) Private schools and designated organizations on
2 employees and prospective employees who may be in
3 positions that necessitate close proximity to
4 children; provided that private schools and designated
5 organizations receive only indications of the states
6 from which the national criminal history record
7 information was provided pursuant to section 302C-1;
- 8 (19) The public library system on employees and prospective
9 employees whose positions place them in close
10 proximity to children as provided by section
11 302A-601.5;
- 12 (20) The State or any of its branches, political
13 subdivisions, or agencies on applicants and employees
14 holding a position that has the same type of contact
15 with children, vulnerable adults, or persons committed
16 to a correctional facility as other public employees
17 who hold positions that are authorized by law to
18 require criminal history record checks as a condition
19 of employment as provided by section 78-2.7;
- 20 (21) The department of health on licensed adult day care
21 center operators, employees, new employees,



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- 1 subcontracted service providers and their employees,
2 and adult volunteers as provided by section 321-496;
- 3 (22) The department of human services on purchase of
4 service contracted and subcontracted service providers
5 and their employees serving clients of the [adult
6 protective and community services branch], as provided
7 by section 346-97;
- 8 (23) The department of human services on foster grandparent
9 program, senior companion program, and respite
10 companion program participants as provided by section
11 346-97;
- 12 (24) The department of human services on contracted and
13 subcontracted service providers and their current and
14 prospective employees that provide home and community-
15 based services under section 1915(c) of the Social
16 Security Act, title 42 United States Code section
17 1396n(c), or under any other applicable section or
18 sections of the Social Security Act for the purposes
19 of providing home and community-based services, as
20 provided by section 346-97;



- 1 (25) The department of commerce and consumer affairs on
2 proposed directors and executive officers of a bank,
3 savings bank, savings and loan association, trust
4 company, and depository financial services loan
5 company as provided by section 412:3-201;
- 6 (26) The department of commerce and consumer affairs on
7 proposed directors and executive officers of a
8 nondepository financial services loan company as
9 provided by section 412:3-301;
- 10 (27) The department of commerce and consumer affairs on the
11 original chartering applicants and proposed executive
12 officers of a credit union as provided by section
13 412:10-103;
- 14 (28) The department of commerce and consumer affairs on:
15 (A) Each principal of every non-corporate applicant
16 for a money transmitter license; and
17 (B) The executive officers, key shareholders, and
18 managers in charge of a money transmitter's
19 activities of every corporate applicant for a
20 money transmitter license,
21 as provided by sections 489D-9 and 489D-15;



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- 1 (29) The department of commerce and consumer affairs on
2 applicants for licensure and persons licensed under
3 title 24;
- 4 ~~[(30) The Hawaii health systems corporation on:~~
- 5 ~~(A) Employees;~~
- 6 ~~(B) Applicants seeking employment;~~
- 7 ~~(C) Current or prospective members of the corporation~~
8 ~~board or regional system board; or~~
- 9 ~~(D) Current or prospective volunteers, providers, or~~
10 ~~contractors;~~
- 11 ~~in any of the corporation's health facilities as~~
12 ~~provided by section 323F-5.5;~~
- 13 ~~(31)]~~ (30) The department of commerce and consumer affairs
14 on:
- 15 (A) An applicant for a mortgage loan originator
16 license; and
- 17 (B) Each control person, executive officer, director,
18 general partner, and manager of an applicant for
19 a mortgage loan originator company license,
20 as provided by chapter 454F;



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- 1 [~~(32)~~] (31) The state public charter school commission or
2 public charter schools on employees, teacher trainees,
3 prospective employees, and prospective teacher
4 trainees in any public charter school for any position
5 that places them in close proximity to children, as
6 provided in section 302D-33;
- 7 [~~(33)~~] (32) The counties on prospective employees who work
8 with children, vulnerable adults, or senior citizens
9 in community-based programs;
- 10 [~~(34)~~] (33) The counties on prospective employees for fire
11 department positions which involve contact with
12 children or vulnerable adults;
- 13 [~~(35)~~] (34) The counties on prospective employees for
14 emergency medical services positions which involve
15 contact with children or vulnerable adults;
- 16 [~~(36)~~] (35) The counties on prospective employees for
17 emergency management positions and community
18 volunteers whose responsibilities involve planning and
19 executing homeland security measures including
20 viewing, handling, and engaging in law enforcement or



1 classified meetings and assisting vulnerable citizens
2 during emergencies or crises;

3 [~~37~~] (36) The State and counties on employees, prospective
4 employees, volunteers, and contractors whose position
5 responsibilities require unescorted access to secured
6 areas and equipment related to a traffic management
7 center;

8 [~~38~~] (37) The State and counties on employees and
9 prospective employees whose positions involve the
10 handling or use of firearms for other than law
11 enforcement purposes;

12 [~~39~~] (38) The State and counties on current and prospective
13 systems analysts and others involved in an agency's
14 information technology operation whose position
15 responsibilities provide them with access to
16 proprietary, confidential, or sensitive information;

17 [~~40~~] (39) The department of commerce and consumer affairs
18 on applicants for real estate appraiser licensure or
19 certification as provided by chapter 466K; and



1 ~~[-(41)]~~ (40) Any other organization, entity, or the State, its
2 branches, political subdivisions, or agencies as may
3 be authorized by state law."

4 SECTION 27. Section 89-8.5, Hawaii Revised Statutes, is
5 repealed.

6 ~~["[§89-8.5]—Negotiating authority, Hawaii health systems
7 corporation.—Notwithstanding any law to the contrary, including
8 section 89-6(d), the Hawaii health systems corporation or any of
9 the regional boards, as a sole employer negotiator, may
10 negotiate with the exclusive representative of any appropriate
11 bargaining unit and execute memorandums of understanding for
12 employees under its control to alter any existing or new
13 collective bargaining agreement on any item or items subject to
14 section 89-9."]~~

15 SECTION 28. Chapter 323F, Hawaii Revised Statutes, is
16 repealed.

17 SECTION 29. On July 1, 2015, the balances remaining in the
18 Hawaii health systems corporation special funds and the
19 subaccounts of its regional system boards shall be transferred
20 to the facility administration fund established under section
21 323-M(b), Hawaii Revised Statutes.



1 SECTION 30. All rights, powers, functions, and duties of
2 the Hawaii health systems corporation are transferred to the
3 department of health.

4 All employees who occupy civil service positions and whose
5 functions are transferred to the department of health by this
6 Act shall retain their civil service status, whether permanent
7 or temporary. Employees shall be transferred without loss of
8 salary, seniority (except as prescribed by applicable collective
9 bargaining agreements), retention points, prior service credit,
10 any vacation and sick leave credits previously earned, and other
11 rights, benefits, and privileges, in accordance with state
12 personnel laws and this Act; provided that the employees possess
13 the minimum qualifications and public employment requirements
14 for the class or position to which transferred or appointed, as
15 applicable; provided further that subsequent changes in status
16 may be made pursuant to applicable civil service and
17 compensation laws.

18 Any employee who, prior to this Act, is exempt from civil
19 service and is transferred as a consequence of this Act may
20 retain the employee's exempt status, but shall not be appointed
21 to a civil service position as a consequence of this Act. An



1 exempt employee who is transferred by this Act shall not suffer
2 any loss of prior service credit, vacation or sick leave credits
3 previously earned, or other employee benefits or privileges as a
4 consequence of this Act; provided that the employees possess
5 legal and public employment requirements for the position to
6 which transferred or appointed, as applicable; provided further
7 that subsequent changes in status may be made pursuant to
8 applicable employment and compensation laws. The director of
9 health may prescribe the duties and qualifications of these
10 employees and fix their salaries without regard to chapter 76,
11 Hawaii Revised Statutes.

12 SECTION 31. All appropriations, records, equipment,
13 machines, files, supplies, contracts, books, papers, documents,
14 maps, and other personal property heretofore made, used,
15 acquired, or held by the Hawaii health systems corporation
16 relating to the functions transferred to the department of
17 health shall be transferred with the functions to which they
18 relate.

19 SECTION 32. All rules, policies, procedures, guidelines,
20 and other material adopted or developed by the Hawaii health
21 systems corporation to implement provisions of the Hawaii



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1 Revised Statutes which are reenacted or made applicable to the
2 department of health by this Act, shall remain in full force and
3 effect until amended or repealed by the department of health
4 pursuant to chapter 91, Hawaii Revised Statutes. In the
5 interim, every reference to the Hawaii health systems
6 corporation or Hawaii health systems corporation board of
7 directors in those rules, policies, procedures, guidelines, and
8 other material is amended to refer to the department of health
9 or the director of health as appropriate.

10 SECTION 33. All deeds, leases, contracts, loans,
11 agreements, permits, or other documents executed or entered into
12 by or on behalf of the Hawaii health systems corporation
13 pursuant to the provisions of the Hawaii Revised Statutes, which
14 are reenacted or made applicable to the department of health by
15 this Act, shall remain in full force and effect. Upon the
16 effective date of this Act, every reference to the Hawaii health
17 systems corporation or the Hawaii health systems corporation
18 board of directors therein shall be construed as a reference to
19 the department of health as appropriate.

20 SECTION 34. In codifying the new sections added by section
21 1 of this Act, the revisor of statutes shall substitute



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1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 35. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 36. This Act shall take effect on June 30, 2015;
6 provided that:

7 (1) The amendments made to section 36-27, Hawaii Revised
8 statutes, in section 6 of this Act shall not be
9 repealed when section 36-27, Hawaii Revised Statutes
10 is repealed and reenacted on:

11 (A) June 30, 2015, pursuant to section 34(3), Act 79,
12 Session Laws of Hawaii 2009;

13 (B) December 31, 2015, pursuant to section 7(3), Act
14 124, Session Laws of Hawaii 2014; and

15 (C) July 1, 2023, pursuant to section 9(1), Act 157,
16 Session Laws of Hawaii 2013;

17 (2) The amendments made to section 36-30, Hawaii Revised
18 statutes, in section 7 of this Act shall not be
19 repealed when section 36-30, Hawaii Revised Statutes
20 is repealed and reenacted on:



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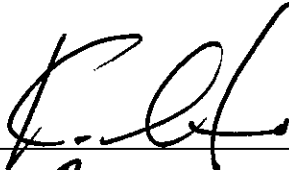
1 (A) June 30, 2015, pursuant to section 34(3), Act 79,
 2 Session Laws of Hawaii 2009; section 2, Act 123,
 3 Session Laws of Hawaii 2014; and section 2, Act
 4 124, Session Laws of Hawaii 2014;

5 (B) December 31, 2015, pursuant to section 7(3), Act
 6 124, Session Laws of Hawaii 2014; and

7 (C) July 1, 2023, pursuant to section 9(1), Act 157,
 8 Session Laws of Hawaii 2013;

9 (3) The amendments made to section 102-2, Hawaii Revised
 10 Statutes, in section 20 of this Act shall not be
 11 repealed when section 102-2, Hawaii Revised Statutes
 12 is repealed and reenacted on June 30, 2021, pursuant
 13 to section 4, Act 141, Session Laws of Hawaii 2014.
 14

INTRODUCED BY:



 Calvin K. Aoy

 JAN 28 2015



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Report Title:

HHSC; DOH

Description:

Repeals HHSC. Reestablishes the division of community hospitals under DOH.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

