
A BILL FOR AN ACT

MAKING APPROPRIATIONS TO REPAY GENERAL FUND CASH ADVANCES.

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

1 SECTION 1. For many years, the general fund financial plan
2 has reflected repayments for an \$89,900,000 cash advance to
3 purchase the former Kapalama military reservation and a
4 \$13,300,000 cash advance for the Hawaii health systems
5 corporation.

6 Act 73, Session Laws of Hawaii 1989, authorized \$90,000,000
7 in general obligation bond funds to purchase approximately
8 sixty-seven acres of the former Kapalama military reservation.
9 Due to private activity restrictions on the use of tax-exempt
10 general obligation bond funds, general fund cash advances of
11 \$57,000,000 and \$33,000,000 totaling \$90,000,000 were made to
12 the capital projects fund in order to finance the land purchase.
13 As of June 30, 2015, the amount owed to the general fund is
14 \$89,900,000.

15 In fiscal year 2002-2003, general fund cash advances
16 totaling \$13,300,000 were made to the Hawaii health systems
17 corporation in order for the corporation to fund its employer
18 contributions to the employees' retirement system and the



1 employer-union health benefits trust fund. During the regular
2 session of 2003, an emergency appropriation was sought to repay
3 the general fund cash advances. However, the measure did not
4 advance from conference committee. As of June 30, 2015, the
5 amount owed to the general fund is \$13,300,000.

6 The State recognizes that these amounts owed, totaling
7 \$103,200,000, will not be repaid to the general fund.
8 Consequently, the assets and liabilities of the general fund are
9 overstated by \$103,200,000 each. Accordingly, the purpose of
10 this Act is to appropriate general funds to formally write off
11 the general fund cash advances for the purchase of the Kapalama
12 military reservation and for the Hawaii health systems
13 corporation. The effect of this Act will be that general fund
14 balances will be more accurately reflected in the future and
15 better represent actual resources available to finance state
16 programs. In addition, this Act will reduce the liabilities of
17 the capital projects fund to more accurately reflect the State's
18 outstanding debt.

19 SECTION 2. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$89,900,000 or so
21 much thereof as may be necessary for fiscal year 2016-2017 for



1 the purpose of repaying general fund cash advances to the
2 capital projects fund for the purchase of lands of the former
3 Kapalama military reservation.

4 The sum appropriated shall be expended by the department of
5 budget and finance for the purposes of this Act.

6 SECTION 3. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$13,300,000 or so
8 much thereof as may be necessary for fiscal year 2016-2017 for
9 the purpose of repaying general fund cash advances to the Hawaii
10 health systems corporation for its employer contributions to the
11 employees' retirement system and the employer-union health
12 benefits trust fund.

13 The sum appropriated shall be expended by the department of
14 budget and finance for the purposes of this Act.

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



Report Title:

Appropriations; Kapalama Military Reservation; Hawaii Health Systems Corporation

Description:

Appropriates funds for fiscal year 2016-2017 to repay prior general fund cash advances for the purchase of lands of the former Kapalama Military Reservation and for the Hawaii Health Systems Corporation. (CD1)

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