

# SB2357

Measure Title: RELATING TO STATE FUNDS.

Report Title: Emergency and Budget Reserve Fund; Accrued Pension Liability; Other Post-Employment Benefits Liability; Appropriation (\$)

Description: Makes appropriations for the pre-payment of the accrued pension liability and other post-employment benefits liability of the State. Makes an appropriation to the emergency and budget reserve fund. States the intent that this Act is intended to comply with the mandate of Article VII, Section 6, of the Hawaii constitution regarding the disposition of excess general fund revenues.

Companion:

Package: None

Current Referral: LBR, WAM

Introducer(s): TOKUDA, ENGLISH, KEITH-AGARAN, K. RHOADS, S. Chang

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<u>Sort by</u> <u>Date</u>	<b>Status Text</b>
1/19/2018	S Introduced.
1/22/2018	S Passed First Reading.
1/22/2018	S Referred to LBR, WAM.
2/9/2018	S The committee(s) on LBR has scheduled a public hearing on 02-13-18 3:00PM in conference room 229.

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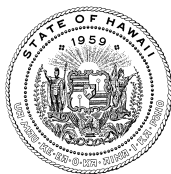
**S** = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

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DAVID Y. IGE  
GOVERNOR



LAUREL A. JOHNSTON  
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HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
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**WRITTEN ONLY**

**TESTIMONY BY LAUREL A. JOHNSTON  
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON LABOR  
ON  
SENATE BILL NO. 2357**

**February 13, 2018  
3:00 p.m.  
Room 229**

**RELATING TO STATE FUNDS**

Senate Bill No. 2357 makes undetermined general fund appropriations to be deposited into the Emergency and Budget Reserve Fund (EBRF); pre-pay the State's unfunded accrued pension liability for State employees; and pre-pay the State's annual required contribution for Other Post-Employment Benefit (OPEB) liability under the Hawaii Employer-Union Health Benefits Trust Fund. The intent of this measure is to comply with Article VII, Section 6, of the Hawaii Constitution regarding the disposition of excess general fund revenues.

The Department of Budget and Finance supports the general fund appropriation to be deposited to the EBRF and we support the intent to pre-pay unfunded accrued pension and OPEB liabilities. However, it is noted that the U.S. Department of Health and Human Services is seeking to limit the amounts states can recoup for pension and OPEB liabilities for federal-funded positions. Accordingly, it is likely that the State would not be reimbursed for advance pension and OPEB pre-payments from the federal government.

Thank you for your consideration of our comments.