

Honolulu, Hawaii

MAR 13, 2020

RE: S.B. No. 2576  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2576, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO REIMBURSEMENTS FOR STATE CONTRIBUTIONS,"

begs leave to report as follows:

The purpose of this measure is to exempt the University of Hawaii from reimbursing the State for contributions made by the State to the Hawaii Employer-Union Health Benefits Trust Fund and the Employees' Retirement System for university employees whose salary costs are paid by the University of Hawaii Tuition and Fees Special Fund.

Your Committee received comments on this measure from the Department of Budget and Finance and University of Hawaii System.

Your Committee finds that this measure codifies an existing cost-sharing practice that the Department of Budget and Finance, Department of Accounting and General Services, and University of Hawaii have utilized for the last fifteen years as a cost-sharing agreement that benefits the University of Hawaii and state government.



Your Committee has amended this measure by:

- (1) Providing that legislatively authorized positions of the University of Hawaii that have salary costs paid by the University of Hawaii Tuition and Fees Special Fund may be exempted from reimbursement to the State pursuant to an executive order;
- (2) Specifying that the University of Hawaii annual report submitted to the Legislature shall be in conformance with the reporting requirements of the executive order;
- (3) Removing the provision that establishes a cap on the salary costs exempted from reimbursement to the State;
- (4) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2576, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2576, S.D. 2, H.D. 1, and be referred to your Committee on Lower & Higher Education.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,

  
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AARON LING JOHANSON, Chair



