

Honolulu, Hawaii

APR 28 2017

RE: S.B. No. 207
S.D. 2
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 207, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYEES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Appropriate funds to the Department of Budget and Finance (Department) for collective bargaining cost items related to the transition of affected Maui region hospital employees to employment with Maui Health System, a Kaiser Foundation Hospitals LLC.;
- (2) Authorize the affected employees to purchase credited service to qualify for, or increase the percentage of, the base monthly contributions that the State pays to the Hawaii Employer-Union Health Benefits Trust Fund; and



- (3) Repeal Act 1, Second Special Session, Session Laws of Hawaii 2016 (Act 1), and the chapter it established, chapter 89E, Hawaii Revised Statutes.

Your Committee on Conference finds that Act 103, Session Laws of Hawaii 2015, authorized the Hawaii Health Systems Corporation's Maui regional system to transfer the right and responsibility to manage, operate, and provide health care services in those facilities to a private entity or a nonprofit management entity wholly owned by the private entity. As a result of this enabling legislation, the Maui regional system facilities will be transitioned to management by a Kaiser-Permanente affiliate, and current employees of the system may be displaced as part of the transition.

Your Committee on Conference further finds that the Legislature enacted Act 1, Second Special Session, Session Laws of Hawaii 2016, to authorize the Hawaii Health Systems Corporation to offer a voluntary severance benefit or special retirement benefit to an employee who elects to separate from service when the employee's position is identified for abolishment or when the employee is directly affected by a reduction-in-force or workforce restructuring plan, including privatization; however, the provisions of Act 1 jeopardize the status of the Employees' Retirement System as a tax-qualified plan under the Internal Revenue Code.

Your Committee on Conference has amended this measure by:

- (1) Replacing the language in Part I, which appropriated funds to the Department for collective bargaining cost items related to the transition of affected Maui region hospital employees, with language that authorizes the expenditure of general funds by the Department for a one-time lump sum cash bonus severance benefit to the affected employees;
- (2) Deleting Part II, which authorized the affected employees to purchase credited service to qualify for, or increase the percentage of, the base monthly contributions that the State pays to the Hawaii Employer-Union Health Benefits Trust Fund;
- (3) Deleting the severability clause;
- (4) Inserting an effective date of July 1, 2017; and



- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 207, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 207, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf of the managers:

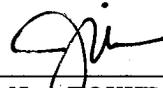
ON THE PART OF THE HOUSE

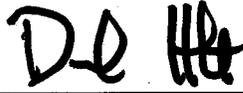
ON THE PART OF THE SENATE


 AARON LING JOHANSON
 Co-Chair


 GILBERT S.C. KEITH-AGARAN
 Chair


 SCOTT Y. NISHIMOTO
 Co-Chair


 JILL N. TOKUDA
 Co-Chair


 DANIEL HOLT
 Co-Chair



Hawaii State Legislature

CR 110

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 207, SD 2, HD 2					Date/Time: 4/27/17 3:15 PM				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KEITH-AGARAN, Gilbert S.C., Chr.	✓				JOHANSON, Aaron Ling, Co-Chr.	✓			
TOKUDA, Jill N., Co-Chr.	✓				NISHIMOTO, Scott Y., Co-Chr.	✓			
GABBARD, Mike				✓	HOLT, Daniel, Co-Chr.				✓
					MATSUMOTO, Lauren Kealohilani	✓			
TOTAL	2	0	0	1	TOTAL	3	0	0	1
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Conference Committee Report House Clerk's Office Senate Clerk's Office Drafting Agency									