

JAN 19 2018

A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

1 SECTION 1. The purpose of this Act is to meet the mandate
2 of article VII, section 6, of the Hawaii constitution, regarding
3 the disposition of excess general fund revenues. Whenever the
4 state general fund balance at the close of each of two
5 successive fiscal years exceeds five per cent of the general
6 fund revenues for each of the two fiscal years, article VII,
7 section 6, of the Hawaii constitution mandates the legislature
8 to take certain action regarding the use of the excess general
9 fund revenues. Under the constitutional amendment of Senate
10 Bill No. 2554 passed during the 2016 regular session and
11 approved by the voters on November 8, 2016, the legislature may,
12 among other options, appropriate excess general fund revenues
13 for the pre-payment of the State's pension or other post-
14 employment benefit liability. Senate Bill No. 2554 also retains
15 the option to deposit excess general fund revenues into a fund
16 that serves as a temporary supplemental source of funding for
17 the State in times of an emergency, economic downturn, or



1 unforeseen reduction in revenue. The legislature finds that
2 this Act utilizes those options to comply with article VII,
3 section 6, of the Hawaii constitution.

4 SECTION 2. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2018-2019 for
7 deposit into the emergency and budget reserve fund.

8 The sum appropriated shall be deposited by the department
9 of budget and finance into the emergency and budget reserve fund
10 established by section 328L-3, Hawaii Revised Statutes.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2018-2019 for the
14 pre-payment of the State's unfunded accrued pension liability
15 for state employees.

16 The sum appropriated shall be transmitted by the department
17 of budget and finance to the employees' retirement system for:

- 18 (1) Deposit into the pension accumulation fund established
19 by section 88-114, Hawaii Revised Statutes; and
20 (2) Credit against the unfunded accrued pension liability
21 of state employees.



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2018-2019 for
4 the pre-payment of the State's annual required contribution to
5 cover its other post-employment benefit liability under the
6 Hawaii employer-union health benefits trust fund.

7 The sum appropriated shall be transmitted by the department
8 of budget and finance to the Hawaii employer-union health
9 benefits trust fund for:

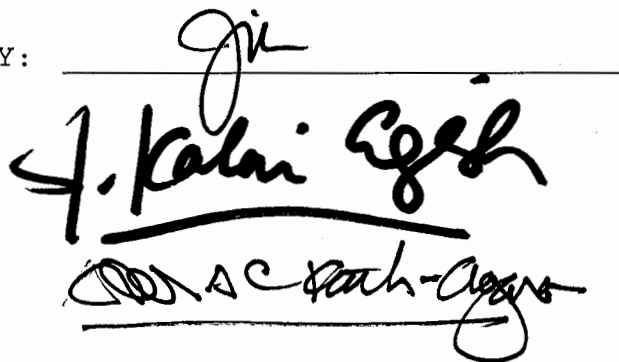
10 (1) Deposit into the trust fund for other post-employment
11 benefits established by section 87A-42, Hawaii Revised
12 Statutes; and

13 (2) Credit against the unfunded accrued liability for the
14 other post-employment benefits of state retirees.

15 SECTION 5. This Act shall take effect on July 1, 2018.

16
INTRODUCED BY:


Karl Rhoads


J. Kalani Aguiar
AC Sach-Aguiar



S.B. NO. 2357

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.

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

