

ACT 326

H.B. NO. 3150

A Bill for an Act Relating to County/State Hospitals.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 27, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

**“§27- County/state hospitals; personnel recruitment and retention; powers of director.** The director of health shall have the following powers relating to personnel recruitment and retention for the county/state hospitals:

- (1) To provide perquisites for shortage categories. Perquisites may include but shall not be limited to quarters and utilities;
  - (2) To provide monetary incentives; provided:
    - (A) The monetary incentive shall be in an amount not to exceed one month's salary computed at the first step of the appropriate salary range, and the incentive may be paid in monthly installments over an agreed period of time;
    - (B) In the event the employment is terminated prior to an agreed upon period, the unpaid balance of the amount in subparagraph (A) shall be forfeited; and
    - (C) The monetary incentive shall not be used in the computation of cash payments for overtime work; and
  - (3) To pay one-way travel and moving expenses to fill shortage categories.
- The powers granted under this section may be used to fill existing vacancies and retain existing incumbent personnel in the county/state hospitals.”

SECTION 2. Section 27-23, Hawaii Revised Statutes, is amended to read as follows:

**“§27-23 Establishment of special [fund.] funds.** (a) Any other law to the contrary notwithstanding, each public hospital and related public health and medical facility transferred to the State pursuant to this chapter shall place its revenues and all other moneys collected or acquired or made available for the use of [said] that

hospital into a special fund to be used for the payment of its lawful operating expenditures. At the beginning of each quarterly allotment period, the director of health shall assess from each hospital special fund an amount equal to two per cent of the moneys in the hospital special fund and shall deposit such amounts into the hospital administration fund established in subsection (b). At the end of each quarterly allotment period, the director of health shall transfer all moneys remaining in a hospital special fund not required for lawful operating expenditures of the hospital for that quarterly allotment period into the hospital administration fund established in subsection (b). The amounts the director of health is authorized to transfer shall include all unrequired special fund balances from prior years.

(b) There is established within the department of health a special fund to be known as the hospital administration fund which shall be used to defray the general administrative costs of the county/state hospitals division and to provide supplemental funds to those county/state hospitals that do not have sufficient moneys in their special funds to cover their required lawful operating expenditures, including contingencies for correcting hospital deficiencies cited by agencies which monitor and evaluate county/state hospitals. In the event the balance in the fund at the end of any fiscal year exceeds ten per cent of the expenditures of all the public hospitals for that fiscal year, the funds in excess of ten per cent of the expenditures shall be transferred by the director to the general fund. The director may also transfer funds from this fund to the general fund at any time pursuant to section 37-53.

(c) The director shall submit an annual report to the legislature, twenty days prior to the convening of each regular session, which identifies all fund balances and ceiling increases in the various hospital funds, the transfers and expenditures made from the funds, and the purposes of the expenditures."

SECTION 3. Section 37-34, Hawaii Revised Statutes, is amended to read as follows:

**"§37-34 Appropriations available for allotment; estimate of expenses.**

(a) No appropriation to which the allotment system is applicable shall become available to any department or establishment for expenditure during any allotment period until the department or establishment submits an estimate to the director of finance, at [such] whatever time prior to the beginning of the allotment period and in [such] whatever form as the director may prescribe [an estimate], of the amount required to carry on the work of the department or establishment during that period[,] and until the estimate is approved, increased, or decreased by the director and funds are allotted pursuant to section 37-35.

(b) Before appropriations for the University of Hawaii or the department of education become available to the university or the department of education, the governor, with the assistance of the director of finance, as may be necessary, shall establish allotment ceilings for each source of funding of all of the appropriations of the University of Hawaii and the department of education for each allotment period[;] and shall advise the university and the department of education of these determinations.

(c) No general fund appropriation for the operating expenses of county/state hospitals shall be made available to the county/state hospitals for expenditure during any allotment period unless the director of finance finds that the moneys in the special funds established under section 27-23 are insufficient to meet the required lawful operating expenditures of the county/state hospitals. The finding and decision of the director of finance on the sufficiency of special funds shall be communicated to the president of the senate and the speaker of the house of representatives at the end of each allotment period."

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on July 1, 1988.

(Approved June 13, 1988.)

**Note**

1. Edited pursuant to HRS §23G-16.5.