Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on May 18, 2017, the following bill was signed into law:

SB207 SD2 HD2 CD1 RELATING TO EMPLOYEES

ACT 018 (17)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i
A BILL FOR AN ACT

RELATING TO EMPLOYEES.

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

1

PART I

SECTION 1. The purpose of this part is to authorize the
expenditure of general funds to minimize the impact of the
transfer of affected Maui region hospital employees of the
Hawaii health systems corporation entitled to reduction-in-force
rights under chapter 89, Hawaii Revised Statutes, resulting from
the transfer of the Hawaii health systems corporation's Maui
memorial medical center, Kula hospital, and Lanai community
hospital to Maui Health System, a Kaiser Foundation Hospitals
LLC. The transition of the operations of the Maui region
hospitals was approved by the legislature pursuant to Act 103,
Session Laws of Hawaii 2015.

SECTION 2. Each affected Maui region hospital employee of
the Hawaii health systems corporation who is entitled to
reduction-in-force rights under chapter 89, Hawaii Revised
Statutes, resulting from the transfer of the Hawaii health
systems corporation's Maui memorial medical center, Kula
hospital, and Lanai community hospital to Maui Health System, a
Kaiser Foundation Hospitals LLC, shall receive a one-time lump sum cash bonus severance benefit, to be calculated at the rate of five per cent of the individual employee's annual base salary for each year of service worked up to and including July 20, 2016, not to exceed ten years, and shall not exceed fifty per cent of the employee's annual base salary.

The severance benefit shall be in addition to any payment owed to the employee upon separation from service, including accumulated unused vacation allowances and compensatory time credits. The severance benefit provided under this section shall not be considered part of a transferred employee's salary, service credit, or cost item as defined in section 89-2, Hawaii Revised Statutes, when calculating retirement benefits or sick and vacation leave.

Severance benefits shall be expended by the department of budget and finance from funds appropriated pursuant to the General Appropriations Act of 2017 for the purposes of this part.

PART II

SECTION 3. Chapter 89E, Hawaii Revised Statutes, is repealed.
SECTION 4. Act 1, Second Special Session, Session Laws of Hawaii 2016, is repealed.

PART III

SECTION 5. This Act shall take effect on July 1, 2017; provided that sections 3 and 4 shall take effect retroactively to July 20, 2016.

APPROVED this day of MAY, 2017

GOVERNOR OF THE STATE OF HAWAII