



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

May 18, 2017

GOV. MSG. NO. 1118

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

2

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

13

SECTION 2. Each affected Maui region hospital employee of
14 the Hawaii health systems corporation who is entitled to
15 reduction-in-force rights under chapter 89, Hawaii Revised
16 Statutes, resulting from the transfer of the Hawaii health
17 systems corporation's Maui memorial medical center, Kula
18 hospital, and Lanai community hospital to Maui Health System, a



1 Kaiser Foundation Hospitals LLC, shall receive a one-time lump
2 sum cash bonus severance benefit, to be calculated at the rate
3 of five per cent of the individual employee's annual base salary
4 for each year of service worked up to and including July 20,
5 2016, not to exceed ten years, and shall not exceed fifty per
6 cent of the employee's annual base salary.

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

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

19 **PART II**

20 **SECTION 3.** Chapter 89E, Hawaii Revised Statutes, is
21 repealed.



1 SECTION 4. Act 1, Second Special Session, Session Laws of
2 Hawaii 2016, is repealed.

3 PART III

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

APPROVED this 18 day of MAY, 2017



GOVERNOR OF THE STATE OF HAWAII