

STAND. COM. REP. NO.

1095

Honolulu, Hawaii

MAR 24 2017

RE: H.B. No. 233
H.D. 1
S.D. 1

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

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 233, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SEPARATION BENEFITS,"

begs leave to report as follows:

The purpose and intent of this measure is to offer an employee of the Hawaii Health Systems Corporation whose position will be abolished or directly affected by a reduction-in-force, workforce restructuring plan, or privatization the choice of receiving both special retirement benefits and voluntary severance benefits or exercising a reduction-in-force right.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and thirty-six individuals. Your Committee received testimony in opposition to this measure from the Employees' Retirement System. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Human Resources Development, and Hawaii Health Systems Corporation.

Your Committee finds that Act 1, Special Session Laws of Hawaii 2016, provided options to assist public employees who may be displaced through the privatization or closure of a Hawaii Health Systems Corporation facility and reduce the need for



layoffs. Specifically, Act 1 authorized the Hawaii Health Systems Corporation to offer a severance or a 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. This measure removes that option and requires that voluntary severance and special retirement benefits both be available in lieu of exercising reduction-in-force rights.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 233, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 233, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,


GILBERT S.C. KEITH-AGARAN, Chair



