ACT 100

S.B. NO. 1518


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

PART I

SECTION 1. Section 88-107, Hawaii Revised Statutes, is amended to read as follows:

"§88-107 Interest. (a) The board of trustees shall annually allocate the interest and other earnings of the system to the funds of the system, as follows:

(1) The annuity savings fund shall be credited with the amount of regular interest credited to members' accounts;

(2) The expense fund shall be credited with such sums as provided in section 88-116; and

(3) The remaining investment earnings, if any, shall be credited to the pension accumulation fund.

(b) Beginning with actual investment earnings in fiscal year 1995 in excess of the investment yield rate, to address outstanding unfunded pension obligations, ten per cent of such excess earnings shall be deposited in the pension accumulation fund; remaining excess earnings shall be applied to the amounts to be contributed under section 88-123. In fiscal year 1996, twenty per cent of the actual investment earnings in excess of the investment yield rate shall be deposited in the pension accumulation fund; remaining excess earnings shall be applied to the amount contributed under section 88-123. In fiscal years 1997 and 1998, actuarial investment earnings in excess of a ten per cent actuarial investment yield rate shall be applied to the amount contributed under section 88-123. Beginning in fiscal year [1997.] 1999, one hundred per cent of the investment earnings shall be deposited in the pension accumulation fund.

(c) The application of actuarial investment earnings to the amount contributed under section 88-123 for fiscal years 1997 and 1998 as provided in subsection (b) is a one-time only provision and no law shall be enacted to again require the employees' retirement system to apply actuarial investment earnings to offset the amount contributed under section 88-123."

SECTION 2. Section 89-9, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The employer and the exclusive representative shall meet at reasonable times, including meetings in advance of the employer's budget-making process, and shall negotiate in good faith with respect to wages, hours, the number of incremental and longevity steps and movement between steps within the salary range, the amounts of contributions by the State and respective counties to the Hawaii public employees health fund to the extent allowed in subsection (e), and other terms and
conditions of employment which are subject to negotiations under this chapter and which are to be embodied in a written agreement, or any question arising thereunder, but such obligation does not compel either party to agree to a proposal or make a concession[,] provided that the parties may not negotiate with respect to cost items as defined by section 89-2 for the biennium 1999 to 2001, and the cost items of employees in bargaining units under section 89-6 in effect on June 30, 1999, shall remain in effect until July 1, 2001.

SECTION 3. The savings realized by the State and the counties under this Part shall be utilized for the purpose of funding retroactive cost items for HGEA and UPW contracts expiring on or before June 30, 1999, and which have been approved under section 89-10(b), Hawaii Revised Statutes, and other necessary items.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sums of:

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<tbody>
<tr>
<td>City &amp; County of Honolulu</td>
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<td>11,059,400</td>
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<tr>
<td>Hawaii County</td>
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<td>Maui County</td>
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<tr>
<td>Kauai County</td>
<td>154,500</td>
<td>858,900</td>
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SECTION 5. The sums appropriated shall be expended by the respective counties for the purposes of this Act.

PART II

SECTION 6. The legislature finds that our state departments and agencies should constantly be working towards improving the effectiveness and efficiency of our government. Improving government operations through strategic planning can result in increased and more effective government programs and improved coordination among different agencies and levels of government, and optimal use of state funds and personnel.

The legislature believes that the development of goals and objectives is essential for state departments and agencies to determine priorities, guide their decisions, and measure the effectiveness of their programs and services. Moreover, goals and objectives would assist the legislature in evaluating the budgetary needs of departments and agencies.

The legislature further finds that many of our State’s departments and agencies have not formally established goals and objectives. Accordingly, the purpose of this Act is to require all departments and agencies to identify their goals, objectives, and policies, to provide a basis for determining priorities and allocating limited public funds and human resources.

SECTION 7. Every department and agency of the State shall develop and submit to the legislature twenty days prior to the start of the regular session of 2000 and each regular session thereafter, an annual report addressing the following:

1. A statement of goals, including what the department or agency hopes to accomplish both short and long term;
2. Objectives and policies, specifically setting forth how each goal can and will be accomplished;
3. An action plan with a timetable indicating how the established objectives and policies will be implemented in one, two, and five years; and
(4) The process that the department or agency will use to measure the performance of its programs and services in meeting the stated goals, objectives, and policies.

PART III

SECTION 8. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 9. This Act shall take effect on June 30, 1999; provided that sections 4 and 5 shall take effect on July 1, 1999; and provided further that upon approval of this Act, section 1 shall take effect retroactive to July 1, 1996.

(Approved June 24, 1999.)

Note

1. Item vetoed and initialed “BJC”.