STAND. COM. REP. NO. 358

Honolulu, Hawaii

Feb18, 2009

RE: H.B. No. 1125 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1125 entitled:

"A BILL FOR AN ACT RELATING TO CERTAIN FUNDS UNDER THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS,"

begs leave to report as follows:

The purpose of this bill is to implement the Legislative Auditor's (Auditor) recommendations regarding certain special funds under the jurisdiction of the Department of Labor and Industrial Relations (DLIR) and to improve the efficiency of the Disability Compensation Division (DCD) of DLIR by:

- (1) Reclassifying various funds under the jurisdiction of DLIR from special funds to trust funds; and
- (2) Allowing the use of \$5 million from the Temporary Disability Insurance Special Fund for the automation of the Workers' Compensation, Prepaid Health, and Temporary Disability Insurance programs of DCD.

DLIR testified in support of this bill.

Currently, DLIR has jurisdiction over various special funds including the Unemployment Compensation Fund, the Special Compensation Fund, Temporary Disability Insurance Special Fund, and the Premium Supplementation Special Fund. The Auditor reported and recommended that these special funds be reclassified

HB1125 HD1 HSCR LAB HMS 2009-1882



as trust funds based upon certain criteria. This measure implements these recommendations.

In addition, the efficiency of the operations of DCD is hindered because the division is facing storage problems and is equipped with antiquated equipment, including outdated computer programs. By using moneys from the Temporary Disability Insurance Special Fund for the automation of DCD's Workers' Compensation, Prepaid Health, and Temporary Disability Insurance programs for automation purposes, the long term administrative costs of DLIR can be lessened while the efficiency of DCD will be greatly improved.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1125, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

KARL RHOADS, Chair



State of Hawaii House of Representatives The Twenty-fifth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 1125	Committee Referral:	Date	2-6-0	q
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)			7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00 - 7.00	
2. YAMASHITA, Kyle T. (VC)			A CANADA SA	A STATE OF THE STA
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani				
5. HANOHANO, Faye P.				
				10 TO
6. KEITH-AGARAN, Gilbert S.C.				
7. LEE, Marilyn B.				
8. NAKASHIMA, Mark M.				
				274
9. SAIKI, Scott K.				
10. SOUKI, Joseph M.		See a se		
11. TAKUMI, Roy M.				
THE THICK AND THE				- 10 m
12. PINE, Kymberly Marcos				
TOTAL (12)	18	~	_	2
The recommendation is: Adopted If joint referral, did not support recommendation. Committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				