

STATE OF HAWAI'I HAWAI'I STATE PUBLIC LIBRARY SYSTEM 'OIHANA HALE WAIHONA PUKE AUPUNI O KA MOKU'ĀINA O HAWAI'I OFFICE OF THE STATE LIBRARIAN 44 MERCHANT STREET HONOLULU, HAWAII 96813

# HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS and HOUSE COMMITTEE ON EDUCATION Thursday, March 23, 2023 11:00 AM Conference Room 309

By Stacey A. Aldrich State Librarian

## S.B. 1141 S.D.2 RELATING TO WORKERS' COMPENSATION

To: Rep. Scot Z. Matayoshi, Chair Rep. Andrew Takuya Garrett, Vice Chair Members of the House Committee on Labor and Government Operations

Rep. Justin H. Woodson, Chair Rep. Lisa Marten, Vice Chair Members of the House Committee on Education

The Hawaii State Public Library System (HSPLS) **supports** S.B.1141 S.D.2, relating to workers' compensation, clarifying that the rights, powers, functions, duties, and resources relating to workers' compensation matters for the Hawaii State Public Library System and its employees are transferred to the Department of Human Resources Development (DHRD). This measure also establishes one full-time equivalent (1.0 FTE) position within DHRD for the management and administration of workers' compensation for the HSPLS and its employees, and funds for workers' compensation costs for HSPLS and its employees.

Act 51, Session Laws of Hawaii 2004, and Act 61, Session Laws of Hawaii 2012 (Act 61), attempted to clarify that the rights, powers, functions, duties and resources relating to all HSPLS personnel matters was transferred to the Department of Human Resources Development (DHRD). Specific to workers' compensation matters, there continues to be

ambiguity regarding whether DHRD is responsible for workers' compensation matters for HSPLS employees.

Since 2012, HSPLS has annually contracted with DHRD via Memorandum of Agreement for workers' compensation-related support for the HSPLS and its employees. As an unbudgeted item, HSPLS pays DHRD for administrative support through the use of its vacancy savings; workers' compensation claims and payments are paid out of the HSPLS budget.

Adoption of S.B. 1141 S.D.2 would ensure that DHRD has a permanent staff position and sufficient funding to assist with HSPLS workers' compensation matters. We respectfully ask that at least \$50,000 remain in HSPLS' budget to ensure that HSPLS can continue to process workers' compensation claims for current employees through the State payroll system.

Thank you for the opportunity to provide testimony on S.B. 1141 S.D.2.

JOSH GREEN, M. D. GOVERNOR KE KIA'ĀINA

SYLVIA LUKE LT. GOVERNOR KA HOPE KIA'ĀINA



BRENNA H. HASHIMOTO DIRECTOR KA LUNA HO'OKELE

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#### STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT KA 'OIHANA HO'OMÕHALA LIMAHANA 235 S. BERETANIA STREET HONOLULU, HAWAI'I 96813-2437

Statement of BRENNA H. HASHIMOTO

Director, Department of Human Resources Development

### Before the HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS AND THE HOUSE COMMITTEE ON EDUCATION Thursday, March 23, 2023 11:00AM

11:00AM State Capitol, Conference Room 309

## In consideration of Senate Bill 1141, SD2 RELATING TO WORKERS' COMPENSATION

Chair Matayoshi, Chair Woodson, Vice Chair Garrett, and Vice Chair Marten, and the members of the committees.

The Department of Human Resources Development (DHRD) is in **support** of SB1141, SD2.

The purpose of SB1141 is to transfer to DHRD the rights, powers, functions, duties and resources of the Department of Education (DOE) relating to workers' compensation for the Hawaii State Public Library System (HSPLS) and its employees, to establish a full-time position within DHRD to manage and administer HSPLS workers' compensation claims and to appropriate moneys to DHRD for the administration and costs of workers' compensation for HSPLS.

Pursuant to Hawaii Revised Statutes (HRS), §26-5, DHRD is responsible for the administration of the State of Hawaii's self-insured and centralized workers' compensation program for all employees of the Executive branch and agencies, the public charter schools, the Hawaii Public Housing Authority, and the Legislature.

The passing of SB1141 would clarify Act 61, SLH 2012 and define DHRD as the administrators of workers' compensation claims for HSPLS while providing appropriate resources to execute these responsibilities. It will allow continuity of services for civil service employees inclusive of those employed with HSPLS and will streamline services between DHRD and HSPLS which will allow for better management of processes and time.

DHRD has been managing HSPLS's workers' compensation claims since 2012 through a memorandum of agreement (MOA) and the use of a loaned position. As long as DHRD is provided a position count and funding and appropriate moneys to cover costs for medical, administrative, vocational, and permanent disability payments, DHRD will be able to absorb the continued responsibility for managing HSPLS workers' compensation claims with no disruption.

Thank you for the opportunity to provide testimony on this measure.