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STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
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Statement of
BRENN A H. HASHIMOTO
Director, Department of Human Resources Development

Before the
SENATE COMMITTEE ON LABOR AND TECHNOLOGY
Wednesday, February 8, 2023
3:00PM
State Capitol, Conference Room 224

In consideration of
Senate Bill No. 1141
RELATING TO WORKERS' COMPENSATION

Chair Moriwaki, Vice Chair Lee, and the members of the committee.

The Department of Human Resources Development (DHRD) offers the following **comments** for SB 1141.

The purpose of SB 1141 is to transfer the rights, powers, functions, duties, and resources of the Department of Education relating to workers' compensation for the Hawaii State Public Library System (HSPLS) and its employees to the Department of Human Resources Development.

Pursuant to HRS, §26-5, the Department of Human Resources Development (DHRD) is responsible for the planning and administration of the State'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.

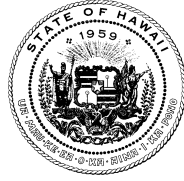
While we recognize and acknowledge the bill's intent is to clarify that the HSPLS workers' compensation process is to be transferred to DHRD effective July 1, 2024, DHRD believes the proposed legislation is unnecessary because through Memorandums of Agreement (MOA), DHRD has been managing and administering HSPLS's workers' compensation claims since 2012.

MOAs were developed to address the management of HSPLS's claims because funding to pay for claim services comes from an education fund that only the State Librarian and her staff have oversight and can manage. If SB 1411 is passed, based

on HRS, §26-5, DHRD will become responsible for these payments as required by chapter 386, but with no additional resources. The inclusion of HSPLS will lead to DHRD needing more general funds to cover HSPLS workers' compensation costs. The passage of this measure will also relieve HSPLS from specific accounting functions which DHRD is not staffed to perform.

DHRD believes clarification provided by Act 61 regarding the rights, powers, functions, duties, and resources relating to the DHRD are accurate and specific references to workers' compensation are unnecessary. If members of the committee plan to proceed with this bill however, it is asked that you consider creating provisions similar to §302A- which confirms DHRD is responsible for administering workers' compensation claims for charter schools and providing the same coverage offered to other public employees and administrative state units, including the processing, investigation, and payment of claims provided that DHRD receives a per cent of the EDN appropriation.

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



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

SENATE COMMITTEE ON LABOR AND TECHNOLOGY
Wednesday, February 8, 2023
3:00 pm

By Stacey A. Aldrich
State Librarian

S.B. 1141 RELATING TO WORKMANS' COMPENSATION

To: Sen. Sharon Moriwaki, Chair
Sen. Chris Lee, Vice Chair
Members of the Senate Committee on Labor and Technology

The Hawaii State Public Library System (HSPLS) **supports** S.B.1141 relating to workmans' compensation, clarifying that the rights, powers, functions, duties, and resources of the department of education relating to workers' compensation for the Hawaii State Public Library System and its employees is transferred to the Department of Human Resources Development.

Act 51, Session Laws of Hawaii 2004, and Act 61, Session Laws of Hawaii 2012, attempted to clarify that control over HSPLS personnel matters is transferred to the Department of Human Resources Development (DHRD). However, there continues to be ambiguity regarding whether DHRD is responsible for workmans' compensation matters for HSPLS employees. S.B. 1141 is intended to clarify that DHRD is responsible for HSPLS workmans' compensation matters.

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

