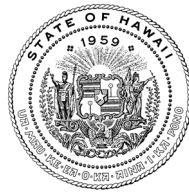


JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON LABOR AND TECHNOLOGY
ON
SENATE BILL NO. 722

February 10, 2023
3:00 p.m.
Room 224 and Videoconference

RELATING TO OCCUPATIONAL SAFETY AND HEALTH

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 722: 1) establishes the Occupational Safety and Health Special Fund (OSHSF); 2) directs certain fees to be deposited into the OSHSF; and 3) requires unencumbered balance of the OSHSF exceeding an unspecified amount at the end of each fiscal year to be deposited into the general fund on or about June 30 every year.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 722, it is difficult to determine whether the OSHSF would be self-sustaining.

Thank you for your consideration of our comments.



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 10, 2023

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

Date: Friday, February 10, 2023
Time: 3:00 p.m.
Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 722 RELATING TO OCCUPATIONAL SAFETY AND HEALTH

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports the intent** of this measure and offers comments. SB722 proposes to establish the occupational safety and health special fund to support personnel and operating expenses as well as staff development and training costs of the Hawaii Occupational Safety and Health Division (HIOSH).

II. CURRENT LAW

Act 156 (SLH, 1996) added a new section (§396-5.1) to allow the director to establish fees pursuant to chapter 91 for any aspect relating to issuance of permits, certificates, or licenses; various research activities for records pursuant to chapter 92; costs of training material in workshops, and public notices. Fees received are deposited to the general fund.

Collections from §396-5.1:

- FY20: \$10,890.50
- FY21: \$7,250
- FY22: \$9,700

III. COMMENTS ON THE SENATE BILL

The department supports this measure provided that its passage does not replace or adversely impact priorities indicated in the Governor's Executive Budget request. The DLIR would tap the special fund to cover costs associated with permits, certificates and licenses not supported by the federal grants. Reallocating the general funds savings could support staff development and training and assist with staff retention efforts.

SB-722

Submitted on: 2/9/2023 12:47:02 PM

Testimony for LBT on 2/10/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Frances Pitzer	Individual	Comments	Written Testimony Only

Comments:

State Departments, such as DOE, should: 1) be required to take corrective action within a specified number of days (e.g. 30), and document such, when a Worker's Comp claim has been filed and accountability accepted, and 2) not be permitted to be the adjustor of a claim within their own department - the outcomes are not clean.