

Honolulu, Hawaii

Feb 7 , 2012

RE: H.B. No. 2586
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2586 entitled:

"A BILL FOR AN ACT RELATING TO DISABILITY COMPENSATION
DIVISION SPECIAL FUND,"

begs leave to report as follows:

The purpose of this measure is to improve the efficiency of the Disability Compensation Division of the Department of Labor and Industrial Relations while maintaining fiscal prudence by enabling the Division to fund projects designed to improve efficiency. Among other things, this bill:

- (1) Allows the Division to establish reasonable fees for the issuing of subpoenas and the filing of injury reports in workers' compensation cases; and
- (2) Establishes the Disability Compensation Division Special Fund.

The Department of Labor and Industrial Relations, ILWU Local 142, United Public Workers, AFSCME, Local 646, AFL-CIO, and several concerned individuals testified in support of this measure. The Hawaii Insurers Council, Hawaiian Electric Co., Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc. testified in opposition to this measure.



The budget shortfalls experienced by Hawaii over the past several years have greatly impacted the operations of many state departments and agencies. Although cautious optimism and confidence in a growing economy have been expressed, Hawaii's economy is still fragile. Identifying and creating sources of revenue to help defray the expenses of a state department or agency will assist with the State's overall budgetary picture.

Since 2009, the Disability Compensation Division, which is responsible for addressing workers' compensation cases, has experienced staffing and budget reductions that have resulted in a severe backlog in the setting of workers' compensation hearings and caused a decline in service to the public. The Division has had to rely heavily on its automation system to mitigate the backlogs and service reductions.

Allowing the Division to establish reasonable fees for the issuing of subpoenas and the filing of injury reports in workers' compensation cases would not only supplement the Division's operating budget but would also help defray expenses relating to the upgrade of equipment and technology that would develop greater efficiency in the complex workers' compensation system and help to reduce the severe backlog of workers' compensation cases.

Your Committee has amended this measure 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. 2586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2586, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

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



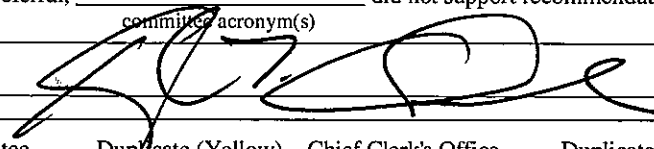
KARL RHOADS, Chair



HSCR 14212

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 2586	Committee Referral: LAB, ERB, FIN	Date: 2-3-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia	/			
8. OKAMURA, Tom				
9. SAIKI, Scott K.				/
10. SOUKI, Joseph M.	/			
11. TAKUMI, Roy M.	/			
12. FONTAINE, George R.		/		
13. JOHANSON, Aaron Ling		/		
TOTAL (13)	9	2	-	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				