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# SENATE CONCURRENT RESOLUTION

REQUESTING THE STATE AUDITOR TO CONDUCT A MANAGEMENT AUDIT OF  
THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS.

1           WHEREAS, section 26-20, Hawaii Revised Statutes, creates a  
2 Department of Labor and Industrial Relations that is headed by a  
3 single executive, the Director of Labor and Industrial  
4 Relations; and  
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6           WHEREAS, the Department of Labor and Industrial Relations  
7 administers programs designed to increase the economic security,  
8 physical and economic well-being, and productivity of workers,  
9 and to achieve good labor-management relations, including the  
10 administration of workers' compensation, employment security,  
11 apprenticeship training, and wage and hour and industrial  
12 relations laws, as provided in Title 21, Labor and Industrial  
13 Relations, Hawaii Revised Statutes; and  
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15           WHEREAS, the Department of Labor and Industrial Relations  
16 also develops, prepares, and disseminates information on  
17 employment, unemployment, and general labor market conditions;  
18 and  
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20           WHEREAS, reductions-in-force during the last recession have  
21 severely impacted the Department of Labor and Industrial  
22 Relations' personnel resources by reducing its total number of  
23 full-time employees so much so as to have eliminated entire  
24 sections and branches within the Department, leaving some  
25 departmental responsibilities unfulfilled; and  
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27           WHEREAS, the Department of Labor and Industrial Relations'  
28 annual report for fiscal year 2012 reported that many divisions  
29 are still struggling with staffing issues and laden with work  
30 that is slowly being processed, with each area working hard  
31 despite the thin ranks; and  
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1 WHEREAS, appropriations for filling of some personnel  
2 resources have been effective since January 1, 2014, but are  
3 still in the recruitment process, while other personnel  
4 resources remain far below pre-reductions-in-force levels; and  
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6 WHEREAS, due to reductions-in-force, some departmental  
7 employees have had to perform additional responsibilities  
8 concurrent with their primary responsibilities and work overtime  
9 without overtime pay to fulfill departmental responsibilities;  
10 and  
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12 WHEREAS, according to some sources, other departmental  
13 employees are receiving overtime and additional pay when they  
14 are not entitled to such pay, which is a misuse of limited  
15 personnel resources; and  
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17 WHEREAS, concerns have been raised about the management and  
18 operations of the Department of Labor and Industrial Relations,  
19 which have caused lengthy delays in processing and backlogs  
20 through the Department; now, therefore,  
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22 BE IT RESOLVED by the Senate of the Twenty-seventh  
23 Legislature of the State of Hawaii, Regular Session of 2014, the  
24 House of Representatives concurring, that the State Auditor is  
25 requested to conduct a management audit of the Department of  
26 Labor and Industrial Relations; and  
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28 BE IT FURTHER RESOLVED that the audit include but not be  
29 limited to:  
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- 31 (1) The general operations of the Department of Labor and  
32 Industrial Relations;
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- 34 (2) The organizational structure of the Department,  
35 including personnel practices and staffing coverage;  
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- 37 (3) Internal budgeting and fiscal controls to ensure  
38 effective and appropriate expenditure of legislative  
39 appropriations and matching federal funds designated  
40 for exempt employees; and  
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- 42 (4) Any other matters the State Auditor deems appropriate;  
43 and  
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1 BE IT FURTHER RESOLVED that the State Auditor submit to the  
2 Legislature and the Governor a report of findings and  
3 recommendations no later than twenty days prior to the convening  
4 of the Regular Session of 2015; and  
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6 BE IT FURTHER RESOLVED that certified copies of this  
7 Concurrent Resolution be transmitted to the Governor, Director  
8 of Labor and Industrial Relations, and State Auditor.

