

# H.B. NO. 1103

---

---

## A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN  
RESOURCES DEVELOPMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. This Act is recommended by the governor for  
2 immediate passage in accordance with section 9 of article VII of  
3 the Constitution of the State of Hawaii.

4           SECTION 2. Act 119, section 3, Session Laws of Hawaii  
5 2015, appropriated \$6,735,183 in general funds to the department  
6 of human resources development for the payment of claims against  
7 the State, as required by the Hawaii workers' compensation law,  
8 chapter 386, Hawaii Revised Statutes, for fiscal year 2016-2017.  
9 Act 124, section 3, Session Laws of Hawaii 2016, appropriated an  
10 additional \$666,000 in general funds to the department of human  
11 resources development for fiscal year 2016-2017.

12           At this time, however, current fiscal year 2016-2017  
13 workers' compensation expenses—led primarily by costs for  
14 medical care, services, and supplies, and permanent disability  
15 indemnity benefits—are outpacing the appropriated funds such  
16 that it is estimated that the funds to pay claims will be

H.B. NO. 1103


1 exhausted by April 30, 2017. Therefore, a critical funding  
2 crisis exists and the department of human resources development  
3 will not be able to meet its legal obligation to pay the  
4 workers' compensation benefits that are due to State of Hawaii  
5 employees who sustain work-related injuries and illnesses for  
6 the remainder of fiscal year 2016-2017.

7 The purpose of this Act is to make an emergency  
8 appropriation to provide additional funds for the department of  
9 human resources development to pay claims as required under  
10 chapter 386.

11 SECTION 3. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$1,700,000 or so much  
13 thereof as may be necessary for fiscal year 2016-2017 for the  
14 department of human resources development to pay claims as  
15 required under chapter 386, Hawaii Revised Statutes.

16 The sum appropriated shall be expended by the department of  
17 human resources development for the purposes of this Act.

18 SECTION 4. This Act shall take effect upon its approval.

19  
20 INTRODUCED BY:  \_\_\_\_\_

21 BY REQUEST

22 JAN 23 2017

# H.B. NO. 1103

**Report Title:**

Emergency Appropriation; Department of Human Resources  
Development

**Description:**

Makes an emergency appropriation to provide funds for Department of Human Resources Development to pay claims as required under the Hawaii Workers' Compensation Law, chapter 386, Hawaii Revised Statutes.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: HUMAN RESOURCES DEVELOPMENT

TITLE: MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT.

PURPOSE: To make an emergency appropriation to provide additional funds for the department of human resources development to pay claims as required under chapter 386, Hawaii Revised Statutes (HRS).

MEANS: Emergency appropriation of funds.

JUSTIFICATION: Led primarily by increased costs for medical care, services, and supplies, and permanent disability indemnity benefits, current fiscal year 2016-2017 workers' compensation expenses are outpacing the funds that were appropriated to the Department of Human Resources Development by Act 119, Session Laws of Hawaii 2015, and Act 124, SLH 2016, to pay claims in fiscal year 2016-2017. It is estimated that the funds to pay claims will be exhausted by April 30, 2017. Therefore, a critical funding crisis exists and the department of human resources development will not be able to meet its legal obligation to pay the workers' compensation benefits that are due to State of Hawaii employees who sustain work-related injuries and illnesses for the remainder of fiscal year 2016-2017.

Impact on the public: None.

Impact on the department and other agencies: This bill will make additional funds available for the payment of the workers' compensation liabilities of the State executive branch departments and agencies, pursuant to section 26-5, HRS.

GENERAL FUND: \$1,700,000.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: HRD 102.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.