STAND. COM. REP. NO. 14

Honolulu, Hawaii
FEB 02 , 2023

RE: H.B. No. 38
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 38 entitled:

"A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS,"

begs leave to report as follows:

The purpose of this measure is to reclassify the Human Resources Development Special Fund as a revolving fund pursuant to the recommendation made by the Auditor in Auditor's Report No. 22-12.

Your Committee received testimony in support of this measure from the Department of Human Resources Development. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that section 23-12, Hawaii Revised Statutes, requires the Auditor to review all existing special, revolving, and trust funds every five years. In Auditor's Report No. 22-12, the Auditor concluded that the Human Resources Development Special Fund did not meet the criteria of a special fund because it functions more like a revolving fund, as defined by section 36-72, Hawaii Revised Statutes. The costs for services are replenished through fees assessed for those services. The Auditor therefore recommended that the fund be reclassified as a revolving fund.

Your Committee has amended this measure by changing the effective date to June 30, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 38, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Government
Operations,

SCOT Z. MATAYOSHI, Chair

State of Hawaii
House of Representatives
The Thirty-second Legislature

HSCR 14

Record of Votes of the Committee on Labor & Government Operations

Bill/Resolution No.: HB 38	Committee Referral: LGO, FIN	Date: 1/31/23

☐ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☐ Pass, unamended (as is) ☒ Pass, with amendments (HD) ☐ Hold
☐ Pass short form bill with HD to recommit for future public hearing (recommit)

LGO Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)	✓			
2. GARRETT, Andrew Takuya (VC)	✓			
3. KAPELA, Jeanne	✓			
4. MARTINEZ, Rose	✓			
5. SAYAMA, Jackson D.	✓			
6. TAM, Adrian K.	✓			
7. ALCOS III, David	✓			
TOTAL (7)	7			

The recommendation is: ☒ Adopted ☐ Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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