Department of Labor and Industrial Relations

LEONARD AGOR
DIRECTOR

AUDREY HIDANO
DEPUTY DIRECTOR

JULY 1, 2001

JUNE 30, 2002

ADMINISTRATIVE SERVICES OFFICE
ROY UMEHIRA
BUSINESS MANAGEMENT OFFICER

DISABILITY COMPENSATION
GARY HAMADA
ADMINISTRATOR

EMPLOYMENT SECURITY APPEALS REFEREES' OFFICE
JOYCE PANG
CHIEF REFEREE

WAGE STANDARDS
ALAN ASAO
ADMINISTRATOR

OCCUPATIONAL SAFETY & HEALTH
JENNIFER SHISHIDO
ADMINISTRATOR

PERSONNEL OFFICE
EDWIN GOTO
PERSONNEL OFFICER

RESEARCH & STATISTICS OFFICE
NAOMI HARADA
CHIEF

WORKFORCE DEVELOPMENT
ELAINE YOUNG
ADMINISTRATOR

UNEMPLOYMENT INSURANCE
LINDA UESATO
ADMINISTRATOR

HAWAII DISTRICT
GLENN NAKAMURA
FIELD MANAGER

WEST HAWAII DISTRICT
WAYNE KIMOTO
FIELD SUPERVISOR

KAUAI DISTRICT
DENNIS SEINO
FIELD MANAGER

MAUI DISTRICT
ELTON WADA
FIELD MANAGER

Administratively Attached Agencies

WORKFORCE DEVELOPMENT COUNCIL
SYBIL KYI
EXECUTIVE DIRECTOR

HAWAII CIVIL RIGHTS COMMISSION
WILLIAM HOSHIJO
EXECUTIVE DIRECTOR

HAWAII LABOR RELATIONS BOARD
BRIAN NAKAMURA
CHAIRMAN

LABOR & INDUSTRIAL RELATIONS APPEALS BOARD
RANDALL Y. IWASE
CHAIRMAN

OFFICE OF COMMUNITY SERVICES
KARL ESPALDON
EXECUTIVE DIRECTOR

STATE FIRE COUNCIL
ATTILIO LEONARDI
CHAIRMAN
February 25, 2002

The Honorable Linda Lingle
Governor
State of Hawaii

Dear Governor Lingle:

It is with pleasure that the Department of Labor and Industrial Relations (DLIR) presents its Annual Report for the 2001-2002 Fiscal Year. The report provides DLIR’s mission, accomplishments, progress, and continuous improvements as we promote the quality of worklife for Hawaii’s people.

DLIR has continued to move forward, guided by a vision of a world that requires increased accountability and effectiveness of public service where technological and demographic change is altering the nature and processes of service to Hawaii’s people. While continuing our focus on necessary services, we continue to launch major partnerships with public agencies and the public sector to maximize our efforts and outcomes.

The accomplishments, recognitions, and commitments documented in this report reflect the direction charted for DLIR in the new millennium. DLIR will continue to pursue improvement in and maintenance of Hawaii’s special quality of life for all people and strengthened quality of worklife for the future generation of workers in Hawaii.

Sincerely,

NELSON B. BEFITEL
Mission and Vision

The Department of Labor and Industrial Relations (DLIR) promotes the economic security and safety of Hawaii's workers and works to strengthen economic workforce development in Hawaii. DLIR seeks to facilitate and develop high quality skills and productivity in the work life of Hawaii's people. Hawaii's workers need quality skills to complete successfully in a global economy and thereby maintain a secure work life. A strong Hawaii workforce can promote and maintain a diverse and prosperous economy as well as preserve our special quality of life. This vision can be accomplished by developing a highly skilled workforce, enhancing workplace productivity, and increasing opportunities for employment. DLIR is the principal department responsible to policies and programs relating to workforce and workplace issues. Its employees service the interests of Hawaii's workforce and impact over one-half million workers and nearly 27,200 employers.

Goals and Objectives

The primary functions of the department are:

- Promote access to employment and fulfill employers' workforce needs.
- Alleviate the economic hardship of workers during periods of disability or temporary unemployment.
- Protect the employment rights of workers and assure a safe and healthy workplace.
- Develop, deliver, and coordinate information to meet labor market supply and demand.
- Promote harmonious industrial relations.

Accomplishments

DLIR builds collaborative partnerships with private sector employers and with public sector agencies to implement and reinforce the critical link between economic and workforce development. Opportunities for high skill, high wage, and high performance jobs are planned in conjunction with developing capacities of the workforce to deliver needed skills to the workplace.

Workforce development needs are identified through these partnerships aided by a cost effective labor market and occupational information system. DLIR seeks to improve the employment and job training system to be responsive to and meet the changing needs of businesses and employers in Hawaii. Strategies for workforce development include assistance to employers to develop high performance workplaces, and skills improvement of current employees. Our One Stop Career system makes workforce
employment and job training resources universally accessible to the existing workforce, new workforce entrants, and employers.

Collaboration between DLIR and the community colleges and public schools expands the articulations of programs between high schools, community colleges, and work. Career based learning, including work experience, internships, job shadowing, structured youth apprenticeship training, and mentoring is built through partnerships between educators, job trainers, employers, and unions.

In its Quality of Work Life programs, DLIR assures that its standards remain high through a partnership of prevention, education, and enforcement. DLIR is committed to consult with and provide compliance assistance to employers rather than punish and impose enforcement penalties. DLIR educates employers regarding compliance with labor laws. The Department also encourages employers to consider that safety and prevention are a regular part of doing business because it is in the best interest of workplace productivity, efficiency, and cost reduction in the long term.

http://www.dlir.state.hi.us
Administrative Services Office

Roy Umehira, Business Management Officer

Goals & Objectives

- Ensure that the integrity of financial information reported complies with federal and state regulations and audit requirements.
- Facilitate and expedite the processing of transactions that benefit our customers’ programs and services through improved work processes and procedures.
- Ensure that the services that we render assist and benefit our programs in the delivery of services they provide to the public.
- Educate the users of our reports so that they can better serve the public.

Action Plans 2003-2008

- Evaluate and improve our work processes to benefit our customers.
- Provide training and workshops for DLIR programs throughout the year on proper procedures and processes to initiate required goods/services.
- Develop data collection procedures to measure performance.
- Develop performance outcomes to ensure customer satisfaction.
- Procure new cost accounting and purchase order systems, and a new disability compensation benefit payment system to remedy timeliness compliance issues.
- Apply Information Technology (IT) to the fullest extent possible.

Performance Monitoring Process

- Work processes are reviewed and measured to improve processing time.
- Customer satisfaction is measured to insure continuous improvement.

Accomplishments

- Customer Service

The Administrative Services Office (ASO) work teams meet to evaluate and improve work processes to benefit our customers. ASO meets with our customers to find ways to expedite and improve services. After the work processes are improved, training for Department of Labor and Industrial Relations (DLIR) employees is provided on the revised procedures.
• Information Technology

ASO continues to serve as the lead for the Department’s IT Strategic Plan to ensure that DLIR maximizes the use of our IT resources to the fullest extent possible and to provide timely, reliable, and accessible services to the public. The Department’s IT Executive Steering Committee was established to develop strategies to enable the department to achieve departmental objectives such as a comprehensive security policy, equipment and infrastructure standardization, standard disaster recovery functions, and use of the most effective information technology by all divisions. The EDPSO serves as staff to the IT Steering Committee.

ASO is working toward developing state-of-the-art applications to expedite and facilitate the purchasing of goods and services for all programs throughout the department.
Disability Compensation Division

Gary Hamada, Administrator

Goals and Objectives

- Ensure efficient processing of claims, to include timely provision of medical services and timely payment of benefits to injured workers.
- Ensure employer compliance with worker’s compensation, temporary disability insurance, and prepaid health care insurance coverage requirements.
- Ensure that health plans provide benefits required under the prepaid health care law.


- Improve Disability Compensation Division’s (DCD) information systems to facilitate timely quality customer service.
- Improve programs by clarifying objectives and eliminating ineffective and unnecessary bureaucracies.
- Empower employees to participate in creation of the division’s vision and improvements.
- Provide employees with tools and training to enable optimal performance.
- Provide customers with information to facilitate their positive participation in DCD program activities.

Performance Monitoring Process

- Measures of effectiveness and standards of performance are established and monitored.

Accomplishments

The DCD continues to upgrade its information system to position itself to eventual migration from a mainframe to data warehouse, client server environment. This upgrade will result in greater office efficiencies, better service to our customers and a more accessible database. The DCD will establish and utilize a DCD Website to enable easier public access to information. Finally DCD hopes to obtain funding to enable electronic filings in our continuing efforts towards a paperless office.

The Facilitator’s Office, created to assist injured workers, insurance carriers, health care providers, and the general public is an important contributor to the DCD’s efforts to reduce adversity through providing useful information and facilitating positive communication and cooperation between parties of interest.

The DCD recognizes the value of empowered and motivated employees. DCD will continue to work towards establishing an office environment and culture which enables its employees to actively participate in making the DCD the most sought after office in State government.
Benefit programs governed by DCD provide health care and economic relief to workers for on or off the job injuries or illnesses. DCD's goal is to ensure timely processing of claims and provision of medical benefits, ensuring employer compliance with insurance coverage requirements, conducting administrative hearings, and reviewing health benefit plans.

Extensive initiatives are continuing to reduce adversities and to encourage all parties to work together to reach this goal. DCD is committed to ensuring timely and fair compensation to Hawaii's workforce. DCD has also increased its efforts to educate the customers we serve by participating in workshops and public speaking engagements.

- **Workers’ Compensation**

  An employer paid insurance program, Workers’ Compensation (WC) provides economic relief for employees injured on the job. WC benefits include medical and hospital expenses, lost wages, permanent disability, disfigurement, and vocational rehabilitation. Workers' compensation costs stabilized and increased by $21 million during the year 2001. Safety and prevention emphasis continue to be a high priority. Aggressive administrative measures continue to reduce adversity through promotion of positive communications and cooperation and elimination of ineffective bureaucracies. The Facilitator’s Office, created to assist injured workers, insurance carriers, health care providers, and the general public continues to be an important new contributor to this effort.

- **Temporary Disability Insurance**

  This employer provided program provides partial wage loss benefits to employees who suffer off-the-job injuries or illnesses.

- **Prepaid Health Care**

  As an employer requirement, Prepaid Health Care (PHC) provides health care benefits to workers for off-the-job injuries or illnesses. Coverage includes hospitalization, surgery, medicine, diagnostic test, and maternity benefits. Hawaii is the first state to adopt a prepaid health care law and continues to be a leader in providing universal health care coverage.

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### DCD Activities FY 2002

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number</th>
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<tbody>
<tr>
<td>Investigations</td>
<td>10,557</td>
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<tr>
<td>Audits</td>
<td>870</td>
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<tr>
<td>WC Claims</td>
<td>30,225</td>
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<tr>
<td>WC Hearings</td>
<td>2,582</td>
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<tr>
<td>Voc Rehab Referrals</td>
<td>643</td>
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<tr>
<td>New employer registrations</td>
<td>4,481</td>
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<tr>
<td>WC Decisions</td>
<td>9,752</td>
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</table>
Employment Security Appeals Referees’ Office

Joyce Pang, Appeals Officer

Goals & Objectives

- In conjunction with the DLIR mission to provide benefits to workers who are unemployed through no fault of their own, the Employment Security Appeals Referees’ Office (ESARO) mission is to conduct fair and impartial hearings and render timely decisions within federal standards with improved efficiency, better service, and increase customer satisfaction.


- Provide better service through more informational by the creation of a website, and prompt notifications to appellees simultaneous with notice to appellant.
- Increase customer satisfaction through staff courtesy training, quality control, and a suggestion box.
- Bring work to current status through full automation conversion to improve production, intake, disposition, scheduling, and communication.

Performance Monitoring Process

- Measure and review the following work processes for efficiency and customer satisfaction:

**EMPLOYMENT SECURITY APPEALS REFEREES’ ACTIVITIES**
**Fiscal Year 2001-2002**

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appeals outstanding, start of fiscal year</td>
<td>477</td>
<td>356</td>
<td>-25.4%</td>
</tr>
<tr>
<td>Appeals filed</td>
<td>2,917</td>
<td>3,265</td>
<td>11.9%</td>
</tr>
<tr>
<td>Appeals disposed</td>
<td>3,038</td>
<td>3,233</td>
<td>6.4%</td>
</tr>
<tr>
<td>Appeals outstanding, end of fiscal year</td>
<td>356</td>
<td>388</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

Percent of Decisions issued from date of appeal:

- 0-30 days: 74% 76%
- 0-45 days: 86% 90%

Percent of decisions favorable to appellant:

- Total: 23% 25%
- Claimant: 22% 23%
- Employer: 30% 36%
Goals & Objectives

- Improve workplace safety and health for all workers.
- Change workplace culture.
- Secure public confidence.


- Prioritize High Risk Inspections. Focus statewide attention and division resources on the most hazardous industries, the most prevalent types of workplace injuries and illnesses, and the most hazardous workplaces.
- Information Outreach. Promote programmatic/systematic approaches to occupational safety and health in the workplace; make occupational safety and health information readily accessible to employers, workers, and the general public; involve workers in all aspects of occupational safety and health in the workplace.
- Improved Service. Respond effectively to legal mandates to provide workers with full protection under the Hawaii Occupational Safety and Health (HIOSH) law; reduce response time for accidents and complaints to effectuate prompt worker protection; provide the review process to reduce cost and time lapse for HIOSH, employers, and workers.

Performance Monitoring Process

- HIOSH is partnering with the Occupational Safety and Health Administration (OSHA) to develop new or enhanced measurement systems to establish baseline data and track program effectiveness. HIOSH will also be correlating this data with the Workers’ Compensation incidence rates and with the Bureau of Labor Statistics’ (BLS) injury and illness incidence rates for specific industries because HIOSH uses the Workers’ Compensation data to select establishments for inspection or cooperative compliance options. Meanwhile, HIOSH will use as many data systems as necessary to evaluate program effectiveness.

Action Steps

- Inspections
  - Reduce hazards injuries and illnesses by 15% in construction, local government, and nursing homes.
Reduce ergonomic disorders in grocery stores and nursing homes and upper extremity disorders in local government by 15%.
Reduce ergonomic disorder, fall from heights struck, by and struck against injuries by 15% in the construction industry.

Information Dissemination

- 50% of establishments that receive a major HIOSH intervention implement an effective safety and health program or significantly improve their existing program by FY 2003.
- Increase familiarity with significant HIOSH standards through outreach activities.
- Increase worker involvement in safety and health.

Partnerships

- Increase involvement of HIOSH stakeholders and partners in HIOSH activities, processes, and programs.
- Reduce the contest case lapse time by 50% by FY 2003.
- Respond to fatality and catastrophes within one working day for 95% of occurrences in order to identify the cause of the accident(s).
- Initiate investigations of 80% of complaints and referrals within five days of notification to eliminate or correct existing hazards.
- Improve customer service to HIOSH’s external and internal customers.

In fiscal year 2001-2002, HIOSH conducted 793 inspections and uncovered 1,490 violations, of which 681 violations were determined to be serious. Employers were assessed $687,754 in penalties for these violations. These inspections had a broad impact, as more than 25,762 people worked at the businesses that were inspected.

HIOSH also conducted 7,000 boiler and elevator inspections and cited 2 violations. State inspectors inspected 75% of all heating, boiler, and pressure vessels. State-certified insurance company inspectors inspected the remainder.
Goals & Objectives

- Improve direct services to our customers: the employees, supervisors, and managers of the department.
- Increase utilization of information technology to enhance and improve productivity.


- Conduct customer survey.
- Develop methods and procedures for collecting and responding to ongoing customer feedback and responses.
- Increase staff training for personal and professional growth.
- Continuous improvement in use of new automated State Human Resource Management System (HRMS).

Performance Monitoring Process

- Natural work teams within the office meet on an ongoing basis to discuss, evaluate, and develop improvements in responses to customer input.
- Workload fluctuations cannot be controlled and measures of effectiveness are based on timeliness and accuracy. Logs and records of activities are maintained and reviewed on a periodic basis.

Accomplishments

- Civil Service Reform
  
The Civil Service Reform Act, SLH 2000, led to the repeal of the large majority of Personnel Administrative Rules. While these rules will eventually be replaced by policies and procedures (P&P), challenges arose in ensuring that any actions taken now would be supported by the yet to be promulgated P&P.

  A significant shift in the status designations of employees, both permanent and temporary, to be implemented July 1, 2002 involved a new concept of “civil service membership.” Preparing for this change created an unanticipated surge in transactions processing workload.

- Automation
  
  An indication that staff has become accustomed to the new automated Human Resource Management System (HRMS) for transactions
processing was the near seamless manner in which they completed the payroll change actions for DLIR’s 780+ employees upon completion collective bargaining negotiations. Very few questions were raised or complaints received following distribution of pay adjustment notices.

- **Staff Development/Support Activities**

  The spirit of community service remained strong within the DLIR Ohana. Among a number of successful fund drives, the annual blood drive coordinated by Personnel Office staff was particularly noteworthy. DLIR employees missed the department goal of 50 pints by only one pint. A record number of employees who signed up honored their commitment and were able to make their valuable donation to Hawaii’s blood bank supply.
Goals & Objectives

- Develop and deliver quality and timely labor information.
- Promote awareness of and access to labor information.
- Manage and maintain a career information delivery system.
- Meet labor information needs of customers.


- Identify and track customers’ needs to improve products and services.
- Utilize current technology to expand and improve information processing and delivery.
- Conduct or participate in workshops and training to promote usage of labor information.

Performance Monitoring Process

- Survey users to determine satisfaction and solicit recommendations.
- Validate reports to determine accuracy and timeliness of data.

Accomplishments

- Disseminated labor information via printed publications, electronic access through the website LOIHI, and various presentations and exhibits.

Publications:

- Annual Evaluation of the Hawaii Unemployment Compensation Fund
- Career Kokua Community Resources
- Career Kokua Local Schools
- Career Kokua Occupations, Volume I and II
- Career Kokua Programs of Study and Training
- Census of Fatal Occupational Injuries
- Characteristics of the Insured Unemployed
- Employment and Payrolls in Hawaii
- Hawaii Labor Market Information Directory
- Labor Area News
- Labor Force Data Book
- Labor Force Information for Affirmative Action Programs
- Occupational Injuries and Illnesses Survey
- Occupations in Demand at Hawaii Workforce Development Division
- Unemployment Insurance Fact Book
- Wage Rate Schedule Bulletins
- Met federal and state reporting requirements in a timely manner.
- Conducted customer satisfaction surveys in an effort to improve products and services.
- Installed the Workforce Informer, an LMI Internet Delivery System.
- Installed the Internet Career Kokua website which provides career information files, activities, community resources, and other related career information and resources.
- Converted the industry codes from the Standard Industrial Classification System to the North American Industry Classification System in the Unemployment Insurance and Disability Compensation data files.
- Converted the occupational codes from the Dictionary of Occupational Titles to the Standard Occupational Classification system in the Unemployment Insurance data files.
- Conducted a Dental Survey for the Disability Compensation Program.

http://www.state.hi.us/dlir/rs/loihi
Goals and Objectives

- Customer Focused
  - Increase education and outreach to employers.
  - Assist workers and employers to voluntarily comply with UI laws.
  - Develop and train skilled employees.

- Information Technology Based
  - Increase efficiency, effectiveness, and productivity.
  - Expedite, facilitate, and enhance delivery of service.
  - Protect confidentiality, security, and integrity of data.

- Performance Driven
  - Operate within the budget and performance standards established by the U.S. Department of Labor.


- Interactive Voice Response (IVR) System
- Quality Control
- Interstate Connection (ICON)
- Program Integrity
- Internet Wage Report Filing

Performance Monitoring Process

Federal performance standards and desired levels of achievement

- Meet timely processing and prompt payment of UI benefits with a fully functional IVR system.
- Meet quality and correct payment of UI benefits.
- Meet quality and timely processing or contributions and audits.

Accomplishments

- Emergency Extended Benefit Programs

The UI Division administered two emergency extended benefits programs in the aftermath of the September 11 terrorist attacks and subsequent economic downturn. The State Additional Benefit (SAB) program (Act 7 of the Third Special Session of the 2001 State Legislature) and the federal Temporary Extended Unemployment Compensation (TEUC) program
(Public Law 107-147) each provided an additional 13 weeks of benefits to claimants who exhausted 26 weeks of regular benefits.

The SAB program provided immediate relief during the period from November 4, 2001 to June 30, 2002. With a short time frame to execute the SAB program and a workload increase of 400-500%, the UI Division was able to modify its existing extended benefit computer programs to accommodate the SAB claims and pay benefits ahead of schedule on November 19, 2001.

Approximately $12 million in SAB were paid out to nearly 5,000 unemployed claimants. Whereas the customary 26 weeks of regular UI benefits would have been sufficient to support claimants and their dependents during normal jobless periods, the September 11 incident created an extraordinarily disruptive social, economic and political predicament. Without this supplemental financial assistance, families would have suffered tremendous hardship.

When the federal government began the TEUC program some six months later on March 10, 2002, the UI Division was in an unprecedented position of having to develop an entirely new computer production region to accommodate a second extended benefits program. On April 5, 2002, the second computer region housing the TEUC program was implemented and the transition from SAB to TEUC was seamless for claimants. As of June 30, 2002, approximately $16 million in TEUC benefits have been paid to approximately 8,000 claimants.

The resulting purchasing power of UI benefits due to the timely implementation of the SAB and TEUC programs reaches beyond the actual monies paid out to claimants. According to a study by the U.S. Department of Labor, Unemployment Insurance as a Automatic Stabilizer: Evidence of Effectiveness Over Three Decades, for every dollar paid in UI benefits, the actual impact on the economy is $2.15. This means that the $28 million in combined SAB and TEUC paid out as of June 30, 2002 actually infused over $60 million into the local economy. Certainly, the losses of businesses were somewhat mitigated by the purchasing power afforded to SAB and TEUC claimants.

The UI team that worked on implementing the SAB and TEUC programs received the Department of Labor and Industrial Relations’ Team of the Year Award on July 19, 2002.

- Interactive Voice Response (IVR) System

On July 10, 2002, Phase II of the telephone claim-filing system called “Hawaii Tele-Claim” was implemented. Hawaii claimants, including those residing on the mainland, can now file new and reopened applications for benefits using the telephone rather than reporting in person to a local office. In addition to the benefits realized by claimants, the telephone claim filing system has benefited UI staff by expediting claims processing.
since claim data is entered via Windows based desktop computer screens and is immediately transferred into the UI benefit system.

Hawaii Tele-Claim continues to provide claimants with a convenient method to file weekly claim certifications as well as obtain claim status and payment information using the telephone. The UI Division saves time and manpower by eliminating manual processing of claim certifications and handling claim status inquiries over the telephone.

- Quality Control

The Quality Control Unit performs ongoing audits on Unemployment Insurance (UI) claims to determine if benefits are correctly paid. The most recent Benefits Accuracy Measurement (BAM) results released by the U.S. Department of Labor indicate that the Hawaii UI program correctly paid 97% of the total benefits issued in 2002. The correct payment rate remains high each year attesting to the integrity of the UI program. The unit also examines UI tax operations assessing the accuracy of major tax functions using system reviews, acceptance samples, and computed measures. Effective August 2001, the unit began reviewing randomly selected monetary, separation, and non-separation denial determinations to evaluate the accuracy of the decisions.

- Interstate Connection (ICON)

The UI Division continues to enhance ICON applications to better integrate federal programs with our claims processing system to improve customer service. The method for obtaining wage and separation information for both the military and federal civil service programs will be automated. For the military program, the UI Division can obtain the military wage and separation information electronically from the military processing center. For the federal civilian program, an ICON application will be implemented to generate and obtain requests for information electronically from federal agencies.

- UI Program Integrity

The UI Division implemented a State Verification and Exchange System (SVES) in July 2002. SVES is a data exchange program with the Social Security Administration (SSA) that verifies the validity of claimant social security numbers by matching UI claimant data against the database maintained by SSA. The SVES program assists with claimant identification and provides an additional method to detect fraudulently filed claims. In addition to SVES, the UI Division is developing a new program that identifies UI claims where multiple payments are going to the same address. This program is designed to help detect fictitious employer and identity theft schemes.

The UI Division continues to operate a new hire crossmatch program that matches employer new hire reports against UI payment records and
identifies those claimants who continue to file for unemployment benefits after obtaining employment.

- **Internet Wage Reporting**

  Using the “Access Hawaii” internet portal, the UI Division is developing a method whereby employers can submit quarterly wage reports directly to UI via the internet. This system provides employers with a simple and secure method of electronically submitting wage reports. Both employers and UI staff save time processing wage reports since the use of diskettes and other magnetic media to transfer records is eliminated.

- **Customer Satisfaction**

  The UI Division continues to conduct customer satisfaction surveys to obtain feedback from claimants on the quality and timeliness of our services. In the surveys covering the first half of CY 2002, on a scale of 1 to 6, (with 6 as the highest score), claimants gave an overall rating in the major areas as follows: local office claimstaking scored 5.07; claims examining scored 5.13; and appeals scored 4.02. Areas that traditionally obtain low scores such as waiting time and easily understanding forms should show improvement with the implementation of the “Hawaii Tele-Claim” telephone filing system.

- **Total Quality Management – “UI ZING!”**

  The UI Division continues its commitment to continuous improvement using Total Quality Management (TQM) principles. Known as “ZING!” in the DLIR, the UI Division has permanently established process action teams to address internal training, external customer training, and communication issues. In addition, local office process action teams and natural work teams continue to meet and resolve issues. As one example for improving external customer training, the Employer Services Section developed a new employer orientation program that provides newly liable employers with an informational workshop on understanding and meeting unemployment insurance requirements.
Wage Standards Division

Alan Asao, Administrator

Goals and Objectives

- To equitably achieve compliance with the laws we administer in order to assure workers of their lawful rights and benefits relative to wages and to safeguard against unlawful employment practices.
- To continuously improve our services to customers.


- Conduct education outreach activities in order to promote voluntary compliance.
- Refine partnerships with other agencies and states for more efficient and effective investigations and hearings.

Performance Monitoring Process

The division uses work teams to define and solve problems and to evaluate progress of the strategic plan. In meeting these goals, the division administers and enforces six labor laws relating to:

- Prevailing wages and hours on public construction projects
- Minimum wage, overtime, and payment of wages
- Work injury termination
- Child Labor
- Family Leave
- Lie detector test

Accomplishments

- Compliance Branch

  This branch conducts statewide investigations for compliance with wage and hour laws. In 2001-2002, the branch completed 778 investigations, and found over $448,000 in back pay for 554 workers.

  In the enforcement of Chapter 104, HRS, Wages and Hours of Employees on Public Works Law, this branch completed 146 investigations of State and county construction projects, and found over $121,000 in back wages for 148 laborers and mechanics. Twenty-seven violation notices were issued, resulting in assessments of over $29,400 in penalties.
• **Hearings Branch**

This branch conducts hearings on complaints filed for unlawful suspension or termination due to a work injury and on appeals filed under Chapter 104 and the Hawaii Family Leave law. In 2001-2002, the branch held 76 hearings and pre-hearing conferences.

The Hearing Branch Chief served on the DLIR Hearings Officer Training Team, which coordinated three training seminars and panel discussions on evidence, court procedures, and assessing credibility.

• **Intake and Certification Branch**

The Intake Branch processed 750 complaints and over 22,900 inquiries. The branch is also responsible for child labor certifications and investigations and special minimum wage and pay certifications. In FY 2001-2002, the branch issued 9,839 child labor and other pay exception certificates, conducted 21 investigations, and serviced 498 enrollees in educational seminars and workshops, including Chapter 104, HRS, as part of the division's goal to educate and seek voluntary compliance.

• **Legislative Highlights**

Act 43 - An administration bill to increase the guaranteed compensation exemption under Chapter 387, HRS, Wage and Hour Law, from $1,250 to $2,000 per month.

Act 215 - An administration bill which amends Chapter 104, HRS, to ensure that when contractors bid on public works construction projects, it is done pursuant to standards that are fair, equitable, and uniformly applied in order to maintain a level playing field.

• **Internet Information**

The DLIR Internet homepage includes the following new and revised division forms:

- eCL-1, Procedures to Obtain a Child Labor Certificate
- eHCCL-1, Application for Certificate of Employment
- eHCCL-3, Theatrical Employment Under the Hawaii Child Labor Law
- eHWHL-1, Notice to Employees on the Hawaii Wage and Hour Law
- eHPWL-1, Notice to Employees on the Payment of Wages and Other Compensation Law
Workforce Development Division

Elaine Young, Administrator

Goals & Objectives

- Collaborate with business to enhance workplace performance.
- Establish and promote partnerships to plan and implement workforce development strategies.
- Provide customers employment and training opportunities to develop and improve workforce skills and knowledge.

Actions Plans: 2002-2007

- One Stop Centers for Workforce Assistance
- Job Placement Services
- Job Training Services
- Apprenticeship
- Employment and Training Fund Program

Performance Monitoring Process

- WDD’s Strategic Planning Process uses quality management work teams to define and solve problems and monitor performance.
- Performance goals are established for all programs.

Accomplishments

- **One Stop Centers for Workforce Assistance**

DLIR’s Workforce Development Division (WDD) received over $4 million in federal funds since November 1998 to install and operate One-Stop Centers for Workforce Assistance (One-Stop) throughout Hawaii. Six WDD offices located in Hilo, Wailuku, Lihue, Honolulu, Waipahu, and Kaneohe join county sites in Kalihi, Makalapa, Waianae, and Waialua to form a statewide coordinated and integrated network of One-Stop Centers to provide services and accessibility to both employers and job seekers. Satellite sites located in WDD offices in Kona and Kapolei are linked to the system and also provide no cost job search services which include skills assessment, job counseling, employment preparation workshops, and job referrals.

- **One Stop partners include but are not limited to:**

  Public Agencies: Department of Education  
  Department of Human Services  
  Department of Labor and Industrial Relations  
  Housing and Community Development  
  Corporation of Hawaii  
  Housing and Urban Development  
  Kauai County Housing Family Self-Sufficiency  
  Maui County Immigrant Services  
  Office of Aging  
  UH Community Colleges  
  WorkHawaii
Private Agencies:

- Alu Like
- Child and Family Services - Nana’s House
- Good Beginnings
- Hawaii Job Corp Center Honolulu Community Action Program
- Kauai Economic Opportunity
- Maui Economic Opportunity
- Network Enterprises
- PATCH

One Stop Centers:

At the core of the system is an Internet based electronic network which connects One-Stop Centers on all islands. The recently installed America’s One-Stop Operating System is the common software application used in all centers for case management, tracking, and reporting. It allows partners to share information in order to provide the services that are needed by our common employer and jobseeker customers.

Resource rooms for self service job search or recruitment activities provided at no cost to the public are features in each One-Stop. They are equipped with computers that allow access to the Internet, laser printers, fax machines, copy machines, telephones, and software for resume writing, word processing and spreadsheets. In addition, all Workforce Development Division offices are equipped with video conferencing equipment which can be used to expand distance learning and recruitment activities. Labor market and occupational information are also available.

Several employer groups have partnered with WDD to address workforce issues:

- Employer Assistance Committees: Employees affected by plant closings.
- Job Service Employer Committees: Job fairs and employer education seminars.
- Workforce Investment Boards established in each county under the Workforce Investment Act (WIA).

These partnerships enable WDD to effectively operate job training and job placement programs to targeted populations in need of assistance:

- Business Education Partnership: Schools and businesses in East and West Hawaii.
- Department of Human Services (DHS) programs: welfare recipients with children in the FIRST-TO-WORK program on Oahu and Food stamp recipients on Hawaii and Kauai.

Job Training Services

- Dislocated Workers: WIA counseling and retraining for laid-off and terminated workers.
- JobHelp Store: Counseling, training, and job placement assistance for Asian immigrants and Pacific Islanders.
- Transitional Assistance Program (TAP): workshops for military personnel leaving military service.
- Workers Profiling: Reemployment services for selected UI recipients.
Employment Training Fund: Upgrade training skills for employees of various businesses.

Through the Federal Workforce Investment Act (WIA), Older Americans Act, and the State Employment and Training Fund, WDD provides remedial education, job training, and employment assistance to low income, minorities, youth, senior citizens, disabled, and dislocated workers.

WDD was able to assist over 13,000 people in its target population groups in fiscal year 2002. By developing the skills of unemployed, under-employed, and economically disadvantaged individuals, WDD enhances employability and helps to meet current and future labor market demands.

- **Adult Programs** train low income individuals for placement in private sector jobs. Participants receive classroom training in basic or occupational skills, work experiences, and on the job training. In FY 2002, 3,251 people entered job training, and 550 people completed training and were placed in jobs.

- **Youth Programs** provide employability enhancement training for youth between 14-21 years of age. In FY 2002, 2,252 youths were provided services.

- **Samoan Training and Employment Program** grant funds targeted specially to Samoans provided job training to 281 Samoan adults and youths in Hawaii.

- **Employment programs for Older Individuals** provides low income individuals 55 years and older, with public service employment. This fiscal year, 394 seniors were employed in jobs.

- **Dislocated Worker Program** provides retaining and placement services for workers laid-off or terminated due to economic down-turn. In FY 2002, 5,643 dislocated workers were provided services.

**Apprenticeship**

In fiscal year 2002, a total of 3,206 Hawaii apprentices were registered. Apprenticeship is long-term job training lasting from one to five years. In most cases, private industry assumes the cost through full time on the job training combined with classroom/shop instruction at a community college. This method of training has resulted in a constant flow of highly skilled workers for Hawaii’s industries.

**Employment and Training Fund**

The Employment and Training Fund (ETF) continued to address the training needs of businesses in Hawaii. In program year 2001-2002, ETF funded the training of 9,599 individuals. ETF’s purpose “to assist employers and workers through innovative programs, including, but not limited to, business specific training, upgrade training, new occupational skills, management skills, and support services to improve the long-term employability for Hawaii’s people.” people.” To carry out this purpose ETF operates two basic programs:

- Employer Referral (Micro program)
- Statewide and Countywide Training Grant Program (Macro program)
Under its Employer Referral Program, ETF funded the training of 8,966 individuals, who took 20,434 classes in such subject areas as computers, soft training, human services, business/management, travel industry, and health industry. 1,469 businesses took advantage of the opportunity to train their employees under ETF.

Under its Statewide and Countrywide Training Grants Program, ETF oversaw four training projects. The projects developed training in the areas of aquaculture, business management, and human services. The projects enabled 633 individuals to upgrade their job skills.

Hawaii also developed a special program, the Furloughed Worker Training Project, to address the economic dislocation caused by the tragic events of September 11, 2001. Thousands of workers in the tourism, transportation, and retail industry were laid off or placed on furlough (furloughed workers are still attached to their companies). This placed ETF in a unique position. It was Hawaii’s only major job training program flexible enough to meet the training needs of furloughed workers. Responding to this crisis, ETF notified businesses of training funds available for this target group. ETF provided funding assistance to 169 furloughed workers, who took 511 training courses. Twenty-six businesses participate in the project.

http://www.dlir.state.hi.us/wdd
Hawaii Civil Rights Commission
William Hoshijo, Executive Director

Goals & Objectives

- The goal of the Hawaii Civil Rights Commission (HCRC) is to enforce state laws which safeguard the public against discriminatory practices in employment, public accommodations, real property transactions, and access to state-funded services.
- The HCRC investigates and adjudicates complaints of discrimination on the basis of race, color, religion, age, sex, sexual orientation, ancestry, and disability (certain bases are not protected under all laws).
- The HCRC plans to improve all aspects of its case processing, including complaint intake, investigation, voluntary mediation, litigation, and adjudication. This should result in greater efficiency and effectiveness.
- The HCRC will continue to expand its public education activities, in order to raise public awareness and prevent unlawful discrimination.


- Maintain case inventory at a level that allows for timely investigation of complaints and commitment of resources to complex and meritorious complaints.
- Expand the HCRC voluntary mediation program to offer mediation in more cases.
- Continue to focus on the largely unfunded priority of the HCRC public education activities, working with federal, state, business, labor, and community partners to expand Neighbor Island outreach.

Performance Monitoring Process

- The HCRC monitors enforcement performance by collection of quantitative data on the number of complaints accepted and cases closed, and pre-determination settlements, mediated settlements, and successful conciliations.
- The HCRC also monitors the value of negotiated settlements during investigation and conciliation, as well as affirmative relief obtained through settlements.
- Performance in litigation and adjudication are monitored both quantitatively and qualitatively, including: the number of cases docketed, hearings held, and appeals or other actions litigated in court; and the establishment of state civil rights legal precedents and standards through HCRC litigation and adjudication of cases.
- The HCRC monitors performance in public education by recording the number of public education presentations given, the audiences addressed, and the subject matter of the presentations.
Accomplishments

- The HCRC has and will continue to develop its investigation and litigation resources through ongoing review and improvement of case processing system, technology, and training.
- Based on an evaluation and assessment of its early stage voluntary mediation program, the HCRC will continue to expand its successful program to include housing cases and cases at all stages, in partnership with the Mediation Centers of Hawaii.
- The HCRC will continue to update information on its website, adding to the statutes, rules, decisions, pre-complaint questionnaires, annual report, and other general information already available, with links to other civil rights agency websites. The HCRC will also continue to improve accessibility to its website, in compliance with applicable state and federal requirements.
- The HCRC will continue to seek out private, labor, government, and education institution co-sponsorship for expanded public education activities, including the production of multi-use videos for use by both the public and private sector, and increasing neighbor island outreach efforts.

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DISCRIMINATION CASES

Telephone and walk-in inquiries 5,040
Resulting in: Complaint interviews 966
Discrimination charges accepted by HCRC 674
Employment discrimination charges accepted by HCRC 604

---

PRIMARY BASIS OF EMPLOYMENT DISCRIMINATION COMPLAINTS ACCEPTED IN FY 2001-2002

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<th>Number</th>
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<td>Retaliation</td>
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<tr>
<td>National Guard Participation</td>
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Hawaii Labor Relations Board

Brian K. Nakamura, Chair
Chester C. Kunitake, Member
Kathleen Racuya-Markrich, Member

Goals & Objectives

- The Hawaii Labor Relations Board (HLRB) seeks to promote good faith and cooperative relations between private/public sector employers, employee organizations, and employees by fairly determining disputes, enforcing the labor laws pertaining to collective bargaining, and ensuring the rights of employees.
- The HLRB seeks to fairly determine contests arising from the Hawaii Occupational Safety and Health Division.


- The HLRB endeavors to conduct proceedings in a fair and efficient manner and reduce the time lag in rendering its decisions.

Performance Monitoring

- HLRB performance is monitored both quantitatively and qualitatively, including the number of activities, cases, and appeals filed.

Accomplishments

<table>
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<tr>
<th></th>
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<th>Filed 6/30/02</th>
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<td><strong>HIOSH Appeals</strong></td>
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<td></td>
<td>5</td>
<td>47</td>
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* In FY 2000, the Labor and Industrial Relations Appeals Board appointed the HLRB as a hearings officer to hear appeals from the Hawaii Occupational Safety and Health Division (HIOSH) as a pilot project. Pursuant to Act 104, Session Laws of Hawaii, effective May 31, 2002, the HLRB has original jurisdiction to hear HIOSH contests.
Labor & Industrial Relations Appeals Board

Randall Y. Iwase, Chairman
Vicente Aquino, Member
Carol K. Yamamoto, Member

Goals & Objectives

- The Labor and Industrial Relations Appeals Board (LIRAB) strives to assure the equitable treatment of individuals through a prompt, just, and inexpensive process of appeals of decisions and order of the Director of Labor that relate to:
  - Workers’ Compensation
  - Occupational Safety and Health
  - Boiler and Elevator Safety


- Conduct hearing
- Issue decisions
- Facilitate settlements

Performance Monitoring Process

- Measure and review the work processes for efficiency and customer satisfaction.

Action Steps

- Continuous improvement in LIRAB activities:
  - Hearings
  - Decisions
  - Settlements

LIRAB ACTIVITIES 2001-2002

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<tr>
<th>Workers' Compensation</th>
<th>OSHA Appeals</th>
<th>Supreme Court Appeals</th>
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<td>Cases pending, 7/1/01</td>
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<td>Cases received</td>
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<td>Appeals to Supreme Court</td>
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<tr>
<td>Conferences</td>
<td>475</td>
<td>Cases disposed</td>
</tr>
</tbody>
</table>

Boiler & Elevator Safety 0
State Fire Council

Chief, Attilio Leonardi (Honolulu), Chairman
Chief, Darryl Oliveira (Hawaii), Member
Chief, David Sproat (Kauai), Member
Chief, Clayton Ishikawa (Maui), Member

Goals & Objectives

● Provide for an Executive Director to relieve fire fighting personnel from performing those duties.

● Provide for an Executive Director to relieve county firefighting personnel from performing those duties.


● Continue to review and update the State Fire Code.

● Continuous improvement in providing oversight to the counties with respect to fire prevention and protection, life safety, and any other functions or activities for which the various county fire departments are responsible.

● Continue to seek funding for State Fire Council Executive Director and clerical staff.

● Seek funding for a State Fire Academy.

● Conduct training of firefighters.
Intentionally Left Blank
Goals & Objectives

- Develop a skilled, competitive, self-sufficient workforce.
- Increase workplace productivity.
- Implement a workforce system in synergy with education and economic development.


- Hawaii Workforce Development Strategic Plan.
- State Workforce Investment Act (WIA) Plan.
- Interagency/private sector coordination.
- “Workforce System Process Map” to align planned outcomes and entry standards for the components of the workforce development system; incumbent worker training, skill standards and certification upgrades.
- WDC website to maintain communication with the public and all stakeholders.

Performance Monitoring Process

- Hawaii Workforce Development Strategic Plan has measurable outcomes.
- WIA performance measures will gauge success of policy implementation, coordination, program services, and customer satisfaction.
- Continuous improvement is provided through oversight on State and local performance measures; technical assistance in Performance Management Workshops, system measures, Report Card, site visits and WIA evaluation surveys.
- Incentive award policy for regional cooperation and local coordination is based on Baldrige criteria. Baldrige coach will provide customized assistance to Local Workforce Investment Boards.

Accomplishments

- State Workforce System

The State Workforce Development Council (WDC) advises state officials on workforce development issues and initiates and demonstrates innovative education and training models. The WDC adopted and maintains the Hawaii Workforce Development Strategic Plan with goals that provide the umbrella workforce strategy for the Departments of Labor and Industrial Relations.
(DLIR), Human Services (DHS), and Business, Economic Development, and Tourism (DBEDT); Education (DOE), and the University of Hawaii; and the private sector to coordinate their resources and efforts related to workforce development.

The Hawaii Workforce Development Strategic Plan provides system coordination and connections between agencies, programs, and organizations. The partner agencies and programs utilize these system concepts to determine collaborative actions such as resource sharing, program integrations, and streamlining services.

- **Workforce Investment Act (WIA)**

  The WDC also serves as the required State Workforce Investment Board for the federal Workforce Investment Act (WIA) of 1998. The WDC assists and advises the Governor on the implementation of the WIA, which brings in over $20 million into the state for workforce policies, planning and evaluation, one-stop centers, employment and training services, and workforce information.

- **Interagency / Private Sector Coordination**

  WDC coordinating activities include:

  - Career and Technical Education Coordinating Advisory Council
  - State Council on Vocational Rehabilitation
  - Hawaii Forestry and Communities Initiative
  - One Stop centers policies and oversight
  - Review of WIA activities funding and outcomes
  - Alert local areas to grant opportunities
  - Farington High School Health Academy steering group
  - Oahu Travel and Tourism Board
  - Kalihi-Palama local partnership
  - National associations on workforce and skill standards
Office of Community Services

Mark Forman, Executive Director

Goals & Objectives

• Improve services statewide to disadvantaged persons, immigrants, and refugees. Increase research on the needs of disadvantaged persons, immigrants, and refugees

• Obtain services where needed for disadvantaged persons, immigrants, and refugees.

• Improve coordination among DLIR, DOH, DHS, and DOE in serving the disadvantaged, immigrants and refugees.

• Obtain increased government and community support for disadvantaged persons, immigrants, and refugees.


• Obtain increased government and community support for disadvantaged persons, immigrants, and refugees.

• Develop strategic plans to improve services for each county.

• Survey and assess service needs, develop proposals and/or support funding proposals as needed.

• Develop proposals for changes to OCS programs to address identified needs. Establish coordination and collaboration efforts among DLIR, DOH, DHS, DOE, and OCS to improve services and outcomes, improve needs assessments and planning, facilitate problem solving, and obtain efficiencies in funding. Increase OCS’ participation in public and private efforts to serve disadvantaged persons, immigrant, and refugees.

Performance Monitoring Process

• OCS requires program and fiscal performance reports from state funded contractors on a quarterly basis.

• OCS is in the process of implementing OCS’ purchase of services monitoring plan for desk and field monitoring of state funded contracts; monitoring and reporting is conducted as required by federal funding sources.

Accomplishments

• Provided employment core services to 1,141 low-income persons and 775 immigrants, employment creation services to 457 low-income persons and immigrants, extended-day
Head Start child care for 225 low-income families, transportation to basic services for 9,500 low-income rural workers, job seekers, elderly, disabled, school children and youth in areas that are without public mass transportation, necessary civil legal services to 8,743 low-income persons and 561 immigrants, support services to 515 at-risk-youth in the Honolulu school district, and distributed 141,200 pounds of food to the poor, through state funded purchase of services. Also, provided employment core services to 80 refugees, and cost saving energy assistance to 474 low-income persons through federal funded purchase of services.

- Administered state grants-in-aid to service providers that provided legal services to children statewide, and established a horticulture training program for low-income persons on Kauai.

- Completed participation in a five-year Molokai fishpond demonstration project to restore Hawaiian fishponds on Molokai and develop viable fishpond economic enterprises.

- Continued to facilitate development of the Ka‘u community-based economic development plan.

- Continued a partnership with Kauai Food Bank to secure additional federal funds totaling $378,000 to continue its Senior Farmers Market Nutrition Program to distribute locally grown produce to improve the diet of low-income senior citizens in Kauai County.

- Assumed transfer of the administration of the state-funded contract with the Hawaii Disability Rights Center in the amount of $199,500.

- Coordinated the annual state employees food drive that provided a total of more than $105,000 and 82,000 pounds of food for the needy on Oahu and the neighbor islands.

- Coordinated the annual state employees Ready to Learn drive that provided 80 boxes of school supplies and more than $21,000 for needy school children.

- Coordinated a Voting Rights Community Forum for immigrant and minority service agencies with the U.S. Department of Justice to provide information and increase awareness of federal mandates for bilingual voting assistance.

- Facilitated distribution of 1,723,464 pounds of emergency food from the U.S. Department of Agriculture to Hawaii’s community action agencies and local food banks.
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<tr>
<th></th>
<th>State Funds</th>
<th>Federal Funds</th>
<th>Special Funds</th>
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**Fund Balances:**

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<th>State Funds</th>
<th>Federal Funds</th>
<th>Special Funds</th>
<th>Total Funds</th>
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