

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

A N N U A L R E P O R T 2 0 1 1



Improving the Lives of Hawai'i's Working Families



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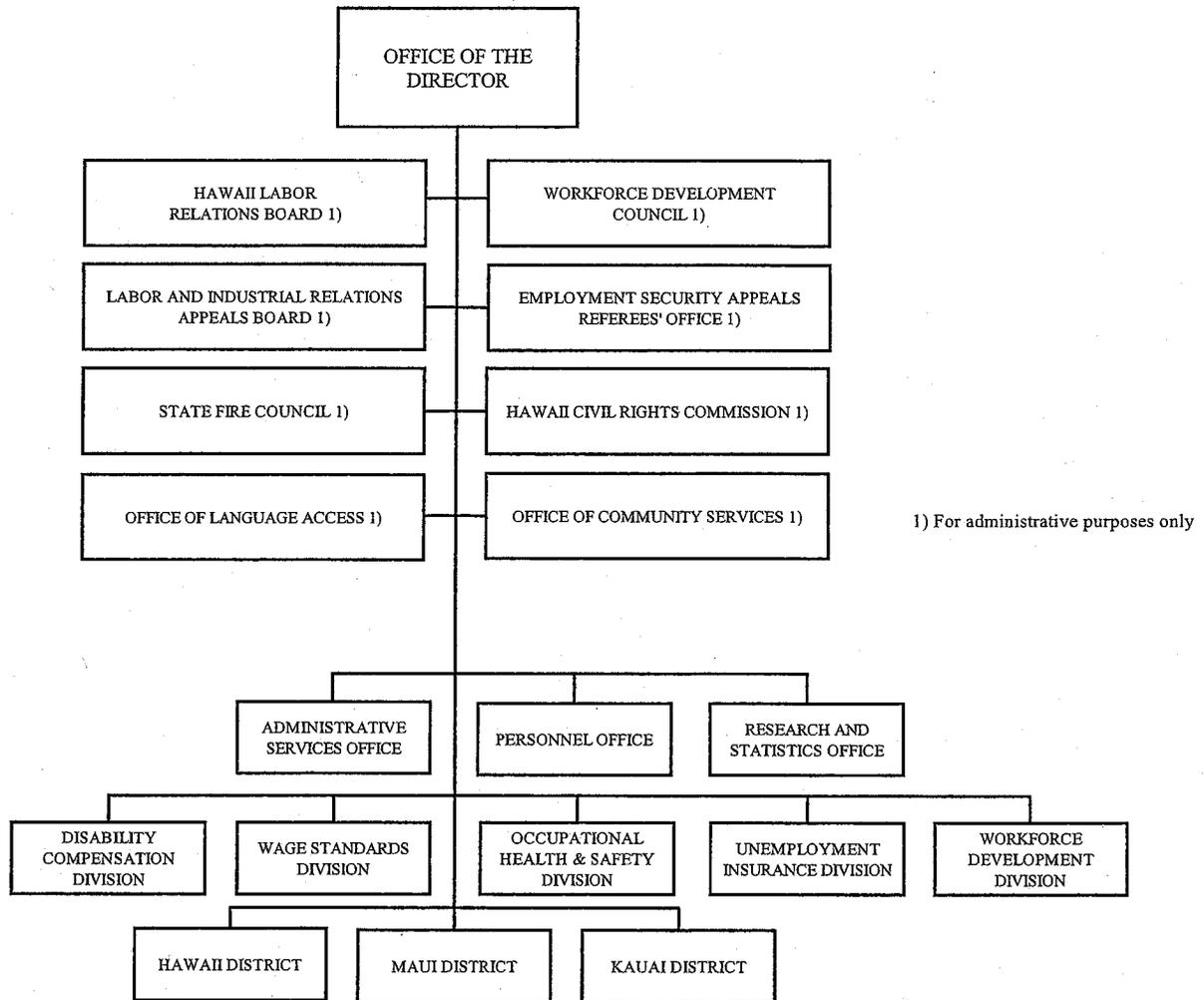
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DLIR Organizational Chart



NEIL ABERCROMBIE
GOVERNOR



DWIGHT TAKAMINE
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Aloha kakou,

As you review this annual report of the Department of Labor and Industrial Relations, I hope that it will update and educate you on the role that this Department plays in the lives of the people of Hawai'i.

After serving as the Director of this department for a year, I continue to be impressed by the dedicated and hard working people who staff the various divisions and programs that we implement. The breadth and reach of the programs include addressing workers' needs from large scale layoffs such as hospital operations, to paying unemployment benefits when that becomes the lifeline for workers to continue "putting food on the table." We administer and enforce workers protections and rights when they get injured at work, to encouraging employers to maintain a safe and healthy workplace for all workers in the State.

While being impressed with the caliber of dedicated staff people, this department (like other departments in State government) has been significantly and adversely affected by budget constraints and the loss of critical staff, during the previous administration.

As a Department, we are determined and focused on providing the best services possible, and engaging the community in the best delivery of these services. We recognize that public/private partnerships will remain a key factor in determining how much we can collectively deliver, to continue to assist workers and families that are struggling to make ends meet.

Dwight Takamine
DIRECTOR

Workforce Development Division

◆ OVERVIEW

The Workforce Development Division (WDD) plans, directs, coordinates and implements a statewide, customer-driven workforce development system that delivers employment and training services to job applicants, workers and industries. Services include a referral and placement service that links qualified job seekers with employers at no cost to the public.

These activities are delivered in partnership with the Workforce Development Council, Counties, business associations, labor organizations, community-based organizations, and other agencies to jointly identify emerging employment trends, coordinate services, and apply for federal, state and other funds to carry out employment and training program activities and services such as National Emergency Grants.

The Division is also involved in strategically planning for economic dislocations of workers in declining industries, working closely with employers, labor organizations, and local workforce investment boards to make appropriate services available to dislocated workers using rapid response teams and securing additional funds to assist workers laid off from business closings or large-scale layoffs.

◆ KEY ACCOMPLISHMENTS

Client Services

One-Stop Career Centers: Through the One-Stop Centers system, employment and training providers

who are linked electronically and/or co-located at one site provide an integrated array of labor exchange and Workforce Investment Act (WIA) services to business and job seeking customers. Over 77,000 jobseekers were served and employers posted over 15,000 job openings during the 12-month period ending June 30, 2011.

HireNet Hawai'i is the electronic job board and database that connected employers and jobseekers and all One-Stop Centers throughout the islands. Over 77,000 individuals who received services from Hawai'i's One-Stop Centers during the period July 1, 2010 to June 30, 2011 were registered in HireNet Hawai'i. It is accessible to jobseekers and employers at no cost. Those with internet access and a computer can self-register and benefit from online services. Those who need staff assistance can contact their nearest One-Stop Center.

Resource Rooms in all One-Stop Centers are equipped with computers that allow access to the Internet, job information, resume writing, word processing, spreadsheet software and links to important Internet Web sites on career and labor market information. Resource Rooms also provide information on job training, labor market information, and job search workshops.

WIA Job Training Services: Through the WIA, the division provided remedial education, job training, and employment assistance to low-income adults, youth, and dislocated workers. About 2,000 people in target populations were served during the period July 1, 2010 to June 30, 2011. These groups included low-income adults, economically disadvantaged youth between ages of 14-21, and former workers who were laid off or terminated and were unlikely to return to their occupation. By developing the skills of this labor pool, WIA helped to meet current and future labor market demands.

Employment and Training Fund (ETF): The ETF Program consists of "macro" grants that are awarded to businesses to develop or expand customized training for their employees; and

“micro” grants that subsidize training from pre-approved training vendors for employees of different businesses. Both types of grants are intended to enhance business growth and improve the long-term employability of Hawai‘i’s people. During this past fiscal year, the “macro” grants focused on “green” industry training in areas such as residential and commercial energy management, green training certification for property managers, and farm food safety certification training. A moratorium on “micro” grants was imposed from July 1, 2009 to December 31, 2010 because of insufficient ETF revenue. When the moratorium was lifted, ETF served 616 businesses and trained 2,220 individuals.

National Emergency Grant/On-The-Job Training Program (NEG-OJT): WDD successfully applied and was awarded over \$600,000 in federal National Emergency Grant (NEG) funds for On-the-Job Training to reimburse participating employers for training their new employees. Participating employers are reimbursed 50% to 90% of wages paid during the training period (up to six months) for hiring and training individuals who were laid off and experienced 20 or more weeks of unemployment. By the time the grant ends on June 30, 2012, an estimated 40-50 individuals will have participated in this program, and benefitting employers will have increased their workforce to help expand Hawai‘i’s economy.

Services to Military Veterans: Over 1,500 military veterans, including over 300 disabled veterans, received job counseling, job search assistance, and job referrals to maximize the veterans’ employment opportunities. Services were provided by WDD staff who specialized in services to military veterans. In-depth vocational counseling services were provided to veterans injured during their deployment in coordination with Spark M. Matsunaga VA Medical and Regional Office.

Partnership with Department of Human Services: A partnership with the State Department of Human Services enabled the WDD to provide

services to welfare recipients in the FIRST-TO-WORK program in all counties and Supplemental Nutrition Assistance Program (SNAP) program recipients on Hawai‘i and Kaua‘i. The FIRST-TO-WORK program served about 1,100 individuals of whom 250 were placed in jobs. The SNAP program served 530 individuals with 135 participants being placed in jobs.

Military Spouse Career Advancement Account Demonstration Project: Over 600 training vouchers worth up to \$6,000 per eligible military spouse were provided for technical training or credentials for high demand occupations. These credentials enabled military spouses on O‘ahu bases to secure high-demand jobs wherever they will be stationed.

Summer Youth Program: The Summer Youth Employment Program, funded by over \$3.5 million in American Recovery and Reinvestment Act (ARRA) funds for Temporary Assistance for Needy Families (TANF), enabled youth ages 14-23 to earn income and learn good work habits and skills through temporary jobs during the summer months of 2010. Over 1,500 youth were placed in 663 government and non-profit agencies where they gained core job skills while being exposed to a real world working environment. The program was operated by WDD in partnership with the State Department of Human Services (DHS) who funded the project. Each youth earned an average income of \$1,659 during participation.

Apprenticeship Program: 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 Hawai‘i’s industries. In fiscal year 2010-11, over 6,500 apprentices in Hawai‘i were registered.

Senior Community Service Employment Program (SCSEP): The SCSEP assists unemployed, low-

income persons, age 55 and older, with poor employment prospects to engage in part-time community service training activities to help them develop skills and experiences for transition into unsubsidized jobs. Over four hundred seniors were served in this program during the year.

Outreach Initiatives

Job Fairs were excellent opportunities for job seekers and employers to address mutual workforce needs. The WDD worked with its partners, businesses, and other service agencies to sponsor job fairs and/or employer forums in various counties. On O‘ahu, three job fairs featuring “green jobs” drew over 16,000 job seekers. WDD also participated in and/or sponsored job fairs on the Big Island, Maui, and Kaua‘i.

Separating Veterans: To assist returning National Guard troops, Reservists, and veterans successfully re-enter civilian life, WDD participated in “Yellow Ribbon” and other outreach efforts with the federal Department of Defense, State Department of Defense, Transition Assistance Programs, Veterans Administration (VA) Department of Vocational Rehabilitation, and Veterans Center to provide information on employment resources available to help veterans and their families. WDD also offered job placement services to approximately 4,000 military veterans during Transition Assistance Program workshops conducted by military contractors for military veterans nearing separation from military service.

Marketing to Businesses: To expand the numbers of businesses benefitting from WDD services, a marketing plan was developed by input from all WDD staff to rebuild relationships with employers and develop more personalized and appropriate services to employers and industries. The marketing effort began with individual and group meetings with employers to promote the workforce services available, including the opportunity to participate in the OJT program.

Capacity Building: When furlough Fridays were restored as regular work days in April through June 2011, WDD engaged in intensive staff training to familiarize staff with “green” labor market information and jobs, begin development of a marketing plan, and provide training in special features of HireNet Hawai‘i, a new “green portal”, and workforce initiatives. Because the offices were closed to the public, all applicable staff members were able to participate. This concentrated capacity building effort is intended to improve efficiency and quality of services to the public.

Rapid Response services continued to be provided on-site, in coordination with employers and participating unions, to workers who were scheduled to be terminated due to business closings or large-scale layoffs. Information on Unemployment Insurance, HireNet Hawai‘i, vocational training, health insurance, and other resources were provided to attendees. Examples included Kona Village Resort, Makaha Resort, and Borders.

◆ CHALLENGES

This overview of WDD programs represents a wide variety of programs available to Hawai‘i’s job seekers and employers. While the Division is proud of the effort and level of service quality it provides, continuing cuts in State General Funds have eroded the extent of services provided in the State Apprenticeship Program and severely hampered WDD’s ability to carry out new enforcement responsibilities for plant closing notices under Chapter 394B.

Severe federal budget cuts in FY 2012 also will adversely affect services to the public and limit WDD’s ability to fulfill its mandated responsibilities in the current and future years. For example, during FY12, the maximum amount of funds allowed for Statewide responsibilities was reduced in November 2011 from **15%** of total grant funds to **5%** of total grant funds, a reduction of 67%. This drastic a reduction seriously jeopardizes the integrity of financial and programmatic oversight

for the funds, which decreases performance and increases the risk of disallowed costs.

Disallowed costs cannot be repaid from federal funds; therefore, State General Revenue would be needed to cover disallowed costs. Poor performance and inadequate oversight also dampen opportunities for securing future federal grants, which have become highly competitive due to budget cuts for on-going programs throughout the nation. In addition, it will be extremely difficult

to procure an electronic job board and federal reporting system for job matching and WIA programs based on complex federal reporting requirements and anticipated federal budget cuts for the next fiscal year.

The growing gap in funding crucial program and administrative services will inevitably result in hampering WDD's ability to both comply with mandated requirements and meet the growing needs of apprentices, jobseekers, and employers.

Workforce Development Council

◆ BACKGROUND

The Hawai‘i Workforce Development Council (“WDC”) is comprised of 31 private and public sector members appointed by the Governor. The members provide direction to the State’s workforce development efforts, and support the best use of resources for those purposes.

Specifically, the WDC is tasked to 1) lead and coordinate the continuing development of a skilled and competitive State workforce; 2) to improve and enhance program effectiveness and efficiency and reduce and eliminate program overlaps and duplications; 3) to recommend and act on policies in workforce development; and to 4) assist in building State and local businesses and employment opportunities for all of Hawai‘i’s people.

The WDC is also the Statewide Workforce Investment Board for purposes of the federal Workforce Investment Act of 1998 and the Wagner-Peyser Act. The WDC develops that state plan on the use of the funds, how they are distributed, develops performance goals and oversees the implementation by the DLIR’s Workforce Development Division and the four counties

The WIA funds are administered by the four counties and the DLIR’s Workforce Development Division which acts as the administrative/fiscal oversight entity for the funds. Each county has a local board similar to the WDC to oversee the allocation of training funds to their respective counties. These LWIBs are also private-sector driven council and provides WIA funds for operation of One-Stop Centers on six islands.

Finally, the WDC also applies for and acts as a conduit for federal monies targeted for specific workforce development programs. Through various departments in the federal government, including the U.S. Department of Labor (USDOL) and the Department of Health and Human Services, the WDC has sought and been awarded a number of federally funded grant opportunities.

◆ HIGHLIGHTS

Workforce Investment Act

For Program Year 2010, the State exceeded all seventeen (17) of its negotiated performance levels for the three job training funds the state receives under WIA. Of the \$7.2 million received by the State, over 2,000 individuals were provided employment related services.

State Energy Sector Partnership (“SESP”) Grant

In 2011, the WDC continued effectuated year two of a 3-year, \$6 million job training grant.

Through coordination of several state and county agencies, non-profits and employers, the grant has trained over 1,000 residents this past year in energy efficiency, renewable energy job training. For 2011, the WDC worked on rolling out on-the-job (OJT) training and internship programs as the Green LMI Improvement grant indicates that the majority of green jobs will require OJT as opposed to formal education. This is also to address concerns that there are limited training opportunities in Hawai‘i for green occupations. WDC also worked with grant subrecipients to identify and establish new green training programs, especially targeted at benefitting special populations such as people experiencing homelessness and veterans, and apprenticeship training programs. WDC coordinated meetings and site visits for our USDOL Federal Program Officer and a Grants and Contracts Specialist during their visit in late September 2011.

The Hawai‘i SESP grant is exceeding training expectations, with 67 percent of our total participants trained in 55 percent of the time. Training demand in the community remains centered on incumbent workers.

SESP Training Partners

City & County of Honolulu	\$1,593,543
University of Hawai‘i Community Colleges	\$1,150,000
County of Hawai‘i	\$543,725
County of Maui	\$432,890
County of Kaua‘i	\$273,278
Goodwill Industries of Hawai‘i	\$225,000
Catholic Charities Hawai‘i	\$225,000
Hawaiian Electric Industries	\$194,000
Building Industry Association of Hawai‘i	\$87,500
Int’l Union of Painters and Allied Trades District Council 50	\$87,500
Associated Builders & Contractors—Hawai‘i Chapter	\$87,500
General Contractor’s Association	\$87,500
Pacific Resources Partnership	\$87,500
Kaua‘i Island Utility Co-op (KIUC)	\$87,500

Healthcare Workforce Planning Grant

WDC effectuated a \$150,000 healthcare workforce planning grant (“HWPG”) designed to increase the primary care workforce by 20% by the year 2020. The WDC utilized this grant to maximize its efforts under the WDC’s existing healthcare industry skill panels.

In 2010 and 2011, the WDC, in Partnership with the Chamber of Commerce of Hawai‘i, the University of Hawai‘i Community College System, Hawai‘i Pacific Health, John A. Burns School of Medicine AHEC, and the Career and technical Education Center at the UH-Manoa, published our initial report, *Hawai‘i’s Healthcare Industry Skill Panels Initial Report and Addendum to the Comprehensive State Workforce Development Plan*, in February 2011. That skill panel report can be viewed in electronic form at: http://hawaii.gov/labor/wdc/FINAL%20Printed%20HC%20Report_031011.pdf.

One specific achievement of the healthcare industry skill panel was the formation of a critical care nursing program between private sector employers and Hawai‘i public and private post secondary education institutions. The pilot program for training Critical Care Nurses at Windward Community College is slated for early 2012. If the pilot program proves successful, the program will be rolled out to all of the universities in Hawai‘i free of charge in order to better train and prepare Nursing students for the realities of current work in the medical field.

The final comprehensive workforce plan addressing Hawai‘i healthcare workforce is in the process of being printed and will be published and made available in January of 2012. The report, entitled “*Hawai‘i’s Healthcare Workforce 20/20 Plan and Report*” identifies key shortages each county and provides specific recommendations to address those challenges.

Industry Skill Panels

In addition to Healthcare, the WDC also formed employer led skills panels in software development and agriculture. The intent of the skill panels is to identify workforce needs for particular industries, identify barriers to meeting those needs and finding solutions to recommend to the Governor and legislature to resolve those barriers.

Software Industry Skill Panels

The WDC, along with the University of Hawai‘i Community Colleges, Career and Technical Education-UH and the Hawai‘i Technology Development Corporation (“HTDC”) held a skills panel focused on the computer software workforce. The panels, modeled after the successful healthcare industry skill panels, attracted over 100 software experts and industry leaders from throughout the state on March 31, 2011. Software industry leaders in Hawai‘i, such as Henk Rodgers, CEO of Blue Planet Foundation and developer of the game “Tetris” and Peter Kay, President of Cyber

Com Inc., met with both start-up and established companies to decipher the workforce needs and develop a concrete plan to fulfill workforce needs in the software industry. Currently, the WDC and HTDC are compiling notes to produce an initial findings report similar to what was done for the Healthcare Industry.

Agriculture Industry Skill Panels

In partnership with the DLIR and Department of Agriculture (HDOA), the WDC has begun statewide meetings with the Hawai'i farming community to address their present and future workforce needs. Over 170 stakeholders, including farmers, industry professionals, HDOA staff, representatives from the education and public workforce systems, and other stakeholders, convened to discuss challenges facing the agriculture industry and to propose practical solutions. As with the prior Skill Panels, the WDC will produce a focused and collective report of the Skill Panels and make it publicly available prior to the 2013 legislative session.

College Access Challenge Grant

The WDC, in partnership with the P-20 Partnership for Education, the University of Hawai'i, and the Department of Education, implemented a \$330,000 College Access Challenge Grant from the U.S. Department of Education. Under the grant, the WDC established a student and adult learner web portal called Myfuturehawaii.org. The portal, which is ready to be piloted among 21 HIDEO schools in early 2012, is designed to assist minority and disadvantaged students and adult learners in applying for post-secondary educational institutions. The portal provides the following four basic applications: (1) Degree audit; (2) College and Career Planning; (3) Electronic College Application and Transcript Submittal; and (4) Tools to find and apply for financial resources.

Disability Employment Initiative

The WDC has been successful in obtaining a \$2.9 million Disability Employment Initiative grant from USDOL. The grant is intended to address Hawai'i's disabled population by 1) Improving Educational, Training, and Employment Outcomes of Adults with Disabilities; 2) Promote Partnerships and Greater Collaboration Across Workforce Segments, and; 3) Increase the Utilization of One-stops by the Targeted Population by 20% While Improving Data Tracking.

The program design will leverage funds from Vocational Rehabilitation (VR) and Ticket to Work to provide training services while two staff in each selected LWIB known as Disability Resource Coordinators (DRCs) and Business Relations Inclusion Coordinators (BRICs) will collaborate with partners in the community to create a streamlined pathway to gainful employment for participants. Outcomes will be achieved by: training one-stop staff on community resources to increase appropriate collaboration and referrals; housing VR staff within one-stops and requiring IRTs be offered to participants when referring to VR or Employment Networks; building the network of inclusive employers through establishing local Business Leadership Networks (BLNs) and signing job experience site agreements; having a "flexible spending fund" to provide the "first dollar down" to leverage partner funds and resources; hosting semi-annual Asset Development Summits for ticketholders; hosting employer learning events and award ceremonies, and; producing an accessible video of one-stop and partner services.

The project will also collaborate with the Medicaid Infrastructure grant to provide key support services in the form of a targeted support service model cohort class housed within the one-stops that will help participants explore careers and identify educational and employment pathways.

◆ CHALLENGES

Severe budget cuts in federal funds will adversely affect services to the public and jeopardize the DLIR's (WDC and WDD's) ability to fulfill its mandated responsibilities to properly administer federal funds received. For example, during FY 12, the funds allotted for the State's administration of WIA funds was reduced in November by 67% for the same year. Because State Administration funds for WIA also support HireNet Hawai'i, with assistance from the Counties, the budget reduction may be too severe to sustain a viable job board and electronic One-Stop System.

In addition to federal budget cuts which will impact the State's ability to oversee and admin-

ister WIA at the county level, the state needs to recognize that Hawai'i's limited funding cannot address the majority of Hawai'i's residents. Additionally, because Hawai'i has a low unemployment rate, federal job training dollars are severely reduced, affecting our ability to serve all. For example, there is little to no job training dollars for the unemployed population on the island of Kaua'i.

Further complicating issues, job training funding from the federal government is targeted to those who are part of unemployed or high risk, high need populations. These types of funding do not allow the state to address Hawai'i's high under-employed population, such as those working one part-time job.

Hawai‘i Occupational Safety and Health Division

◆ PROGRAM OVERVIEW

The Hawai‘i Occupational Safety and Health Division (HIOSH) administers two laws:

- Chapter 396, Hawai‘i Revised Statutes (HRS), The Hawai‘i Occupational Safety and Health Law, the purpose of which is to assure every working person in the State safe and healthful working conditions; and
- Chapter 397, HRS, The Hawai‘i Boiler and Elevator Safety Law, the purpose of which is to assure the safe operation and use of boilers, pressure systems, amusement rides, and elevators and kindred equipment.

Occupational Safety and Health (OSH) Program (Chapter 396, HRS) staff conducts the following activities, with the goal of encouraging voluntary compliance to the law and administrative rules:

1. Compliance Inspections and investigations. HIOSH staff conducts programmed inspections of high hazard workplaces, as well as investigations in response to accidents, complaints, and referrals.
2. Consultations and on-site training. HIOSH consultants perform workplace audits and evaluations to make recommendations to improve the site’s safety and health management system in response to requests from employers. This service is free and confidential.

3. Certifications are issued to qualified individuals:

- **Explosives and Pyrotechnics**—certificates of fitness are issued to persons qualified to handle explosives, fireworks, and/or special effects for movie and theatrical productions.
- **Certified Safety and Health Professionals**—certificates are issued to persons who perform third party workplace safety audits to qualify businesses for a reduction in workers’ compensation premiums and limited enforcement inspections.
- **Hoisting machine operators**—certificates are issued to operators of cranes and other hoisting equipment, with requirements for continued training and testing.

4. Promulgation of OSHA standards. HIOSH is required to adopt “as effective as” administrative rules within 6 months of OSHA’s adoption. Such safety and health standards provide guidance and rules as to what employers must do to ensure safe and healthful workplaces for their employees.

The OSH side of HIOSH receives 50% federal funding for the compliance program and 90% federal funding for the on-site consultation program. The U.S. Occupational Safety and Health Administration (OSHA) does not permit federal funds to be used for the certification programs which are 100% state funded, with the exception of the hoisting machine operators certification which is 100% special funded. OSHA provides oversight of the program, requiring benchmark staffing levels as well as performance and timeliness criteria for mandated activities.

Boiler and Elevator (BE) Inspection Branch (Chapter 397, HRS) staff conducts the following activities with the goal of public safety through voluntary compliance with the law and administrative rules:

1. Inspections of equipment at specific intervals to assure its safe operation and use. Equipment determined to be satisfactory are issued permits to operate.
2. Investigations of accidents and some complaints.
3. Review of installation and alteration plans to ensure that the equipment is being constructed/ installed/ altered in accordance with safety codes. A permit to install/ alter is issued to initiate the construction work.
4. Certifications are issued to special boiler inspectors to enable them to perform third party inspections of boilers and pressure systems.
5. Reviews and audits of companies authorized by the National Board of Boiler and Pressure Vessel Inspectors to enable Hawai'i companies to perform necessary repairs and alterations to critical equipment in the state.

The Boiler/Elevator side of HIOSH is currently funded 100% from general fund monies.

◆ RESTORING CAPACITY

HIOSH OSH

Since 2003, HIOSH OSH staff has lost over 2/3 of its employees, culminating in the 2009 state reduction-in-force where 12 positions were eliminated. Although the 2010 legislature restored all 12 positions, the hiring freeze imposed by the administration left only 19.5 authorized positions as of July 1, 2010, of which only 16.5 positions were filled.

In September 2010, OSHA heavily criticized the Hawai'i program as not meeting OSHA requirements and indicated that they would de-certify the program if Hawai'i did not take immediate action to restore staff and fix major financial, enforcement, consultation, and reporting shortcomings. At stake were over \$ 2 million in federal funds and an additional \$800,000 in program revenue.

OSH Highlights

Throughout FY 2011, the current administration endeavored to create and fill 12 more critical positions for a total of 31.5 authorized positions. As of today, HIOSH has filled 7 positions and is actively recruiting for the additional 5. Throughout the year, hiring freezes and budget cuts continued to exact a heavy toll on program staff performance, however, the program ended the year with OSHA approval and support for its corrective action plan, and has been able to improve performance by establishing priorities and authorizing overtime.

- **November, 2010:** Completed comprehensive inspection of a refinery under the OSHA Process Management System directive
- **April, 2011:** OSHA/Hawai'i Workshop with over 300 attendees
- **April, 2011:** Voluntary Protection Program (VPP) Award to Monsanto Moloka'i for outstanding safety and health excellence

HIOSH BE

BE lost 1/3 of its positions since 2003, down 6 positions to a current authorized position count of 12 from 18 in 2003. Currently only 10 of the 12 positions are filled, despite active recruiting efforts. The major reason for the position vacancies is the disparity between private sector pay and the compensation currently being offered.

The furloughs in fiscal years 2010 and 2011 combined with existing short staffing significantly affected the branch's workload. As of the end of FY 2011, nearly 20% of the elevator safety tests and 75% of the annual elevator inspections were backlogged. More than 3,500 boilers and pressure systems in the state (~50%) were similarly not being inspected on time and operating permits were long expired.

In addition, with the elimination of both clerical positions in the branch, reports and permits for inspections that were performed were backlogged

by over 6 months. In May and June of 2011, DLIR employees from other divisions volunteered to help reduce the backlog. Authorization of overtime and assignment of clerical help from the OSH side is helping to maintain the backlog at a reasonable level.

BE Highlights

- **April, 2011:** Completion of the Disney Aulani Resort elevators
- **November, 2011:** Upgrades to elevators at APEC hotel and meeting sites were successfully completed and inspected in time.

◆ CHALLENGES FOR 2012 AND BEYOND

HIOSH OSH

1. **Filling Positions and Retention:** Despite aggressive recruiting following the freezes and budget constraints, several critical positions require filling. The department is using all available recruiting tools and incentives at its disposal, including ability to hire above the entry-level compensation, shortage declaration, job announcements via professional organizations, colleges and universities and veterans groups.

Recently, working in conjunction with the Department of Human Resources Development (DHRD), DLIR has begun aggressively recruiting using enhanced entry-level salaries as a recruitment strategy.

2. **Purchasing and Accounting:** Currently, HIOSH OSH has no position capable of making complex purchases (HEPS, Sole Source, contracts) and maintain the timely accounting necessary to satisfy OSHA's requirements for pre-approvals for deviations between cost categories. The department is in the process of re-describing an existing position to fill this gap.
3. **Training:** Most inspector or consultant positions require highly specialized training, usually only

offered by OSHA at their training facility in Arlington Heights, Illinois. Most classes are filled within 1 day of opening, so HIOSH OSH employees are usually put on a wait list. Once notified, travel costs for 1 week of classroom and hands on training are high. Using other training providers is cost prohibitive with most courses costing upwards of \$1,500 per student plus travel costs. At this time, HIOSH OSH does not have the capability of dedicating one position as a trainer for employees, nor of utilizing existing staff to train new employees in different topics. This may impact performance quality and result in adverse OSHA evaluation reports. However, the major impact is loss of protection for workers if contested cases are lost because of inadequate staff training.

HIOSH BE

1. **Adding positions and filling positions:** To have even the hope of reducing the inspection and permit backlogs, BE needs to add an additional 10 positions. A measure is being proposed for the 2012 legislature to:
 - Create a Special Fund from inspection and permit fees, to insulate the program from most "automatic" budget and position cuts.
 - Provide flexibility in compensation and working conditions to be able to attract and retain qualified candidates.
2. **Adopting Updated Codes:** Codes for both boilers and elevators have not been updated since 1998. As a result, the codes are archaic and do not address the improvements in technology made since that time. Owners and contractors are thus left with no guidance or confusing guidance on what is and is not permissible. The lack of clear and updated regulations is costing Hawai'i's businesses and the workforce because of construction delays and change orders. The current administration

has assigned resources to help with updating the rules.

3. **Fragile Database for Elevators:** The current software program for processing permits, inspection reports and permits is no longer being supported. The FOCUS Company went out of business on June 30, 2010. Several major features are non-operational and the program has become cumbersome to use. It may also crash at any time. Part of the legislation will enable the program to raise its permit and inspection fees to help pay for a new information technology system similar to many other www.hawaii.gov applications that are transaction based. The department has contracted with Hawai'i Information Consortium to develop

the program, host the software, and collect the fees electronically. One of the major features will be transparency and real-time results, e.g. contractors being able to see the inspection schedule and permits being issued in the field.

4. **Amusement Rides:** Elevator inspectors currently perform amusement ride inspections after attending training and passing a certification exam administered by the National Association of Amusement Ride Officials (NAARSO). The training and exam is only offered once a year usually on the East Coast. Of late, as amusement rides have become more complex, our elevator inspectors have encountered challenges passing the examination.

Wage Standards Division

◆ OVERVIEW

The Wage Standards Division (“Division”) administers and enforces six different labor laws related to wages in the Hawai‘i Revised Statutes (HRS). The laws operate to keep young workers safe in the workplace (Child Labor Law, Chapter 390, HRS); ensure employees are paid their wages due (Wage and Hour Law, Chapter 387, HRS; Payment of Wages and Other Compensation, Chapter 388, HRS; Wages and Hours of Employees on Public Works, Chapter 104, HRS); and provide job protection when family members need care or an employee is fired or discriminated against because of a lie detector test, a workers’ compensation injury, taking an on-site drug test, or taking accrued sick leave. (Hawai‘i Family Leave Law, Chapter 398, HRS, Employment Practices Law, Part II—Lie Detector Test and Part III—Unlawful Suspension or Discharge.)

Compliance is accomplished in four ways: 1) Addressing complaints through field investigations or hearings; 2) Conducting randomly generated audits; 3) Education outreach to both employers to promote voluntary compliance and to employees to educate them about their employee rights; and 4) Working with partner agencies in enforcement.

In FY 11, the Division’s three branches, (Intake and Certification; Compliance; and Hearings) and Technical Services and Support Office had twelve Labor Law Enforcement Specialists serving statewide. The full time equivalent of a thirteenth

budgeted Labor Law Specialist position was vacant due to retirements and internal movements. Three Office Assistants on O‘ahu provide clerical support statewide. The Administrator and Secretary complete the current list of eighteen budgeted positions in the Division.

◆ HIGHLIGHTS AND ACCOMPLISHMENTS

Customer service is a priority to the Division and our mantra, “*Service with aloha improving the quality of work life in Hawai‘i,*” continues to dominate our approach to meeting our customers’ and the public’s needs. Customer service surveys report that 92% of our customers are very satisfied or satisfied with the service provided. Statewide, the Division recorded 10,660 requests for information by either phone call or walking into the office. The Division also issued 522 written responses.

Child labor permit requests remained steady throughout the State. The Division issued 1,750 Certificates of Age to teens age 14 and 15 years old and 9,942 Certifi-

cates of Employment for teens 16 and 17 years old. Twenty-two different variances were issued for theatrical work with 88 addendums modifying those variances. The majority came from theatrical work of minors on the television productions of “Hawai‘i Five-O” and “Off the Map.” In the first quarter of FY 2012, the Division has two long-term variances open for working minors issued to the production companies Eye Productions and FTP Productions for the TV shows “Hawai‘i Five-O” and “The River” respectively.

The Division received 647 new complaints, resolved 584 complaints and conducted eleven random audits finding \$443,764 in back wages due to 401 employees. In addition, \$55,669 of penalties were found due to employees and \$18,605 in penalties due to the State.

“Great Service-
Very Helpful-
Couldn’t be
better”

ROBIN W.
February 10, 2011
(Customer Survey #779)



Sanoë Rabanes

Hi! I'm 16 years old and was wondering if you help students on other islands find a job. I live on Maui and I really need a job!

Like · Comment · April 28 at 3:47pm · 🌐



Hawaii Teens at Work You should talk to your counselor at school, explore HireNet its on the internet and open 24/7 at <http://hawaii.gov/labor/HIRE.NET/HIRE.NET>, or try some of the ideas on Career Kokua's website at <http://www.careerkokua.org/> Good luck! It might take a few tries, but don't give up!

May 2 at 4:01pm · Like



Sanoë Rabanes Ok! Thanks for the tips! They were really helpful and i will go on those sites. Thanks again! You guys were really helpful.

May 2 at 6:30pm · Like

Write a comment...

One of many helpful exchanges on WSD's Facebook page, "Hawaii Teens at Work."

Implementing a new penalty of suspension for falsification of certified payrolls on public works jobs was an important goal this year. Working with the Office of the Attorney General, the Division developed a process and procedure that resulted in the first suspension under Act 168, Regular Session 2008. This first step is now part of the regular penalty processing that will serve to eliminate “cheaters” from bidding on public works for three years. In the first quarter of FY 2012, two more contractors have been suspended from eligibility for bidding on State and county public works projects. Suspension notices go out to the Department of Accounting and General Services (DAGS) and the Department of Commerce and Consumer Affairs (DCCA) to ensure that appropriate actions are taken in the State Procurement Office and contractor licensing activity. Suspensions will be listed on the WSD webpage as they are created.

A remodeled webpage has a noticeable impact on the inquiry workload because the webpage makes it easier for the public to find answers to their questions. Adding social media to the outreach efforts has increased our ability to provide services to the public twenty-four hours a day, seven days a week. Through Hawaii Teens at Work, the Division’s Facebook presence for teens, where parents and employers can discuss teen employment issues,

the Division has seen this form of social media play a significant role in facilitating the dissemination of information. The Division also maintains a blog (Inside Hawaii Wage Standards) where comments of current interest are posted.

◆ CHALLENGES

A backlog of cases that began to amass in Fiscal Year 2008 continues to grow in the Compliance Branch. With over 600 complaints filed annually, the specialists have exhibited extraordinary resoluteness to close 500 investigations annually. Funds for one budgeted position have not yet been released, which caused the adjusting of the investigation processes and procedures to address ongoing investigations.

The Reduction-in-Force (RIF) created a situation where the technical services, support labor law enforcement specialist, and clerical services had no supervisors, and the Intake and Certification Branch chief had no one to supervise. Previously, the Intake and Certification Branch personnel operated as personnel training ground that fed the Compliance Branch. Without these individuals, the training period for Compliance investigators will take up to two and half years. In addition, the Intake and Certification Branch specialists investigate child labor violations of work hours and hazardous work condi-

tions, and exceptions to the minimum wage (for sheltered workshops) which are now handled by one person, the ICB Chief resulting in the suspension of proactive community outreach and education programs.

With much of the Compliance staff eligible to retire, finding qualified individuals when they retire will be difficult and create a gap in the ability to conduct investigations of unpaid wages for the neediest of Hawai'i's workers. Currently, the Compliance Branch is operating with two specialists on O'ahu with one ready to retire next year (2012). In 2008, there were five specialists when previously there were eight, starting the increase in time to do the investigations and contributing to a backlog of investigations to conduct.

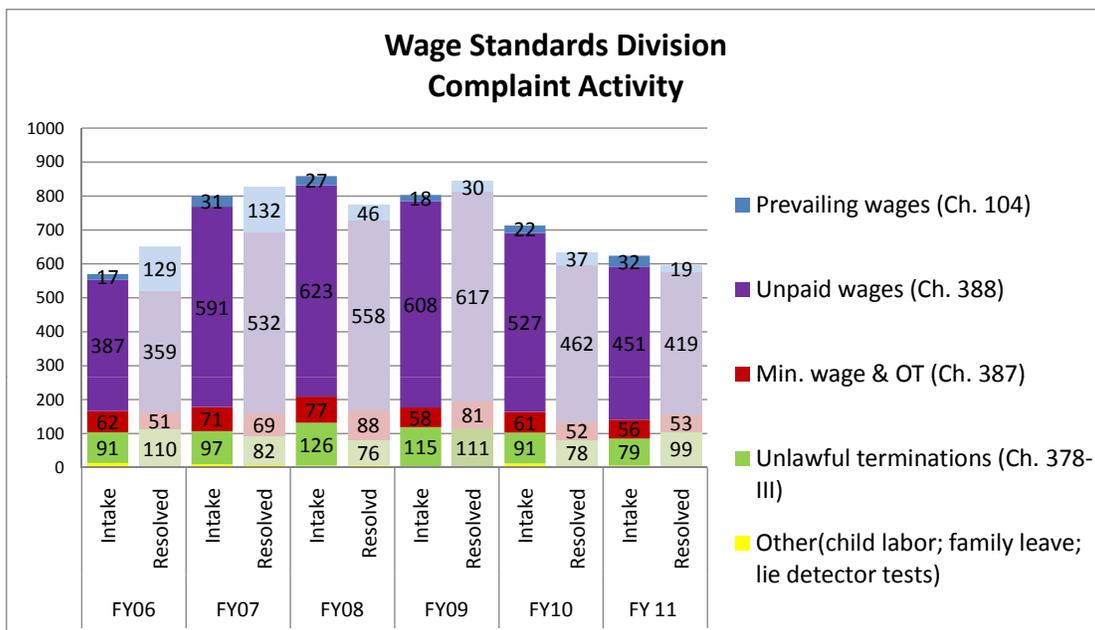
The Neighbor Islands have three specialists, one on Maui, one on Kaua'i and one on the island of Hawai'i (where there used to be two). The Hawai'i specialist will be retiring in early 2013 leaving the island of Hawai'i with no specialist to investigate complaints of unpaid wages. Plans to re-organize will help streamline internal processes but will not alleviate these specific challenges of increasing backlogs of complaints for unpaid wages in times of

increasing economic stress to all working families in Hawai'i.

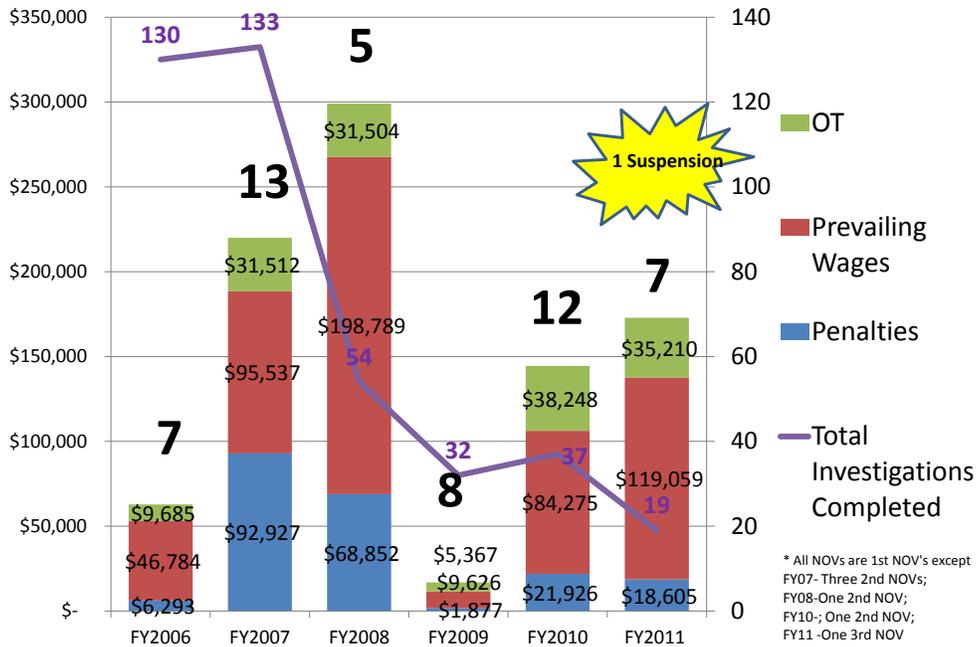
Software for the Division's database developed in Microsoft Access 2002 is 10 years old. Upgrading the system to Microsoft Access 2010 should allow us to maintain the database for at least another 3 years until the State IT plan is in place and guidelines that are more definitive are in place.

◆ FY 2012 GOALS AND OBJECTIVES

To address the personnel challenges the Division is working on a major re-organization. Combining the Technical Services and Support Office, the Intake and Certification Branch and Clerical Services will provide coverage for some essential tasks that currently have no back-ups and will provide supervision for the clerical staff. As part of the combining of these offices, future goals are to rewrite three positions to accommodate the change in scope of jobs. One of the positions to be re-described will modify an office assistant into a para-professional position that will have increased responsibilities to address the public on substantive matters and operate as a bridge position to the Compliance Branch investigations team.



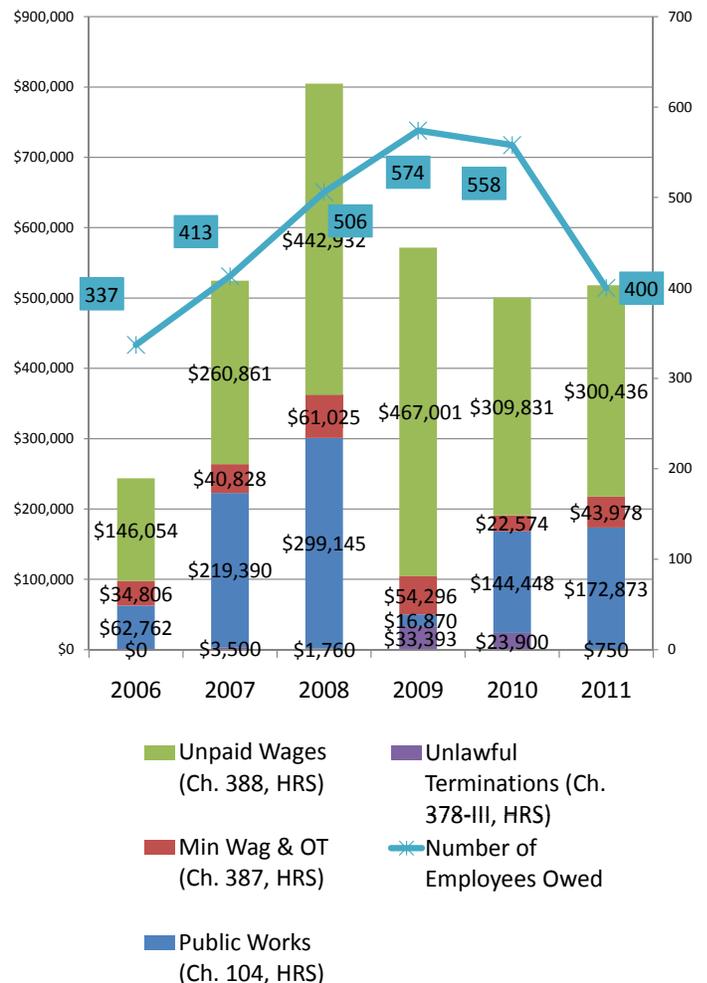
Chapter 104 Notice of Violations Issued*



Unclaimed wages from investigations that are more than two years old have accumulated to approximately \$400,000 as of the end of FY 11. Developing an electronic system will allow us to deposit the funds with Budget and Finance's Unclaimed Wage Funds. Changes to the system of transferring funds will make it possible to set up an annual review of the Wage Claim Fund deposits in order to move these amounts to the appropriate place in a more timely fashion.

Filling the vacant position in the Compliance Branch is an important goal to ensure that enforcement of the laws the Division is responsible for continues in a responsible way. Working with a modified approach to investigations and using technology will allow the Division to tackle the pending complaints until the Compliance Branch has adequate resources to return to its regular process of investigation.

Wages and Penalties Found Due and Number of Employees Owed



Hawai'i Civil Rights Commission

The Hawai'i Civil Rights Commission (HCRC) is responsible for enforcement of state civil rights laws prohibiting discrimination in employment (Hawai'i Revised Statutes (HRS) Chapter § 378, Part I), housing (HRS Chapter § 515), public accommodations (HRS Chapter § 489), and state and state-funded services (HRS § 368-1.5).

◆ **MAINTAINING CIVIL RIGHTS LAW ENFORCEMENT IN DIFFICULT TIMES: THE CONTINUING AND SERIOUS IMPACT OF THE STATE BUDGET CRISIS ON THE HCRC**

The HCRC has shared in the budget reduction required of all state agencies during the past three years in response to the worst and unprecedented economic downturn and budget crisis the state has faced. The recession has resulted in a substantial reduction in state general funds (GF), while the number of discrimination complaints has increased. As the direct result of the Reduction-in-Force (RIF), freezes, abolishment of positions, and employee furloughs, the HCRC had to adjust to lost capacity and productivity, while maintaining the highest possible levels of efficiency and effectiveness.

◆ **THE HCRC TODAY**

During FY 2011, the HCRC focused its efforts on maintaining enforcement and public education activities despite the impact of reduced resources, furloughs, loss of positions and key staff, freezes on filling vacancies, and other restrictions.

◆ **INVESTIGATION AND CHARGE PROCESSING**

During FY 2010, the HCRC lost three (3) of eleven (11) (27%) of its permanent investigator positions. Coupled with the two days per month furlough of all state employees through the end of FY 2011, there was a significant impact on the HCRC's capacity to timely and effectively investigate discrimination complaints from intake through investigation and disposition. The average length of investigation to closure by investigators rose to 363 days in FY 2011, compared to 326 days in FY 2010. The reduction of investigator staffing also had a substantial impact the HCRC intake process. With as many as 250 pre-complaint questionnaires pending at any time, the intake process has been subject to delay for months after initial contact, sometimes running close to the 180-day statute of limitations for filing a complaint.

During FY 2011, HCRC investigators conducted 782 intakes, and 631 discrimination complaints were filed with the HCRC, an average of 52.6 complaints a month. Of the 631 complaints filed with the HCRC, 365 complaints originated with HCRC investigators, and another 266 cases originated with the federal EEOC or HUD and were dual-filed under state law with the HCRC.

The 631 cases included 563 employment cases, thirty-six (36) housing cases, thirty-one (31) public accommodations cases, and 1 case involving state and state-funded services. The 631 cases consisted of 439 Oahu complaints, eighty (80) Hawai'i County complaints, seventy-nine (79) Maui County complaints, and thirty-three (33) Kaua'i County complaints.

◆ **MEDIATION**

The HCRC's voluntary mediation program completed its twelfth year of operation, working

with the Mediation Centers of Hawai‘i, community mediation centers on O‘ahu, Hawai‘i, Maui, and Kaua‘i, and private mediators. Twenty (20) cases settled in mediation for monetary relief exceeding \$159,000.

◆ PUBLIC EDUCATION

The HCRC continued to prevent and eliminate discrimination through public education. HCRC staff made numerous presentations on civil rights and discrimination to labor, business, and professional, civil rights, and other community organizations. Public education included fair housing training on Kaua‘i, Maui, Hawai‘i, and O‘ahu. The HCRC held its annual EEO public training in October 2010 at the Hawai‘i Convention Center, covering basic and advanced topics, including a session on the ADA Amendments Act of 2008 (ADAAA), the Genetic Information Nondiscrimination Act (GINA), and social media and the workplace.

◆ LITIGATION AND SETTLEMENTS

During FY 2011, HCRC enforcement attorneys continued to conciliate and litigate cause cases, in which there was a determination of reasonable cause to believe that unlawful discrimination has occurred. The loss of one (1) of three (3) (33%) permanent enforcement attorney positions in the 2009 RIF and subsequent abolishment of the lost position¹, coupled with furloughs through FY 2011, directly resulted in higher caseloads and impacted the processing of cases to just resolution.

During FY 2011, the HCRC continued to successfully obtain monetary relief through settlement of complaints. In 22 closed cause cases, HCRC attorneys obtained monetary settlements totaling \$287,300. Of fifty (50) cases settled prior to an investigative finding, twenty-three (23) involved confidential settlements. In the remaining twenty-seven (27) cases, monetary relief obtained totaled

1. The third permanent enforcement attorney position was restored by the legislature in the FY 2011 budget, but reestablishment is pending.

\$218,789. Monetary relief in pre-determination settlements totaled \$502,089.

In addition to monetary relief, significant affirmative relief was also obtained. Affirmative relief is sought for four basic reasons: to enforce civil rights laws, stop discriminatory conduct, prevent future harm to complainants, and assist respondents in avoiding future violations. During FY 2011, a significant number of employers, housing providers, and public accommodations agreed to correct unlawful discriminatory policies or practices.

◆ OBJECTIVES AND GOALS FOR FY 2011-2012: MOVING FORWARD

During FY 2011-2012, the HCRC will work towards rebuilding its capacity for effective and efficient civil rights law enforcement work, including timely investigation, as well as conciliation and litigation of cause cases. The HCRC will maintain state civil rights law enforcement efforts despite the cumulative impact of state budget cuts and the loss of enforcement staff. The HCRC has been forced to rely on temporary positions and federal funds to maintain enforcement efforts, raising concerns of over-reliance on federal funding that must be addressed.

◆ IMPLEMENTATION OF NEW STATE CIVIL RIGHTS PROTECTIONS

While enforcement resources have diminished, enforcement jurisdiction, responsibility, coverage, and protections have grown. The Commission will adopt new administrative rules in 2012 to implement the broader coverage under the ADA Amendments Act of 2008 in state law. This will result in a larger number of disability discrimination in employment complaints. The legislature’s enactment of new protections against employment discrimination based on civil union status and domestic or sexual violence victim status beginning on January 1, 2012, will require implementation, public education, and enforcement without additional funding, staffing, or resources. The HCRC

has planned for implementation of these new laws with existing resources.

◆ **CASE INVENTORY AND PROCESSING**

In the face of substantial funding and staffing cuts it will be difficult to maintain the progress made prior to FY 2011 on completing investigations in 95% of all complaints within 24 months of filing. The HCRC will try to avoid substantial increases in case inventory and length of time to investigate cases.

◆ **VOLUNTARY MEDIATION PROGRAM**

At the beginning of FY 2012, the HCRC lost its long-time mediation coordinator with the passing of Allen Lynde. Contingent on the ability to fill the mediation coordinator position, the HCRC will continue to improve and expand its voluntary

mediation program to encourage and offer mediation in more cases. The HCRC is discussing and implementing expanded mediation efforts in housing discrimination cases and in later stages of the HCRC process.

◆ **PUBLIC AWARENESS**

The HCRC plans to continue its focus on public education activities during the upcoming year. The HCRC will hold its annual public EEO training in November 2011. The HCRC also plans to continue its co-sponsorship of the E Ola Pono program, a statewide student-centered campaign for Pono and Safe schools. The HCRC will work with federal, state, business, labor, and community partners to expand outreach and public education statewide, especially on the neighbor islands. The HCRC will continue to explore more public-private partnerships to develop user-friendly public education resources.

Hawai'i Labor Relations Board

◆ PURPOSE

The Hawai'i Labor Relations Board (HLRB) seeks to promote good faith and fair dealing between private/public sector employees, labor unions, and employers by resolving labor-management disputes and ensuing fair administration of collective bargaining laws. In the public sector, the Board has jurisdiction over state and county employees, judiciary employees, public school teachers, faculty of the University of Hawai'i and community college system, employees of the Hawai'i Health Systems Corporation, and charter school employees covered by collective bargaining agreements entered into by public sector employers and the following public sector unions:

HFFA	Hawai'i Fire Fighters Association, Local 1463, IAFF, AFL-CIO
HGEA	Hawai'i Government Employees Association, AFSCME, Local 152, AFL-CIO
HSTA	Hawai'i State Teachers Association
SHOPO	State of Hawai'i Organization of Police Officers
UHPA	University of Hawai'i Professional Assembly (NEA-AAUP)
UPW	United Public Workers, AFSCME, Local 646, AFL-CIO

In the private sector, the Board similarly conducts representation elections and resolves unfair labor practice complaints. The Board has jurisdiction over primarily agricultural employees and employers and those private employees and employers who are not subject to the jurisdiction of the National Labor Relations Board. Typically, the employees are members of unions or are involved with organizing activities.

The Board also decides contests and appeals of decisions rendered by the DLIR Director, through the Hawai'i Occupational Safety and Health Division (HIOSH) under HRS Chapter 396. Its mission under HRS Chapter 396 is to ensure the right of workers to a safe and healthful work environment and encourage employer and employee efforts to reduce injuries and illnesses arising from employment. These cases typically involve employer contests of citations and penalties issued and appeals in discrimination cases involving the reporting of health and safety violations.

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

◆ CASE STATISTICS

The chart on the following page represents the cases filed and pending before the Board in FY 2011:

Cases Filed, Closed, and Pending, FY 2011

Type of Case	Pending 6/30/10	Filed	Closed	Pending 6/30/11
Collective Bargaining				
<i>Public/Private Sector</i>				
Prohibited Practice against Employer	70	20	27	63
Prohibited Practice against Union	13	13	12	14
Impasse	1	12	0	13
Declaratory Ruling	4	0	2	2
Investigation	0	0	0	0
Rule Making	0	0	0	0
Unit Clarification	2	2	1	3
Representation	0	0	0	0
Unfair Labor Practice against Employer	0	1	0	1
Unfair Labor Practice against Union	0	0	0	0
<i>Collective Bargaining Subtotal</i>	<i>90</i>	<i>48</i>	<i>42</i>	<i>96</i>
<i>HIOSH Appeals</i>				
Citation	5	39	30	14
Discrimination	2	1	0	3
<i>HIOSH Appeals Subtotal</i>	<i>7</i>	<i>40</i>	<i>30</i>	<i>17</i>
Total	97	88	72	113

In FY 2011, a total of 47 public sector employment cases, 1 private sector employment case, and 40 HIOSH cases were filed with the Board. The Board conducted 64 pre-hearing or status conferences, 30 motion hearings, 15 days of hearings, and closed 72 cases. The Board issued 1 decision and 79 orders relating to collective bargaining, including 32 orders closing cases. The Board also issued 44 HIOSH orders, including 30 dispositive orders. In addition, the Board was party to 29 court proceedings where decisions or orders were appealed.

◆ CONCLUSION AND CHALLENGES

In reviewing the case activity for this fiscal year, the Board believes it has continued to meet its goals of fairly administering the provisions of HRS Chapters 89 and 377, credibly and objectively, resolving the labor-management disputes brought before it by promoting cooperation between labor, management, and employees. The Board has worked diligently to encourage the settlement of disputes brought before it by broaching settle-

ment issues early at the pre-hearing conference, encouraging the parties with authority to resolve the controversy to attend the initial conferences, involving individual Board Members to assist the parties in settlement discussions, and addressing various groups of public sector and private sector practitioners and stakeholders at conferences to explain the Board's processes and its work to improve the relationships between the unions and the employers. In many cases, the parties were able to resolve their disputes and the Board credits the parties for their efforts and reasonableness in reaching a settlement.

This fiscal year has presented continuing challenges for the parties involved in collective bargaining in the public sector due in large part to the recession. During FY 2011, all of the bargaining units except for Unit 07, UH faculty, were at impasse in their negotiations. By the close of FY 2011, of the 12 remaining bargaining units with contracts which expired on June 30, 2011, only six bargaining units, 02, 03, 04, 06, 08, and 13, had entered into and ratified a successor collective bargaining agreement and the remaining six bargaining units, 01, 05, 09, 10, 11 and 12, had not reached an agreement.

With respect to the HIOSH contests, the Board conducted initial conferences, motions hearings and de novo hearings on the contests of citations. The Board strives to provide a forum for the fair and efficient adjudication of safety and health contests by balancing the rights of employers while securing the safety of their workers. The parties were successful in settling a number of contests and the Board commends the parties for their efforts to resolve their disputes and ensure a safe working environment for Hawai'i's employees.

The Board is concerned about its backlog of cases. There were 95 cases pending at the close of FY 2009; 90 cases pending at the close of FY 2010; and 96 cases pending at the close of FY 2011. In addition, due to reduced operating expenses, the Board did not engage the services of a court reporter to transcribe its proceedings, making it more difficult to draft decisions from the audio recordings. The growing backlog of cases highlights the Board's pressing need to restore professional staff positions to assist in researching the complex issues presented, promulgating administrative rules, and drafting decisions and orders.

Unemployment Insurance Division

The Unemployment Insurance (UI) Division administers the unemployment compensation program, which is a social insurance program based upon federal law but administered under state law. The program provides partial replacement of wage loss during temporary periods of unemployment to individuals who meet the eligibility requirements of state UI laws and is vital to maintaining purchasing power for the unemployed and stabilizing the economy. Employers pay taxes to the state government, which provides for the UI trust fund to pay unemployment benefits and to the federal government, which reimburses the states for administrative expenses. The program is intended to operate counter-cyclically, paying out more benefits during recessionary times and collecting more revenue during recovery periods. In periods of national recession, when all states are impacted by high and sustained unemployment, federally funded benefits have been adopted.

◆ HIGHLIGHTS

Online Expansion. Since the online filing system began in May 2009 with limited initial claim filing, the UI Division has continued to expand the system in order to better serve our customers. In January 2010, the system was expanded to include claim certification filing and inquiry capability. Currently, over 35% of our claimants or nearly 9,000 claimants use the online system to file their certifications each week. Claimants who use the online filing do not have to wait for an available telephone line to file their weekly claim certification. In July 2011, the system was expanded again, to include claimants who need to reopen their claims or file additional claims. Since that expansion, over 15% of our claimants are using the online filing system to file their initial claims. Using the online system eliminates waiting in long lines at the local claims offices

or waiting to speak to a customer service representative over the phone to file initial claims.

Reemployment and Eligibility Assessment

(REA) project. In 2011, Hawai'i is participating in its seventh year in the REA program, a U.S. Department of Labor (USDOL) pilot project, to assist unemployed workers to return to work. The assessment includes in-person eligibility reviews, providing labor market information, developing an individual reemployment plan, and referral to reemployment services or training.

Program Integrity. The Quality Control unit performs ongoing audits on UI claims to determine if benefits are correctly paid. In 2010, the correct payment rate for Hawai'i was 96.14%. Hawai'i's correct payment rate is one of the highest in the nation. As part of a USDOL initiative, Hawai'i developed a Program Integrity Strategic Plan to further increase proper payment rates and to increase overpayment detection rates.

◆ CHALLENGES

Federal Extension. In December 2010, President Obama signed the ninth piece of legislation affecting the Emergency Unemployment Compensation (EUC) program. The EUC program, which began in July 2008, was again extended to January 3, 2012 enabling Hawai'i residents to receive 47 weeks of federal extension benefits after their regular benefits of 26 weeks were exhausted. The numerous delays caused by late Congressional action resulted in stop and go situations, retroactive extensions, and huge backlogs of work. The federal law also required staff to review each EUC claim every quarter to determine whether the individual qualified for more extension benefits or was eligible for a new regular claim. Federal law also required an additional payment of \$25 per week in 2009 and 2010 under the American Recovery and Reinvestment Act of 2009. A total of 14,597 EUC claims were filed and \$272.5 million in benefits was paid in 2010. In the first half of 2011, 6,783 EUC claims were filed and \$116.2 million in benefits was paid.

Decline in Performance. Hawai‘i’s performance declined in 2010 when only 9 out of 17 Core performance measures were met and in 2011, only 10 out of 18 measures were achieved. (Core Measures are the key performance or critical areas that must meet federal standards designated by the USDOL.) The drop in performances were proportionate to the higher claims workload as Hawai‘i moved into Tier II EUC (paying 14 additional weeks) beginning May 2009 and the drop in staffing as UI employees were subjected to two furlough days per month regardless of funding source from October 2009 to August 2010. In addition, staffing and recruitment by the UI Division were affected by potential bumping and on/off hiring authorizations due to the state budget crisis and reduction-in-force (RIF) in other agencies. UI projects, testing on our computer systems, and batch job runs were also hampered by furloughs and RIFs at the state IT Division. The UI Division has yet to catch up with the tremendous backlog of unresolved issues and overpayment cases created by the surge in claims activities and the loss of person-hours. In order to process these backlogs, it is estimated that over \$4.6 million in funding will be needed from our Special Unemployment Insurance Administrative Fund in FY 2012 and FY 2013.

Insolvency of UI Trust Fund. Beginning in 2008, the UI trust fund paid out more in benefits than taxes collected. From mid-December 2010 to July 2011, the Hawai‘i UI trust fund was insolvent and \$163 million was borrowed from the federal government in the form of Title XII loans to pay unemployment benefits. The only other time insolvency occurred was in 1976. As a result of higher employer taxes and lower levels of unemployment than anticipated, the Department was able to repay all of these federal loans by August 2011. Since repayment occurred before the end of the federal fiscal year on September 30th, the federal government waived \$370,841.12 in accrued interest on Title XII loans taken since January 1, 2011 on the condition that no additional Title XII loans are taken out for the remainder of calendar year 2011. The Department arranged for a \$10 million credit line from the State Treasury in order to fund

temporary shortfalls expected in late 2011. In 2012, employer taxes are scheduled to increase as the trust fund will have less than 20% of adequate levels as provided by State law (adequate means being able to pay benefits for one year). Any changes to the contribution tax rate schedule will further delay adequacy of the UI trust fund and a weaker trust fund may not be able to recover quickly from another downturn in our economy.

◆ INITIATIVES IN 2011–2012

Expanded Online Filing System. The UI Division will continued to expand its online filing system to allow agency staff to access the internet claim filing application to take claims that are filed in-person or over the telephone. This modification will simplify the claims taking process and reduce the amount of time required to train new staff to process unemployment claim applications.

Electronic Low Earnings Report Filing System. The UI Division plans to develop an electronic Low Earnings Report System in order to streamline the earnings verification process for individuals who file partial or part-total claims. Employers will use this system to “self-file” their low earnings report securely over the internet.

Direct Deposit of Benefit Payments. The UI Division plans to modify the current benefit payment process to allow claimants the option of having their benefit payments directly deposited into their bank accounts. If all claimants elect the “direct deposit” option, the UI Division expects to save over \$350,000 in annual postage costs.

Alternate Site for Interactive Voice Response and Internet Systems. The UI Division plans to relocate its critical Interactive Voice Response and internet initial claims and weeks claimed filing systems to an alternate location with backup power generators. The new location of its systems will allow the continued operation of the UI Division’s critical telephone and internet initial claim and weeks claimed filing systems in the event of a power outage at the current location.

Disability Compensation Division

◆ OVERVIEW

Plans, directs, and coordinates statewide activities relating to interpretation, implementation and administration of WC, TDI and PHC laws, rules, regulations, policies and procedures.

The Disability Compensation Division (DCD) administers the Workers' Compensation (WC), Temporary Disability Insurance (TDI), and Prepaid Health Care (PHC) laws, rules, regulations, policies and procedures. The division's staff of 89 employees is organized into three (3) program offices (WC, TDI/PHC, and Program Support) and five (5) operational branches (Plans, Enforcement, WC Claims, Hearings, and Vocational Rehabilitation). The main office is located in Honolulu with district offices on the neighbor islands (Wailuku [Maui], Kealahou [Hawai'i], Hilo [Hawai'i], and Lihue [Kaua'i]).

The DCD's mission is to provide economic security and stability for Hawai'i's workforce through education, enforcement, and adjudication of the WC, TDI, and PHC laws. Its primary objectives include ensuring efficient processing of claims; timely provision of medical services and payment of benefits to injured workers; employer compliance with WC, TDI, and PHC insurance coverage requirements; and monitoring health plans to ensure employees are provided with the benefits that are required under the PHC law.

The following are the three programs administered by the DCD:

1. **Workers' Compensation:** An employer-paid insurance program that provides economic relief for employees injured on the job. WC benefits include medical and hospital expenses, lost wages, permanent disability disfigurement, and vocational rehabilitation.
2. **Temporary Disability Insurance:** The employer-provided insurance provides partial wage loss benefits to employees who suffer off-the-job injuries or illnesses.
3. **Prepaid Health Care:** The PHC law requires employers to provide workers with health care benefits for off-the-job injuries or illnesses. Coverage includes hospitalization, surgery, physician office visits, diagnostic tests, and maternity benefits. Hawai'i is the only state to adopt a prepaid health care law and continues to be a leader in providing universal health care coverage.

◆ BACKGROUND

The Disability Compensation Division (DCD) faced serious challenges to its ability to maintain its quality of service to the public after having lost 35 (net) of its 117 positions or 30% of its staff over the past three years (2009 - 2011).

In 2009, the DCD lost 28 (net) positions or 24% of its staffing due to the Reduction-In-Force (RIF) and the abolishment of vacant positions, heavily impacting the division's ability to perform its mission. The Honolulu Office lost 21 positions (2x DC Program Specialists, 1x Data Processing Systems Analyst, 2x Workers' Compensation (WC) Hearings Officers; 3x Investigators; 1x Auditor; 10x Office Assistants; 1x Clerk Stenographer, and 1x Temporary Disability Insurance/Health Care Specialist). The Hilo Office lost one position (1x Office Assistant), Kona's Office lost two positions (1x WC Hearings Officer; 1x Office Assistant; and 1x Admin-Funded Office Assistant that was funded by another office); Maui's Office lost two positions (1x Investigator; 1x Office Assistant); and Kaua'i's Office lost three positions (1x WC Hearings

Officer; 1x Investigator; 1x Office Assistant and 1x Admin-Funded Office Assistant).

In the 2011-2012 fiscal year, the DCD's budget was cut by \$400,000, necessitating seven positions to remain vacant to cover the shortfall. These positions, which will be abolished at the end of Fiscal Year 2012, are from the Honolulu Office (1x Investigator; 1x Auditor; 2x Office Assistants), Kaua'i Office (1x Labor Programs Field Manager); Kona Office (1x Investigator); and Maui Office (1x Office Assistant).

In addition to the abolished positions, the DCD continues to be unable to fill its four vacant positions because of the tenuous budget situation. These four positions are from the Honolulu Office (1x Branch Supervisor; 1x Secretary; 2x Office Assistants); Maui Office (1x Labor Programs Field Manager).

◆ FY11 OPERATIONS

Despite the staffing reductions above, the division, in FY 11, was able to:

- Return 94% of eligible vocational rehabilitation participants to return to work;
- Issue 97% of Workers' Compensation decisions within 60 days of its hearings;
- Process 10,000 Certificates of Compliance applications, a key step in the procurement process that allows companies to bid and do business with State and County governments;
- Perform 8,400 reviews of Temporary Disability Insurance and Prepaid Health Care plans;
- Process over 18,700 WC claims;
- Conduct 2,083 WC hearings;
- Issue 6,459 WC decisions; and
- Refer 416 WC eligible claimants to rehabilitation services.

The personnel and budget cuts, however, were not without adverse impacts that significantly affected the DCD's ability to carry out its services to the public. These significant impacts were:

Impact on Government Services and the Public

The loss of the 35 (net) positions has adversely impacted the division's ability to provide the economic protection and medical security to the working public that the Workers' Compensation, Temporary Disability Insurance (TDI), and Prepaid Health Care (PHC) laws were intended to provide.

- **Reduction in employer monitoring for compliance with WC, TDI, and PHC laws.**

Monitoring employer compliance with WC, TDI and PHC laws dropped due to the loss of two investigator and one auditor positions. Investigations dropped from 8,800 in FY09 to 4,500 in FY 11, resulting in a decrease in employer compliance from 82% in FY 09 to 77% in FY 11.

Audits, meanwhile, decreased from 970 in FY 09 to 372 in FY 11 reflecting the loss of one auditor and one clerical position, and the shift of the focus of efforts to process employers' requests for premium supplementation payments for medical insurance premiums. The staffing cutback has left the audit staff with only three auditors statewide and has necessitated the audit staff to eliminate its employer compliance checks. The reduction in audit staff has also resulted in increasing the backlog of premium supplementation audits to 15–18 months.

The loss of three office assistant positions in the Insurance Section and the Plans Branch has affected the ability to timely record employers' WC and PHC coverage information and negatively affected enforcement operations that rely on this information in their conduct of their investigations and audits.

- **Slowdown of WC Claims Processing to ensure claimants are receiving benefits they are entitled to.**

The number of WC cases closed dropped from 24,729 in FY 09 to 18,944 in FY 11 reflecting the loss of four office assistant positions in the branch that processes WC claims. The three-month backlog this unit now faces has delayed the final

review of cases to ensure claimants have received proper and accurate WC benefits entitled to them. The loss of the office assistants has also affected the filing of WC documents into case folders, causing delays in processing cases for WC hearings and the receipt of WC economic and medical benefits to the claimant, and further impeding division Facilitators from researching and responding to requests from the public about their WC cases.

Impact on Division Operations

- **Worker’s Compensation Hearings Operations.** Workers’ Compensation cases now take eight to nine months on O’ahu to be scheduled for a hearing, causing claimants whose claims have been denied benefits to potentially go without benefits for up to 12 months. During this time, the claimants who rely on their job as their sole source of income will have no income until a decision is rendered by the DCD. Claimants may therefore face financial hardships that put them at risk of falling behind in mortgage, rental, and creditor payments, and that may eventually lead to losing their homes, being evicted, or having to choose between paying for food or their personal or children’s needs (e.g. school lunch, supplies, transportation, etc).
- **Temporary Disability Insurance Hearings Operations.** The budget cuts that eliminated the TDI Referee’s position and the Cost Review Branch necessitated the transfer of TDI, PHC, and billing dispute cases to the Hearings Branch. Branch operations were retooled and employees were retrained to accommodate the reorganization. The Branch is making slow but consistent progress in methodically hearing the backlog of 130 TDI appeals, 37% of which have been heard to date. The backlog of Billing Disputes transferred from the abolished Cost Review Branch continues to increase (125 cases) while the Hearings Branch builds and prepares its mitigation plan to reduce the backlog in this area.

- **Records and Claims Operations.** The Records and Claims Branch has struggled to maintain an efficient level of services to the public and has continued to shuffle employees to perform tasks previously done by employees who were eliminated by the Reduction-In-Force.

◆ CHALLENGES AHEAD

1. **Maintaining the same level of service to the public despite losing 35 (net) positions or 30% of staffing since 2009.**

The division has been able to maintain a minimal level of service to the public by reshuffling employee assignments to address problems created by the staffing shortage. The resiliency and teamwork of the employees has allowed managers to modify workflows and tasks throughout the division to shore up the damage created by the budget cuts over the past three years. Clerical employees regularly rotate job assignments as necessary to address section backlogs as they occur, while non-clerical employees have filled in key vacant positions while maintaining the workload of their current jobs.

The division’s attempt to address the increasing backlogs created by the budget cuts and lengthy hiring freezes by making operational changes and reassigning employees to maintain the scheduling and conduct of hearings has mitigated some of the backlog, but has also caused the overall level of efficiency to drop during the transition process. Hearings on O’ahu that once were scheduled and held in three to four months, for example, now take eight to nine months.

The division has sought and received assistance from departmental employees from outside the division to assist with clearing the backlogged operations. The Insurance Section has begun initiatives to reduce its backlog of insurance certificates by employing departmental employees to input the records and reduce its backlog of insurance certificates, and by beginning efforts to collaborate with non-governmental entities to tap into their existing databases

for information the division currently inputs by hand. The Hearings Branch, meanwhile, plans to augment its staff with a hearings officer from another division to reduce its TDI appeals caseload.

2. Enforcement Operations (Investigations)

The increased number of delinquent employers resulted in more employees losing the economic and health care protection afforded by the WC, TDI, and PHC laws.

The increased backlog and inability to quickly resolve compliance issues will further increase the number of complaints from unprotected employees and will result in larger backlogs that will delay timely disability benefits and medical care to employees.

The large number of delinquent employers also exposes the WC Special Compensation Fund (SCF), the TDI Special Fund, and the Prepaid Health Care Premium Supplementation Fund (PSF) to greater risks of having to pay WC, TDI, and PHC to employees who are not covered by their delinquent employers. Inadequate funding in the WC Special Compensation Fund (SCF) and the TDI Special Fund will drive up the costs of Workers' Compensation and Temporary Disability Insurance for Hawai'i employers while shortfalls in the Premium Supplementation Fund will result in the General Fund having to contribute approximately \$500,000 annually to sustain the PSF.

3. Enforcement Operations (Audits)

The Premium Supplementation Fund requests for supplementation payments, currently at 99 backlogged requests, are the focus of effort for the audit staff. The requests, which provide prepaid health care financial assistance to businesses with eight or less employees, are time consuming and have caused the Audit Section to terminate its routine compliance checks with employers for TDI and PHC coverage as well as the annual reviews of financial solvency for self-insured employers.

Other delays resulting from cutbacks to the audit staff includes:

- Delays in reviewing and approving employers' new self-insured TDI and PHC plans resulting in employers without adequate TDI and PHC coverage;
- Delays in auditing financial records of delinquent employers causing delays in reimbursements to the TDI and PHC special funds; and
- Delays in responding to complaints from the public concerning over-withholding of TDI and PHC premiums from their paychecks.

4. Insurance Operations

The Insurance Section, which maintains the status of WC employer insurance coverage, has suffered a 50% cut to its staff and has had to rely on personnel from other DCD branches and from employees from around the department to assist with its operations. The backlogged operations have resulted in the inability to quickly access information on the status of WC coverage of employers, causing unnecessary investigations of employers and delays in processing Certificates of Compliance necessary for private companies to do business with the State and Counties of Hawai'i. The increased backlog and inability to quickly resolve compliance issues will further increase the number of complaints from unprotected employees and will result in larger backlogs that will delay employees from receiving timely disability benefits and medical care.

5. Lack of funding for automation maintenance and upgrades.

The DCD's automation system is in need of upgrading its hardware, software, and programs to keep its system current and to prevent it from catastrophic failure. The professional computers the employees use to accomplish their work are

reaching the end of their life cycle and will need to be replaced before the computers begin crashing. Server operating systems and software need upgrading to maintain support by the manufacturers and the vendors who developed the specialized system that supports the Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care programs.

Attempts to fund the upgrade of the DCD's automation system have been unsuccessful and stand little chance of occurring in the near future. The upgrades were designed to not only maintain and extend the useful lives of the system, but to increase government efficiency while reducing administrative costs of the WC, TDI, and PHC programs. The efficiency was to be realized through faster retrieval and storage of programs information and would be achieved in part through: the digitization of files of records in these programs which would promote electronic transfer and filing and records and insurance coverage information; the total migration from the legacy-based system to the client-server Lotus Notes system; and the conversion of paper files to electronic records. The funding would have been used to implement DCD's Information Technology Master Plan that was developed in 2002 to continuously improve its services to the public by increasing the efficiency of the division's operations and by providing employers, carriers, employees, and doctors the ability to submit their required forms and reports over the internet. The funding would ensure that computers, servers, printers, networking equipment, storage solutions, operating systems, application programs, and anti-virus software protection are maintained to facilitate normal business operations.

The division's attempts to utilize one of its special funds for system upgrades failed—instead, the fund contributed \$7 million dollars to help the state meet its budget shortfall. Funds no longer exist to replace and upgrade the division's automation systems.

The division is concerned that any system failure to equipment or applications that are not adequately maintained will result in catastrophic consequences to business operations and the services the division provides to the general public.

6. Maintaining Employee Morale.

Employees are showing signs of burning out trying to keep up with the increased workload due to the RIF and the abolishment of positions.

The endless backlogs identified above have increased the level and intensity of the work performed by division employees as they try to sustain the work tempo and provide the same level of services to the public as was done prior FY 09. The ramifications from the staffing and work-hour cutbacks (furloughs) have only started to surface; first with lower morale and then employee burnout. The division is starting to see the full and long-term implications of the staff reductions manifested by lower morale, employee burnout, and programs and objectives being delayed, deferred, and terminated.

◆ SUMMARY

Solving the operational problems and backlogs created by the loss of 35 (net) positions, exacerbated by the inability to fill key vacant positions, are the current focus of effort by the DCD. Maintaining an adequate level of service to the public will continue to challenge the division as long as budgetary restraints continue to impact the division's staffing levels.

The DLIR is concerned that the severe degradation of DCD service levels will force undue financial hardships to those who can least afford it, and put unnecessary stress on the claimants' families that face prolonged and unnecessary financial hardship.

Office of Language Access

◆ OVERVIEW

The Office of Language Access (OLA) is in its fourth year of operations. The office was established by law as an administratively attached agency within the Department of Labor and Industrial Relations.

The OLA is mandated to provide oversight, central coordination, and technical assistance to state agencies and covered entities in their implementation of language access requirements and in the provision of language services under the law, Hawai‘i Revised Statutes § 371-31 to -37.

The OLA executive director is advised by an appointive 16-member Language Access Advisory Council composed of representatives from the state, the community and the counties. The Council provides input on the implementation of and compliance with the language access law; the quality of oral and written language services provided; the adequacy of a state agency’s or covered entity’s dissemination and training of its employees likely to have contact with LEP persons; policies and procedures for language services; competency in working effectively with in-person and telephone interpreters; and understanding the dynamics of interpretation between clients, providers, and interpreters.

The OLA had originally six (6) positions: the Executive Director, a Senior Legal Analyst, two Research Analysts, a Legal Clerk, and a Clerk Typist. As a result of the Reduction-in-Force (RIF), all staff members except the Executive Director were laid off effective November 20, 2009. The new governor reappointed the executive director, Serafin Colmenares Jr., in December 2010.

During the 2010 Legislative Session, two staff positions (senior legal analyst and clerk) were restored in the budget, bringing the OLA budget to \$312,228 (\$163,992 in personal services and \$148,236 in other current expenses). During the 2011 Legislative Session, the two positions were retained but the OLA’s budget went down to \$306,749 (\$158,513 in personal services and \$148,236 in other current expenses) as a result of additional cuts in salary.

◆ HIGHLIGHTS

During the past year, the one-man Office continued to perform its most basic functions through volunteer clerical assistance and the use of student assistants. Two student assistants (funded by the University of Hawai‘i Student Excellence, Equity and Diversity or SEED, and the Asian American National Cancer Awareness, Research and Training or AANCART) provided some clerical help and planning assistance for the 4th Annual Hawai‘i Conference on Language Access. Very limited volunteer clerical assistance continued to be provided by Gail McGarvey, former OLA clerk-typist.

Despite the lack of staffing, the Office of Language Access was able to do the following:

Neighbor Island Workshops

OLA successfully held language access workshops on the neighbor islands during the months of November and December 2010. The workshops focused on “Serving LEP Individuals Through Interpreters” and “The Role of Bilingual Staff.”

A total of 46 participants attended the workshops on Maui (November 12, 2010), while 37 attended the workshops on Kaua‘i (November 22, 2010). On the Big Island, 54 availed of the workshops in Hilo (December 1, 2010) and 25 attended in Kona (December 2, 2010).

A big mahalo to our neighbor island council members—Mary Santa Maria of Maui, Azi Turturici of Kaua‘i, and Lito Asuncion of the Big Island—for making all the arrangements for the trainings, and to Gail McGarvey of the DLIR Director’s Office for helping out with the on-line registration of participants and the travel arrangements.

O‘ahu Workshops

Two language access training workshops for staff of non-profit, state and county agencies on O‘ahu were recently held during the month of April 2011. The workshops, sponsored by the OLA, covered two topics: “Serving LEP Individuals Through Interpreters” and “The Role of Bilingual Staff.” The workshops were held on April 11, 2011 at the Susannah Wesley Community Center Multipurpose Room and on April 20, 2011 at the Department of Labor and Industrial Relations Conference Rooms 310-314.



On March 9, 2011, a group of Japanese language access researchers visited OLA to learn about Hawai‘i’s language access law and the work of the office. The visitors were Dr. Gishu Watanabe, Dean of the Konan Law School in Kobe, Japan; Professor Makiko Mizuno of Kinjo Gakuin University in Nagoya, Japan; and Professor Sachiko Nakamura of Aichi Gakuin University of Aichi, Japan. Dr. Jun Colmenares, OLA executive director, together with Dominic Inocelda, language access council chair, Gerald Ohta, council vice chair, and Dr. Suzanne Zeng of the UH Center for Interpretation and Translation Studies, also a council member, met with them.

The trainers for the two workshops were Dr. Suzanne Zeng of the UH Center for Interpretation and Translation Studies, and L. Dew Kaneshiro, a private consultant and former director of the Office on Equality and Access to the Courts.

A total of 106 persons attended the April 11 training (65 in the morning and 45 in the afternoon), while 99 attended the April 20 sessions (60 in the morning and 39 in the afternoon). Most of those who attended came from the nonprofit sector.

◆ 4TH ANNUAL HAWAI‘I CONFERENCE ON LANGUAGE ACCESS

This year’s 4th Annual Hawai‘i Conference on Language Access was held on Wednesday, August 31, 2011 at the Imin International Conference Center, East-West Center in Honolulu. Sponsored by the OLA and the Office of Minority Health, Region IX, the conference was attended by almost 200 participants representing state and county agencies, non-profits, the private sector, students, community members, and interpreters/translators. The theme of the conference was “Kokua: First Responders—Addressing Language Access Needs in Emergencies.”

The conference keynote speakers were Christina Lagdameo, deputy director of the White House Initiative on Asian Americans and Pacific Islanders, who gave a federal perspective on the language access issue, and Adrienne Pon, executive director of the Office of Civic Engagement and Immigrant Affairs of the City and County of San Francisco, who discussed what San Francisco is doing to address language access needs. A group of Micronesian community members comprised the panel on community voices, while representatives from the police, fire and EMS agencies formed the panel on first responders, and the panel on hospital emergency room services was made up of speakers from a community health clinic and several hospitals.



The deputy director of the White House Initiative on Asian Americans and Pacific Islanders, who was one of the keynote speakers at the 4th Annual Hawai‘i Conference on Language Access, recently commended the Office of Language Access for its work and called for its expansion. In an email dated September 23, 2011 and addressed to the OLA executive director, the Governor, the Lieutenant Governor, the Director of the Department of Budget and Finance, and the Director of the Department of Labor and Industrial Relations, deputy director Christina Lagdameo said:

“Thank you for hosting me at your state’s Language Access Conference. On behalf of the White House, I commend your state’s efforts. The work that Hawai‘i’s Office of Language Access does is imperative to meet the needs of Limited English Proficient (LEP) communities.”



“State efforts, like Hawai‘i’s Office of Language Access, bolster and support the work the federal government is doing to make sure individuals are not cut off from much-needed social services. You have a model program that should be expanded. We would hope that all states could provide the type of imperative work you are doing for the AAPI and other LEP communities. I would like to share the work that you’re doing with DOJ and our federal and community partners. Please send any information as soon as you’re able.”

◆ OTHER ACTIVITIES

The Office of Language Access worked with the following state-funded agencies in establishing their language access plans: Honolulu Police Department, County of Hawai‘i Department of Housing and Community Development, Kahuku Hospital, and Kapiolani Medical Center. It also held monthly meetings of the Language Access Advisory Council and quarterly meetings of the State Language Access Coordinators.

The Office also regularly published its OLA Quarterly newsletter, and has made presentations at conferences and meetings with agencies and community organizations. It has received and reviewed bi-annual reports and revised language access plans from several state agencies. In addition, the office has revised its multilingual poster and brochure, and has updated the socio-economic and demographic profile of Hawai‘i’s LEP population. It has responded to hundreds of calls from LEP individuals and agencies requesting for language services and other information.

Visitors from the newly established Office of Minority Health of the Food and Drug Administration, U.S. Department of Health and Human Services, based in Silver Spring, Maryland, visited OLA on September 28, 2011. Dr. Michelle Yeboah, director, and Theresa Castillo, public health advisor, met with OLA executive director Jun Colmenares and language access advisory council chair Dominic Inocelda to discuss the state of language access in Hawai‘i and to get information and guidance as they develop and organize their office’s language access program.

◆ CHALLENGES

State agencies are required under the law to review, revise and submit their language access plans every two years. The eight state agencies not receiving federal funds who submitted plans in July 2008 were supposed to review and resubmit their plans by July 1, 2010. As of this writing, only four of the eight agencies have submitted their revised language access plans. Meanwhile, only ten out of eighteen agencies receiving federal funds have submitted their revised language access plans by the July 1, 2011 deadline. While the office was able to provide limited technical assistance, it was unable to conduct compliance monitoring visits to agencies during the year.

To assist the agencies in identifying their population and in tracking language access services, the OLA developed a reporting tool to be used by agencies in gathering data and submitting the same to the OLA on a quarterly basis. As a result of staffing shortage, however, it was decided that reports will be submitted on a semi-annual annual basis with the following reporting periods: July to December (due March 1), and January to June (due

August 31). As of this writing, only nine out of 26 agencies have submitted reports to OLA for the July 2010 to June 2011 period.

There continues to be a need to inform and educate state agencies and the public about the language access law and the importance of language access in Hawai‘i. In addition, the need for further statewide training of front line and bilingual staff – on working with interpreters, the role of bilingual staff in interpretation, cultural competency, language competency, etc. – remains. Agency staff also needs training on their respective language access plans, and there is a need to continually train administrators and agency staff – especially with the change in administration – about the language access law and its requirements.

The conduct of compliance monitoring, education and outreach activities, as well as training, however, were curtailed or limited by the lack of staff.

In conclusion, OLA, due to ongoing budgetary constraints, continues to face challenges in performing its basic and statutory functions. It needs all the help it can get.

Labor Appeals Board

◆ OVERVIEW

The Labor and Industrial Relations Appeals Board (LIRAB) is a quasi-judicial agency that is attached to the Department of Labor and Industrial Relations for administrative and budgetary purposes only. LIRAB adjudicates appeals from decisions rendered by the Director of Labor and Industrial Relations via the Disability Compensation Division relating to workers' compensation matters (Chapter 386, Hawai'i Revised Statutes) and decisions rendered by the Director relating to the Boiler and Elevator Law (Chapter 397, Hawai'i Revised Statutes). Proceedings before LIRAB are subject to Chapter 91 of the Hawai'i Administrative Procedures Act and other applicable administrative rules and law.

◆ PROGRAM OBJECTIVE

LIRAB's program objective is to provide prompt, just and inexpensive determination of appeals from decisions of the Director of Labor and Industrial Relations relating to Workers' Compensation and Boiler and Elevator Safety.

◆ LIRAB MEMBERS

LIRAB comprises three board members appointed by the Governor of the State of Hawai'i and confirmed by the Hawai'i State Senate for 10-year terms. Roland Q.F. Thom, Esq., LIRAB's current Chairperson, was appointed in 2006 and reappointed to a full term in 2010. David A. Pendleton, Esq. was also appointed in 2006. Melanie S. Matsui, Esq. was appointed in 2008. All three board members are active licensed attorneys in the State of Hawai'i.

◆ LIRAB STAFF

In addition to the three board members, the following make up LIRAB's staff:

- Executive Officer
- Hearings Officer
- Legal Assistant
- Researcher
- Chief Clerk II
- Secretary

◆ HIGHLIGHTS OF LIRAB ACTIVITIES

Workers' Compensation Cases	
New appeals received during FY 2010-2011	455
Cases disposed of or closed by settlement, dismissal, Decision and Order, or other means during FY 2010-2011	544
Cases pending as of June 30, 2011	754
Pre-hearing conferences held (initial, settlement and status conferences)	1073
Motions heard	208
Trials held	73
Percentage of cases resolved within 15 months	59%
Percentage of appeals upheld by appellate court	71%
Number of cases awaiting written decision and order	136
Boiler & Elevator Safety Cases	
Cases pending as of June 2009	0
New appeals filed during FY 2009-2010	0

◆ CHALLENGES

Due to the 2008 State hiring freeze and elimination of vacant positions in 2009, LIRAB lost two general fund attorney positions for full-time writers or drafters of decisions and orders for LIRAB. In

late 2009, LIRAB lost one clerical position (legal stenographer) to the statewide Reduction-in-Force (RIF). The biggest challenge for LIRAB since 2008 has been caused by understaffing.

The loss of the legal stenographer position required the remaining clerical staff, as well as the professional staff, to adjust their workload and take on additional clerical and administrative responsibilities. Even though the number of appeals to LIRAB decreased from 635 in FY 2008-2009 to 455 in FY 2010-2011, presumably because of the economy and unemployment rate, it remains a daunting challenge for LIRAB's remaining 2 clerical staff to docket and prepare new case files for 455 new appeals per year, prepare hundreds to thousands of pages of documents for scanning and electronic filing of the record on appeal to the appellate court, process 250 or more settlement agreements per year, and prepare, send, and receive for filing thousands of notices of hearings and conferences, orders, pleadings, and subpoenaed records for pending cases at LIRAB.

When needed, the professional legal staff and researcher have pitched in to help the clerical staff answer the telephone, field walk-in inquiries, file documents, and prepare new case files.

With the loss of two (2) attorney positions devoted to full-time decision writing, LIRAB members, as well as LIRAB's hearings officer, executive officer, and remaining legal assistant have had to assume more of the writing duties, as time and their regular workload permit.

Despite LIRAB's efforts to divide the writing duties amongst the remaining legal staff, the number of decisions and orders that need to be written outpaces the number of decisions that are issued. LIRAB attributes this to the time-consuming process of drafting legal decisions, the furloughs over the past two fiscal years, LIRAB's high-volume motions, conferences, and trial calendars throughout the year, and the difficulty of finding

contiguous hours of time to write, review, and edit decisions while balancing other job duties.

As of November 16, 2011, there are 126 cases that are awaiting a written decision and order. About 26 of those were heard or submitted for decision in 2009 and 2010. The remaining were heard or submitted for decision in 2011.

Cases requiring written decisions and orders accumulate weekly as trials are held by LIRAB. Accordingly, the list of cases awaiting decision and orders grows every week. Depending on the complexity of the issues on appeal and the quality and completeness of the administrative and hearing record, it requires anywhere from many weeks to several months to draft a decision. After a draft is completed, each LIRAB member reviews and edits the drafts. A draft may undergo multiple revisions. This review process is slow and time-consuming.

Despite the loss of three staff positions, LIRAB, with the remaining staff of nine, has stepped-up efforts to continue to meet program objectives:

- LIRAB implemented extensive cross-training, automated and streamlined clerical and redundant office functions, and reassigned duties to remaining staff to ensure sufficient coverage and maintain service.
- LIRAB continued to maintain a full calendar of conferences and trials. Currently, LIRAB holds hearings on motions and conferences every Thursday of every week. LIRAB schedules four trials per available day, expecting at least two of the four will settle without hearing. If cases do not settle, then overflow trials may be reset or placed on a wait list for the next available trial date.
- LIRAB improved and updated its website to provide relevant and practical information to the public, especially self-represented litigants, to help them navigate the administrative process

and to reduce time spent by staff on telephone and walk-in inquiries. Numerous sample and fillable forms, links to legal references and comprehensive FAQs (frequently asked questions) are now available on LIRAB's website and sent to self-represented litigants.

- LIRAB emphasized the settlement process's importance by requiring parties to submit confidential settlement letters in advance of settlement conferences and sometimes conducting multiple settlement conferences.

In reviewing the statistics for FY 2010-2011, LIRAB recognizes the need to improve the percent-

age of cases resolved within 15 months and reduce the backlog of cases awaiting written decisions and orders. To that end, LIRAB seeks to streamline the appeals process by amending its administrative rules. LIRAB has completed a first draft of the proposed amendments, but its efforts to update and amend the rules have been slowed by the staff shortages and additional workload that has been placed on the remaining staff due to the layoffs and elimination of positions.

Despite the stepped-up efforts of the remaining staff, reducing the backlog and improving performance measurements are likely not possible without additional legal and clerical support staff.

Employment Security Appeals Referees' Office

(Unemployment Appeals)

◆ PURPOSE

The Employment Security Appeals Referees' Office's ("ESARO") principal function is to provide an independent review of Unemployment Insurance ("UI") Division determinations through an administrative appeals process, and plays an integral role in promoting the overall UI program objective of alleviating financial hardship for qualified unemployed individuals and stabilizing the economy during recessionary periods.

Hearing officers, also referred to as appeals referees, conduct an appeal hearing and issue written decision based on all relevant evidence presented during an appeal. The administrative appeals process provides individuals and employers with an opportunity to fully develop and articulate their position regarding a UI Division determination, and thereafter to promptly receive a detailed explanation about the outcome. Individuals or employers have the ability to either request a reopening or reconsideration by ESARO, and/or to seek judicial appeal by the state circuit courts thereafter.

Besides a chief appeals officer/administrator who also conducts hearings, ESARO is staffed by as three full-time hearing officers, two part-time permanent hearing officers (who work almost full-time hours), one part-time temporary hearing officer, one secretary, one full-time office assistant, and one part-time office assistant. The expected workload for each hearing officer is to conduct approximately 23-25 hearings per week and issue decisions based on those hearings.

◆ 2011 CHALLENGES AND HIGHLIGHTS

ESARO has federally mandated performance standards. Specifically, ESARO must issue at least 60% of its decisions within 30 days from the appeal request date, and 80% within 45 days. The average case age of all pending cases (ones in which a decision has not yet been rendered) must be less than 30 days.

In the fiscal year ending June 30, 2011, ESARO had an average completion rate of 88% in 30 days and 95% in 45 days, with an average case age of 23.5 days. From July 1, 2011 through November 30, 2011, the average completion rate is 81% in 30 days and 94% in 45 days, with an average case age of 22.9 days. Also in the fiscal year ending June 30, 2011, ESARO issued over 4,500 decisions, or an average of over 375 decisions per month. From July 1, 2011 through November 30, 2011, ESARO has issued 1956 decisions, or an average of 391 decisions per month.

	FY2011	July 1–Nov. 30, 2011
30-day completion rate	88%	81%
45-day completion rate	95%	94%
Average case age	23.5	22.9
Decisions per month average	375	391

(These figures do not include Emergency Unemployment Compensation appeals.)

Since 2009, ESARO has seen significant increases in workload, consistent with increased unemployment levels and exacerbated by furloughs. In adjusting to those increases, there were periods in late 2009 and early 2010 in which the average case age reached as high as 40 days. In the last annual federal reporting period, however, ESARO ranked among the top five states nation-wide for highest completion rates within 30 and 45 days, and in the top third for lowest average case age.

In September 2011, ESARO completed a competitive sealed bidding process and selected a vendor to

develop and implement an on-line appeal filing and scheduling system, paid for with 100% federally funded supplemental budget monies. This system will complement the UI Division's online filing system, and by design, have a similar look and user features. Claimants and employers will be able to file their appeal online; elect to electronically receive and send appeal file documents, exhibits, and eventual decision; and check various dates associated with their appeal, such as the hearing and decision mailing dates. The online appeals system is anticipated to be fully functional in late 2012 or early 2013.

informative

Research & Statistics

The Research and Statistics (R&S) Office conducts labor research and analysis; develops labor force estimates on employment and unemployment in cooperation with the Bureau of Labor Statistics (BLS) and the Employment and Training Administration of the U.S. Department of Labor; provides technical assistance and specific management data to various DLIR divisions. R&S supports the DLIR in carrying out its mission by providing labor market and labor-related information that can help with research, business planning, job search, and career decisions.

Over the years, the Research & Statistics Office developed a reputation for excellence in its labor market research and operations management information. Despite a number of staff positions not being filled, R&S continued to deliver quality information to its users, the DLIR's divisions and administration, and to the interested public.

We were, however, not without challenges. Because of the State's budget shortfall, we have staff vacancies in two areas, Operations Management Information (OMI) and Career Kōkua. We also face federal funding cuts in labor market research, which will impact producing and providing planning information for the Workforce Investment Act (WIA) programs' for the State and all counties.

R&S' Operations Management

Information (OMI) staff conducted research for the Unemployment Insurance, Disability Compensation, Wage Standards, Workforce Development, and Occupational Safety and Health programs of the DLIR. It also conducted the Medical Fee Schedule survey, published four Wage Rate Schedules, provided Unemployment Insurance Trust Fund projections, and developed a methodology for ACT 68 Worker Shortages in the Construction Industry (Section 103-B, HRS).



OMI staff also conducted the BLS/OSH survey of 2,800 employers with an 85.8% response rate and the OSHA Data Initiative Survey of 414 employers with a 100% response rate.

The **Labor Force Research** staff developed, analyzed, and disseminated information on the labor force,

insightful

unemployment, employment, industry wages, job counts, hours and earnings, and mass layoffs, as required by our contractual agreement with the federal Bureau of Labor Statistics (BLS). They kept everyone up to date on the latest employment figures and the State's unemployment rate (see Chart 1).

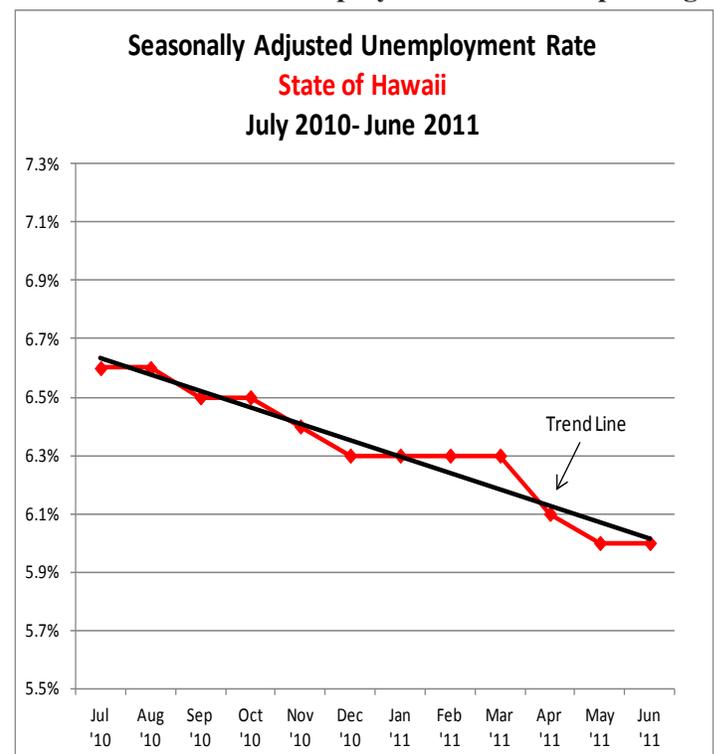
Career Kōkua, the Hawai'i Career Information Delivery System

develops, delivers and maintains a comprehensive and localized career and educational information delivery system for career decision making and career planning purposes for Hawai'i's workers and students. In 2010, Career Kōkua celebrated its 30th anniversary. Career Kōkua continued to provide up-to-date localized career and related training information to Hawai'i's schools and workforce development agencies. During 2010 - 2011 Career Kōkua began delivering green occupations and there were over 219,400 hits to the Career Kōkua web site. The most utilized module was the Occupations information with over 73,180 requests for information (see Table 1).



Career Kōkua also continued to conduct Skills Assessment workshops for unemployed workers in partnership with the Workforce Development Division

Chart 1. Hawai'i's Unemployment Rate is Improving



intelligent

and O‘ahu WorkLinks. Career Kōkua staff conducted 83 sessions for 203 participants who were then placed in volunteer internships so that they could learn new skills and gain work experiences.

Table 1. Career Kōkua’s 2010-2011 Top Ten Hits

Rank	Career Kōkua Occupations	# of Hits
1	Accountants and Auditors	1,157
2	Chefs and Dinner Cooks	1,127
3	Registered Nurses	1,123
4	Nursing Assistants	989
5	Actors	935
6	Pediatricians	919
7	Pharmacists	878
8	Psychologists	853
9	Architects	821
10	Lawyers	820

In 2010-2011, the **Labor Market Research (LMR)** staff revised state industry and occupational projections to the year 2018, and issued county industry and occupational projections for the same time period. With the issuance of five green related publications from a 2010 green jobs survey funded under the American Recovery and Reinvestment Act of 2009, LMR staff also compared the green job projections with our standard state job projections and found the former to be growing faster than overall jobs (see Table 2).



innovative

Our Labor Market Information (LMI) website, www.hiwi.org, underwent a major overhaul when the site was integrated with HireNetHawaii, the State’s job matching system. The www.greenjobshawaii.org website was established to offer a dedicated portal to research green workforce activities.



In 2010, R & S began the implementation of a \$1.2M **Labor Market Information Improvement Grant**. The grant allowed R&S to

- Develop a Baseline Assessment that estimated the number of green jobs in Hawai‘i;
- Produce an Initial Employment Forecast, a Green Employers Directory, Occupational and Industry Profiles, and a Training Gap Assessment;
- Launch the **Hawai‘i Green Jobs Initiative** as a DLIR workforce development initiative and promoted green jobs information at numerous events including Workforce Development Staff Training, Green Apprenticeship Bus Tour, JobQuest “Green Jobs” Zone, the Asia Pacific Clean Energy Conference, IConserve Rally, Clean Energy Day, and community events on Maui, Kaua‘i, and the Big Island.
- The results-to-date are sustained through the Hawai‘i Green Jobs Initiative branding: www.greenjobshawaii.org; the “Hawai‘i: The State of Clean Energy” TV series; a joint workforce group on grant seeking led by the DLIR Director; and an innovation team that will implement grant deliverables while transitioning LMI improvement to regular R&S staff.

Table 2. Top Ten Largest Green Occupations in Hawai‘i		2010 Green Jobs	2018 High Growth Projection	2018 High Growth Percent Change	2018 Low Growth Projection	2018 Low Growth Percent Change
SOC Codes	Occupations					
34-2011	Janitors & Cleaners, exc Maids & Housekeeping Cleaners	1,197	1,497	25%	1,351	13%
19-4093	Forest & Conservation Technicians	601	*	*	*	*
33-9032	Security Guards	552	578	5%	629	14%
47-2111	Electricians	438	1646	276%	814	86%
49-9021	Heating & Air Conditioning & Refrigeration Mechanics & Installers	348	690	98%	489	41%
47-2031	Construction Carpenters	306	692	126%	475	55%
47-2131	Insulation Workers - Floor, Ceiling, & Wall	277	**	**	**	**
37-3011	Landscaping & Groundskeeping Workers	276	584	112%	390	41%
47-4099.01	Solar Photovoltaic Installers	237	*	*	*	*
41-2031	Retail Salespersons	219	576	163%	337	54%

* Data is suppressed for consistency concerns ** Data is not available.

Source: Hawaii Labor Market Dynamics, September 2011

Office of Community Services

◆ INTRODUCTION

OCS has experienced slightly less than a full year under Governor Abercrombie's New Day leadership. This report summarizes our work under this new administration.

We divide our report into "outputs," "outcomes," and "challenges," as described below:

1. **"Outputs"**—measuring our performance by quantitative data relating to production rates, the number of persons served, the number of meals provided, the number of houses upgraded, the number of communities served, and similar numbers;
2. **"Outcomes"**—measuring the qualitative improvements that OCS services have provided in the communities—the level of satisfaction of the beneficiaries of the services, the all-important growth and skills development of the service personnel, the creation and strengthening of community service structures, increased accountability among the recipients and the providers of services, and ultimately the creation of sustainable community organizations where people want to come to work for the betterment of their communities; and
3. **"Challenges"**—addressing the ever-present and ever-changing difficulties that face community development and community service work.

Across all three metrics, we see our desired goals of instilling higher values, higher performance standards, and best practices.

◆ OUTCOMES OF INTERNAL OCS TRANSFORMATION IN 2011

Under new leadership, OCS set out in January 2011 specifically to undertake some difficult organizational transformations that we firmly concluded were necessary to meet our fiduciary obligations and our goals of a sustained higher level of performance and productivity. We replaced certain staff and instituted serious, updated program-specific training and substantially improved fiscal controls.

We now have a staff who want to come to work, take pride in their work, and are passionate that their work is completed and done well. We believe we have transformed the work culture at OCS into one where each staffer sees herself or himself as an integral part of an interconnected system.

OCS has increased monitoring activities of sub-recipients to ensure that Federal and State awards are used for authorized purposes in compliance with laws, regulations, and contractual provisions and to ensure that performance goals of the awards are achieved in a timely manner.

With substantially increased and improved monitoring of the agencies that we contract with, we have produced higher levels of accountability and programmatic and fiscal compliance, on a more cost-effective basis.

◆ OUTPUTS OF OCS PROGRAMS AND ACTIVITIES IN 2011

While a quick overview of the number and type of programs and activities that OCS conducts this year might seem to reveal only minimal changes in these functions as against previous years, the real changes are internal—in quality and essence, rather than in external form. OCS has largely maintained the same range of Federal and State programs as before: Among the Federal programs that OCS administers, OCS continues with its very large \$3 million Community Services Block Grants

(CSBG) program, which directly serves more than 4,600 persons; OCS continues distribution of over \$700,000 in foodstuffs under The Emergency Food Assistance Program (TEFAP) of the U.S. Department of Agriculture, serving over 50,000 persons; OCS administers the distribution of over \$160,000 in goods and weatherization services through the Weatherization Assistance Program (WAP), as supplemented by WAP-ARRA, under President Obama's stimulus law, which together have served nearly 300 households this year; and \$1 million in ARRA-related Energy Efficiency and Conservation Block Grants; OCS provides legal services and advocacy for about 750 individual children and their families in situations of family crisis, such as divorce, custody disputes, and other issues; and OCS administers a two-year State-funded Employment Core Services program, assisting more than 600 immigrants and refugees, and more than 1,150 low-income persons, of whom nearly 400 eventually succeeded in obtaining and holding a job for a year. These totals included 52 refugees and 445 Micronesians who started with the program. OCS provided about \$100,000 in Federal funds for Refugee Assistance, and OCS gave more than \$500,000 in Federal funds to the Senior Farmers' Market

Nutrition Program, where some 6,287 low-income seniors are receiving fresh produce.

OCS is currently managing over \$5 million in State-funded Capital Improvement Projects that are intended to provide long-term workspace for some of our community service agencies statewide.

OCS most certainly faces major challenges in the near future, primarily because of the weakness in the national and local economy and in the political landscape in which ideological fixation on debt reduction has taken undue precedence over economic stimulus that only the Federal government is capable of rendering and causing the country to exit from this long economic crisis.

Thus, overall reduction in federal funding is a major challenge that is almost certainly going to take place. OCS intends to respond to this challenge by seeking other sources of funding, considering implementation of competitive processes for some grants that have been traditionally awarded as non-competitive formula grants, and striving for greater internal efficiency and cost-effectiveness.

State Fire Council

The State Fire Council (SFC) is administratively attached to the State of Hawai‘i (State), Department of Labor and Industrial Relations and is comprised of the four county Fire Chiefs. Its primary mission is to develop a comprehensive fire service emergency management network for the protection of life, property, and the environment throughout the State. The SFC is responsible to adopt a state fire code, apply and administer federal fire-related grants, and administer a Reduced Ignition Propensity Cigarette (RIPC) Program. The SFC may advise and assist county fire departments where appropriate; prescribe standard procedures and forms related to inspections, investigations, and reporting of fires; and advise the Governor and Legislature with regard to fire prevention and protection, life safety, and any other function or activity for which the various county fire departments are responsible.

Each county fire department proceeded with the county ordinance adoption process for the new state fire code, which is based on the National Fire Protection Association (NFPA) 1 Uniform Fire Code, 2006 Edition. Through the efforts of its Fire Prevention Committee and the NFPA, the SFC reviewed and proposed amendments to the NFPA 1 Fire Code, 2009 Edition for adoption as the next state fire code. The state fire code, in union with the county fire codes, comprehensively addresses minimum requirements for the protection of life and property to mitigate and prevent the disastrous effects of fire, explosion, and hazardous materials incidents.

The SFC participates as a member of the State Building Code Council (SBCC), which is comprised of county, State, and private stakeholders

who coordinate the adoption of a comprehensive set of building codes. The State building code applies a consistent and current set of codes based on national standards that affect county, State, commercial, industrial, and residential buildings. An investigative committee chaired by the SFC is concluding its findings on infrastructure standards, systems, costs, and benefits for the 2009 International Residential Code Fire Sprinkler Requirements for New One- and Two-Family Dwellings.

The SFC has administered the RIPC law since its adoption in October 2009. The SFC receives manufacturers’ documentation on fire-safe cigarette testing, certifies brands/styles, and deposits the fees collected. A special fund was legislatively established to employ personnel to develop administrative rules to more effectively enforce and administer the program. To date, the SFC collected \$401,625.

The SFC introduced or supported the following legislative bills that were approved with or without the Governor’s signature:

1. House Bill 605, relating to establishing a special fund from fees collected from cigarette manufacturers to hire two full-time personnel for the SFC to administer the RIPC Program (Act 189)
2. House Bill 1000, relating to having a single-entity E911 board (Act 168)
3. House Resolution 47, relating to recommending that the SBCC adopt a requirement to install fire sprinklers in new one- and two-family dwellings
4. Senate Bill 172, relating to amending the fireworks law to impose new definitions and licensing and permitting requirements (Act 127)
5. Senate Bill 173, relating to banning the sale of novelty lighters (Act 224)

6. Senate Bill 742, relating to allowing the SFC to hire two full-time personnel to perform SFC duties (Act 188)
7. Senate Bill 782, relating to making improvised explosive devices a felony (Act 222)
8. Senate Bill 1025, relating to making the assault of a fire fighter a felony (Act 187)

The SFC introduced or supported the following legislative bills that did not pass the 2011 session:

1. House Bill 171, relating to banning aerial luminaries, except by permit
2. House Bill 262, relating to deleting the sunset date for lifeguard tort liability
3. House Bill 268, relating to allowing counties to conduct criminal background checks on prospective fire department employees

4. House Bill 969, relating to banning consumer fireworks statewide
5. Senate Bill 169, relating to using trained canine to inspect cargo for explosives
6. Senate Bill 170, relating to authorizing the Department of Defense and the Department of Transportation to inspect cargo for illegal fireworks

The SFC coordinated Department of Homeland Security, National Fire Academy statewide fire service training courses in Leadership Strategies for Company Success, Personal Success, and Supervisory Success; Incident Command for High-Rise Operations; Strategy and Tactics for Initial Company Operations; Decision Making for Initial Company Operations; and Command and Control of Wildland/Urban Interface Fire Operations for the Structural Chief Officer.

The SFC continues to meet quarterly to fulfill its statutory duties and responsibilities.

Report on Non-General Fund Information 2011

Department:	Labor and Industrial Relations		Contact Name:	Miles Yasui			
Prog ID(s):	LBR 171		Phone:	586-9071			
Name of Fund:	Unemployment Insurance Trust Fund		Fund type (MOF):	Special (B)			
Legal Authority:	Section 383-121, HRS		Appropriation Acct. No.:	S-312-L, S-313-L			
Intended Purpose:	All contributions pursuant to this chapter shall be paid into the fund and compensation and benefits payable pursuant to this chapter shall be paid from the fund.						
Source of Revenues:	Contributions collected pursuant to Chapter 383 Hawai'i Revised Statutes, interest earned on moneys in the fund, property or securities and earnings of such property or securities, and moneys credited pursuant to Section 903 of the Social Security Act.						
Current Program Activities/Allowable Expenses:	Payment of unemployment insurance benefits and for refunds of contributions, and payment of administrative expenses from moneys credited pursuant to Section 903 of the Social Security Act.						
Purpose of Proposed Ceiling Increase (if applicable):							
FINANCIAL DATA							
	FY 2009 (actual)	FY 2010 (actual)	FY 2011 (actual)	FY 2012 (estimated)	FY 2013 (estimated)	FY 2014 (estimated)	FY 2015 (estimated)
Appropriation Ceiling	458,973,350	521,851,944	600,000,000	622,000,000	360,000,000	360,000,000	360,000,000
Beginning Cash Balance	514,363,140	265,691,495	20,714,747	1,249,366	96,649,366	270,549,366	343,749,366
Beginning Encumbrances							
Revenues	187,839,450	217,196,649	513,410,263	574,300,000	471,000,000	363,100,000	317,200,000
Expenditures	436,092,519	462,173,397	532,875,644	478,900,000	297,100,000	289,900,000	294,200,000
Transfers							
List each by JV# and date							
Reed Act JS0062, 7/08/08	61,017	—	—				
Reed Act JS0453, 7/31/08	357,559	—	—				
Net Total Transfers	418,576	—	—	—	—	—	—
Ending Cash Balance	265,691,495	20,714,747	1,249,366	96,649,366	270,549,366	343,749,366	366,749,366
ADDITIONAL INFORMATION							
Amount Req. for Bond Conveyance:			—				
Amount from Bond Proceeds:	—	—	—				
Amount Held in CODs, Escrow Accounts, or Other Investments:			—				

Report on Non-General Fund Information 2011

Department:	Labor and Industrial Relations	Contact Name:	Miles Yasui				
Prog ID(s):	LBR 171	Phone:	586-9071				
Name of Fund:	Special Unemployment Insurance Administrative Fund	Fund type (MOF):	Special (B)				
Legal Authority:	Chapter 383-127, HRS	Appropriation Acct. No.:	S-314-L				
Intended Purpose:	Payment of refunds, interest, and expenditures deemed necessary in the administration of this chapter for which no allocations of federal administration funds have been made.						
Source of Revenues:	Interest, fines and penalties collected pursuant to Chapter 383 Hawai'i Revised Statutes.						
Current Program Activities/Allowable Expenses:	Payment of various expenses relating to the administration of the unemployment insurance program.						
Purpose of Proposed Ceiling Increase (if applicable):							
FINANCIAL DATA							
	FY 2009 (actual)	FY 2010 (actual)	FY 2011 (actual)	FY 2012 (estimated)	FY 2013 (estimated)	FY 2014 (estimated)	FY 2015 (estimated)
Appropriation Ceiling	654,359	654,359	1,216,320	934,043	934,043	934,043	934,043
Beginning Cash Balance	2,362,710	2,775,447	3,081,009	3,776,188	5,076,188	3,576,188	1,676,188
Beginning Encumbrances							
Revenues	412,737	378,374	855,275	1,300,000	1,500,000	1,100,000	1,000,000
Expenditures	—	72,812	160,096	—	3,000,000	3,000,000	650,000
Transfers							
List each by JV# and date							
Net Total Transfers	—	—	—	—	—	—	—
Ending Cash Balance	2,775,447	3,081,009	3,776,188	5,076,188	3,576,188	1,676,188	2,026,188
ADDITIONAL INFORMATION							
Amount Req. for Bond Conveyance:			—				
Amount from Bond Proceeds:	—	—	—				
Amount Held in CODs, Escrow Accounts, or Other Investments:			—				

Report on Non-General Fund Information 2011

Department:	Labor and Industrial Relations		Contact Name:	Francis Kagawa			
Prog ID(s):	LBR 183/DA		Phone:	586-8887			
Name of Fund:	Special Compensation Fund (SFC)		Fund type (MOF):	Special (B)			
Legal Authority:	Chapter 386-151, HRS		Appropriation Acct. No.:	S-302-L			
Intended Purpose:	To pay benefits to injured workers for second injuries, uninsured and insolvent employers, benefit adjustments, attendant services, and concurrent employment.						
Source of Revenues:	Special assessment on the gross premiums of employers' workers' compensation (WC) insurance, interest earned on investments, fines, forfeits, and penalties.						
Current Program Activities/Allowable Expenses:	Payment of WC benefits, WC claims facilitator branch, litigation costs, audit fees, and legal services through the Department of Attorney General.						
Purpose of Proposed Ceiling Increase (if applicable):							
FINANCIAL DATA							
	FY 2009 (actual)	FY 2010 (actual)	FY 2011 (actual)	FY 2012 (estimated)	FY 2013 (estimated)	FY 2014 (estimated)	FY 2015 (estimated)
Appropriation Ceiling	23,175,713	23,175,713	23,243,765	23,291,406	23,291,406	23,291,406	23,291,406
Beginning Cash Balance	11,058,324	10,100,979	13,153,602	12,538,311	10,838,311	9,138,311	7,438,311
Beginning Encumbrances							
Revenues	14,580,325	19,004,001	15,766,486	16,300,000	18,300,000	18,300,000	18,300,000
Expenditures	15,537,670	15,951,378	16,381,777	18,000,000	20,000,000	20,000,000	20,000,000
Transfers							
List each by JV# and date							
Net Total Transfers	—	—	—	—	—	—	—
Ending Cash Balance	10,100,979	13,153,602	12,538,311	10,838,311	9,138,311	7,438,311	5,738,311
ADDITIONAL INFORMATION							
Amount Req. for Bond Conveyance:							
Amount from Bond Proceeds:							
Amount Held in CODs, Escrow Accounts, or Other Investments:							

Report on Non-General Fund Information 2011

Department:	Labor and Industrial Relations	Contact Name:	Francis Kagawa				
Prog ID(s):	LBR 183/DA	Phone:	586-8887				
Name of Fund:	Special Fund for Temporary Disability Benefits	Fund type (MOF):	Special (B)				
Legal Authority:	Chapter 392-61, HRS	Appropriation Acct. No.:	S-303-L				
Intended Purpose:	To pay temporary disability benefits for disabilities resulting from non-work related injuries or illnesses to individuals who become disabled when unemployed, and to employees of insolvent or non-complying employers.						
Source of Revenues:	Interest earned on investment.						
Current Program Activities/Allowable Expenses:	Payment of temporary disability benefits.						
Purpose of Proposed Ceiling Increase (if applicable):							
FINANCIAL DATA							
	FY 2009 (actual)	FY 2010 (actual)	FY 2011 (actual)	FY 2012 (estimated)	FY 2013 (estimated)	FY 2014 (estimated)	FY 2015 (estimated)
Appropriation Ceiling	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Beginning Cash Balance	9,277,594	9,369,773	9,418,133	2,516,936	2,446,936	2,376,936	2,306,936
Beginning Encumbrances							
Revenues	170,767	113,104	150,825	30,000	30,000	30,000	30,000
Expenditures	78,588	64,744	52,022	100,000	100,000	100,000	100,000
Transfers							
List each by JV# and date							
Act 192/2010, Section 17			(7,000,000)				
Net Total Transfers	—	—	(7,000,000)	—	—	—	—
Ending Cash Balance	9,369,773	9,418,133	2,516,936	2,446,936	2,376,936	2,306,936	2,236,936
ADDITIONAL INFORMATION							
Amount Req. for Bond Conveyance:							
Amount from Bond Proceeds:							
Amount Held in CODs, Escrow Accounts, or Other Investments:							

Report on Non-General Fund Information 2011

Department:	Labor and Industrial Relations				Contact Name:	Francis Kagawa	
Prog ID(s):	LBR 183/DA				Phone:	586-8887	
Name of Fund:	Premium Supplemental Fund (PHC)				Fund type (MOF):	Special (B)	
Legal Authority:	Chapter 393-41, HRS				Appropriation Acct. No.:	S-308-L	
Intended Purpose:	To pay premium supplementation to qualified employers and the payment of health care expenses to eligible employees of non-complying or insolvent employers.						
Source of Revenues:	Interest earned on investments.						
Current Program Activities/Allowable Expenses:	Payment of premium supplementation and health care expenses.						
Purpose of Proposed Ceiling Increase (if applicable):							
FINANCIAL DATA							
	FY 2009 (actual)	FY 2010 (actual)	FY 2011 (actual)	FY 2012 (estimated)	FY 2013 (estimated)	FY 2014 (estimated)	FY 2015 (estimated)
Appropriation Ceiling	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Beginning Cash Balance	2,987,923	2,660,303	2,374,803	2,098,470	1,728,470	1,358,470	988,470
Beginning Encumbrances							
Revenues	55,397	34,389	43,358	30,000	30,000	30,000	30,000
Expenditures	383,017	319,889	319,691	400,000	400,000	400,000	400,000
Transfers							
List each by JV# and date							
Net Total Transfers	—	—	—	—	—	—	—
Ending Cash Balance	2,660,303	2,374,803	2,098,470	1,728,470	1,358,470	988,470	618,470
ADDITIONAL INFORMATION							
Amount Req. for Bond Conveyance:							
Amount from Bond Proceeds:							
Amount Held in CODs, Escrow Accounts, or Other Investments:							

Report on Non-General Fund Information 2011

Department:	Labor and Industrial Relations				Contact Name:	Kim Saito		
Prog ID(s):	LBR 111				Phone:	586-8903		
Name of Fund:	Employment and Training Fund				Fund type (MOF):	Special (B)		
Legal Authority:	Chapter 383-128, HRS				Appropriation Acct. No.:	S-318-L		
Intended Purpose:	To provide grants and subsidies to public, private and non-profit corporations for employment, education and training.							
Source of Revenues:	Employer Contributions							
Current Program Activities/Allowable Expenses:	A) Programs to create a more diversified base for businesses; B) Programs for high-growth industries with critical shortages; C) Programs to retrain unemployed workers; D) Programs for individuals who do not qualify for federal or state programs; E) Programs for individuals to improve career employment prospects.							
Purpose of Proposed Ceiling Increase (if applicable):								
FINANCIAL DATA								
	FY 2009 (actual)	FY 2010 (actual)	FY 2011 (actual)	FY 2012 (estimated)	FY 2013 (estimated)	FY 2014 (estimated)	FY 2015 (estimated)	
Appropriation Ceiling	3,818,582	3,813,687	3,642,288	3,641,018				
Beginning Cash Balance	1,316,409	1,024,065	1,219,576	2,167,923	1,967,923	867,923	317,923	
Beginning Encumbrances								
Revenues	459,938	527,470	1,474,145	1,800,000	100,000	450,000	450,000	
Expenditures	752,282	331,959	525,798	2,000,000	1,200,000	1,000,000	720,000	
Transfers								
List each by JV# and date								
Net Total Transfers								
Ending Cash Balance	1,024,065	1,219,576	2,167,923	1,967,923	867,923	317,923	47,923	
ADDITIONAL INFORMATION								
Amount Req. for Bond Conveyance:								
Amount from Bond Proceeds:								
Amount Held in CODs, Escrow Accounts, or Other Investments:								

Report on Non-General Fund Information 2011

Department:	Labor and Industrial Relations	Contact Name:	Francis Kagawa				
Prog ID(s):	LBR 143/EA	Phone:	586-8887				
Name of Fund:	Hoisting Machine Operators' Certification Revolving Fund	Fund type (MOF):	Revolving (W)				
Legal Authority:	Chapter 396-20, HRS	Appropriation Acct. No.:	S-330-L				
Intended Purpose:	Certification of hoisting machine operators.						
Source of Revenues:	Certification fee, penalties, fines, and interest earned on investments.						
Current Program Activities/Allowable Expenses:	Personnel and operating expenses for an executive director for the hoisting machine operators advisory board, preparation and dissemination of public information on certification and training, and preparation of annual reports on activities and accomplishments.						
Purpose of Proposed Ceiling Increase (if applicable):							
FINANCIAL DATA							
	FY 2009 (actual)	FY 2010 (actual)	FY 2011 (actual)	FY 2012 (estimated)	FY 2013 (estimated)	FY 2014 (estimated)	FY 2015 (estimated)
Appropriation Ceiling	50,000	50,000	50,000	70,000	70,000	70,000	70,000
Beginning Cash Balance	325,401	344,273	329,264	364,797	344,797	324,797	304,797
Beginning Encumbrances							
Revenues	68,872	34,991	68,967	50,000	50,000	50,000	50,000
Expenditures	50,000	50,000	33,434	70,000	70,000	70,000	70,000
Transfers							
List each by JV# and date							
Net Total Transfers	—	—	—	—	—	—	—
Ending Cash Balance	344,273	329,264	364,797	344,797	324,797	304,797	284,797
ADDITIONAL INFORMATION							
Amount Req. for Bond Conveyance:							
Amount from Bond Proceeds:							
Amount Held in CODs, Escrow Accounts, or Other Investments:							

Operational and Expenditure Report FY 2011

	GENERAL	FEDERAL	ARRA	SPECIAL	TOTAL
BUDGET	12,460,480	45,304,925	45,346,433	575,121,603	678,233,441
EXPENDITURES					
Personal Services	9,683,177	22,114,054	1,167,160	1,460,182	34,424,573
Other Current Expenses					
Services on a fee—State	60,830	1,772,619	560,945	522,465	2,916,859
Office Supplies	39,890	279,243	992	441	320,566
Dues and Subscriptions	52,984	88,449	0	1,374	142,807
Freight and Delivery	2,102	115,307	9,996	0	127,405
Postage	29,640	774,027	0	0	803,667
Telephone	110,988	423,565	0	338	534,891
Printing	11,133	117,605	0	335	129,073
Advertising	7,028	15,206	0	0	22,234
Mileage	14,303	35,224	0	0	49,527
Travel—Intra State	21,779	78,101	2,200	733	102,813
Per Diem—Intra State	24,249	31,509	1,213	0	56,971
Travel—Out of State	1,387	64,238	0	0	65,625
Per Diem—Out of State	2,254	69,703	2,391	0	74,348
Car Rental	10,739	11,628	448	42	22,857
Other Travel	7,640	8,131	0	0	15,771
Electricity	10,866	103,809	0	0	114,675
Office Space Rental	0	1,300,129	0	20	1,300,149
Equipment Rental	23,961	123,149	0	932	148,042
Repairs and Maintenance	32,809	669,237	126,338	666	829,050
Intergovernmental Grants	64,601	8,579,880	1,865,658	0	10,510,139
Other Grant-in-Aid	1,387,091	4,113,882	9,640,566	465,966	15,607,505
Public Assistance	0	0	0	47,793	47,793
Benefits:					
• Workers Compensation	0	0	0	15,425,463	15,425,463
• Unemployment Insurance	0	0	29,277,919	532,875,644	562,153,563
• Temporary Disability	0	0	0	52,022	52,022
• Prepaid Health	0	0	0	319,691	319,691
Services on a fee—Other	196,241	362,168	36,692	6,397	601,498
Miscellaneous	17,175	1,237,631	363,946	582,831	2,201,583
Other Capital Outlay	26,033	296,461	0	1,477	323,971
State Fire Council	117,488	0	0	0	117,488
Total Other Expenses	2,273,211	20,670,901	41,889,304	550,304,630	615,138,046
TOTAL EXPENDITURES	11,956,388	42,784,955	43,056,464	551,764,812	649,562,619
BALANCES	504,092	2,519,970	2,289,969	23,356,791	28,670,822

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

Princess Ruth Ke'elikolani Building
830 Punchbowl Street, Honolulu, Hawai'i 96813
E-mail: dliir.director@hawaii.gov
www.hawaii.gov/labor

ADMINISTRATION

Director's Office 586-8844
Deputy Director's Office. 586-8852
Administrative Services Office 586-8888
Personnel Office 586-9043
Information Line 586-8842
E-mail dliir.director@hawaii.gov

DLIR DISTRICT OFFICES

Hilo 974-6464
Kona 322-4808
Maui 243-5322
Kaua'i 274-3351

DISABILITY COMPENSATION DIVISION (DCD)

Workers' Compensation Facilitator 586-9161
Medical Fee Schedule (WC). 586-9161
Vocational Rehabilitation (WC) 586-9212
Prepaid Health Care 586-9188
Temporary Disability Insurance (TDI) 586-9188
E-mail dliir.workcomp@hawaii.gov
E-mail dliir.tempdisabilityins@hawaii.gov
E-mail dliir.prepaidhealthcare@hawaii.gov

EMPLOYMENT SECURITY APPEALS REFEREES' OFFICE (ESARO)

Honolulu 586-8930
Molokai/Lana'i 1-800-468-4644, ext. 6-8930
Kaua'i 274-3141, ext. 6-8930
Maui 984-2400, ext. 6-8930
Hawai'i 974-4000, ext. 6-8930
E-mail dliir.esaro@hawaii.gov

HAWAI'I CIVIL RIGHTS COMMISSION (HCRC)

. 586-8636
E-mail dliir.hcrc.infor@hawaii.gov

HAWAI'I LABOR RELATIONS BOARD

Public Sector Collective Bargaining 586-8610
E-mail dliir.laborboard@hawaii.gov

HAWAI'I OCCUPATIONAL SAFETY & HEALTH DIVISION

(HIOSH) 586-9100
Accident Reporting Line. 586-9102
Complaints 586-9092
Consultation & Training 586-9100
Occupational Health 586-9090
Occupational Safety 586-9110
Explosive Permits. 586-9110
Boiler/Elevator 586-9141
E-mail dliir.hiosh@hawaii.gov
E-mail dliir.hiosh.complaints@hawaii.gov
E-mail . dliir.hiosh.ct@hawaii.gov (Consultation/Training)
E-mail dliir.hiosh.be@hawaii.gov (Boiler/Elevator)

LABOR & INDUSTRIAL RELATIONS APPEALS BOARD

(LIRAB) 586-8600
E-mail dliir.appealsboard@hawaii.gov

OFFICE OF COMMUNITY SERVICES (Refugees, Immigrants, Economically Disadvantaged)

586-8675
E-mail dliir.ocs@hawaii.gov

OFFICE OF LANGUAGE ACCESS (OLA) 586-8730

E-mail dliir.ola@hawaii.gov

RESEARCH & STATISTICS OFFICE (R&S) 586-8999

E-mail dliir.research@hawaii.gov

STATE FIRE COUNCIL (SFC) 723-7101

UNEMPLOYMENT INSURANCE DIVISION 586-9070

Claim Filing Online <http://uiclaims.hawaii.gov>
Phone Applications (Hawai'i) 643-5555
Outside Hawai'i 1-877-215-5793

CLAIMS & BENEFITS:

Honolulu 586-8970
Waipahu 675-0030
Kane'ohe 233-3679
Hilo 974-4086
Kona 322-4822

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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www.hawaii.gov/labor

UNEMPLOYMENT INSURANCE DIVISION

CLAIMS & BENEFITS CONTINUED:

Maui 984-8400
Moloka'i 553-1750
Kaua'i 274-3043

EMPLOYER SERVICES:

E-mail dlir.ui.empsvc.tax@hawaii.gov
O'ahu 586-8926
Hilo 974-4095
Kona 974-4095
Maui 984-8410
Moloka'i 984-8410
Kaua'i 274-3025

WAGE STANDARDS DIVISION (WSD) 586-8777

E-mail dlir.wages.@hawaii.gov

WORKFORCE DEVELOPMENT COUNCIL (WDC)

. 586-8670
E-mail dlir.workforce.council@hawaii.gov

WORKFORCE DEVELOPMENT DIVISION (WDD)

. 586-8877
Apprenticeship 586-8877
Employment & Training Fund 586-8877
Job Training (WIA) 586-8877
O'ahu Employer's Job Orders 586-8700

E-mail dlir.workforce.develop@hawaii.gov

JOBSEEKERS:

Website hirenethawaii.com
Honolulu 586-8700
Kane'ohe 233-3700
Waipahu 675-0010
Kapolei 692-7630

NEIGHBOR ISLAND EMPLOYERS & JOB SEEKERS:

Hilo 981-2860
Kona 327-4770
Maui 984-2091
Moloka'i 553-1755
Kaua'i 274-3056

