

**BOILER AND ELEVATOR SPECIAL FUND REPORT
TO THE 2015 LEGISLATURE**



State of Hawai'i
Department of Labor and Industrial Relations

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STATE OF HAWAI'I
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I. INTRODUCTION

Pursuant to Act 103, Session Laws of Hawaii 2012, the Director of the Department of Labor and Industrial Relations (DLIR), "... shall submit a report to the legislature on the status of the boiler and elevator special fund, including expenditures and program results, not less than twenty days prior to the convening of each regular session."

II. PURPOSE

Act 103 established the boiler and elevator special fund, changed the means of financing to special funding, and provided a mechanism for self-sufficiency for the Boiler and Elevator Branch (Branch) of the Occupational Safety and Health Division (HIOSH). In passing Act 103, the Legislature recognized that the boiler and elevator inspection program staffing and budget had suffered from across the board cuts and neglect that had rendered it ineffective and a hindrance to economic revitalization, and most importantly, a threat to public safety.

Act 103 decreases the likelihood that the program will suffer from automatic across the board cuts by establishing a boiler and elevator special fund whereby the fees being assessed on the stakeholders who are the most immediately impacted by the program will be dedicated to the program. Act 103 provides a mechanism for self-sufficiency that will enable the program to hire and retain qualified personnel and carry out the inspection and permitting functions related to public safety and economic revitalization.

Act 103 has been codified in the Hawai'i Revised States (HRS) as a new section §397-13 (**Boiler and elevator special fund; establishment; purposes.**), and amendments to §397-5 (**Fees.**) and 397-8 (**Violations and penalties**).

III. PROGRAM RESULTS

The DLIR revised the Hawaii Administrative Rules (HAR) and adopted new elevator rules, which included the 2010 American Society of Mechanical Engineers (ASME) Codes 17.1, 17.2 and 17.3 in June 2014. This was the first update to the elevator rules and adoption of newer codes since 2000, the DLIR had previously failed to adopt three updated codes.

The DLIR has also continued with outreach and education efforts pertaining to the updating of the code for elevators, kindred equipment and amusement rides. As part of the outreach and education efforts, the Elevator Section has worked with all the County agencies responsible for the fire and building codes to ensure the harmonization of the proposed new codes with the existing county codes. Moreover, the DLIR continues to inform the public about the updated administrative rules in meetings amongst various stakeholders.

The DLIR continues to work with the Hawaii Information Consortium (HIC) to integrate a new information technology system into the operations of the Elevator Section for staff, permit and license holders, and the public to make operations more efficient and transparent. Since June 2010, the current software program for processing permits and inspection reports has not been supported by the vendor and several major features are non-operational.

Installation applications for new elevators and kindred equipment and personnel hoists at construction sites became available online beginning August 6, 2013. The online form provides contractors a simple, one-stop application to submit and pay for their installations. Making new installation applications and fee payment available online is just the first phase of the DLIR's efforts towards making all types of elevator permit applications and fee payments available via the web.

Act 103 also provided for ten additional positions including a branch manager, up to the equivalent of six full-time elevator inspectors, one boiler inspector and two office assistants. Act 103 increased the total number of inspectors in the Branch from eleven to eighteen (four boiler, fourteen elevator), including two supervisors. At the end of the fiscal year, eight of the ten new positions were occupied, six with permanent staff. During 2014, an elevator supervisor and a new elevator inspector were hired. Two elevator inspectors left and one was promoted to the elevator supervisor's position.

Both sections are following a "Districting" approach to performing the required annual or biannual safety test inspections for the 10,021 boilers and nearly 7,000 elevators in the state. The Districting scheme involves dividing the islands into four geographic areas for the Elevator Section and assigning four teams of inspectors the responsibility for the elevators and kindred equipment in their area. The Boiler Section divides the State into three districts each of which is the responsibility of one of the boiler inspectors. The Branch Section Manager also manages and analyzes the reports from the private sector. The Elevator Section performed 5,267 inspections and the Boiler Section completed 4,472 inspections during calendar year 2014.

IV. Budget

The department deposited \$100,000 into the general fund pursuant to Act 103 during the fiscal year.

Fiscal Year 2013-2014

Beginning Balance		1,001,867
Revenues	Fees Collected	1,976,893
Expenditures		(1,820,906)
Balance 6/30/14		1,157,854