

Improving the Lives

of Hawaii's Working Families



Department of Labor & Industrial Relations

Annual Report 2005

Reaching out to make

our communities

stronger



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Director's Message



2005 was a productive and exciting year for the State of Hawaii and the Department of Labor and Industrial Relations. With Hawaii posting the **lowest unemployment rate in the nation** throughout the entire year, and the economy experiencing a solid, steady growth, opportunities to improve our programs and quality of life for our workers have never been greater.

Hawaii employed more workers than at any time in our state's history as the number of employed workers across the state increased by over 31,000 over a twelve month period with jobs in trade, education, health, leisure, hospitality, transportation and utilities industries experiencing high demand for workers.

During the year, the DLIR focused on three key areas to help support, sustain and grow Hawaii's strong economy:

- *Improving the lives of Hawaii's working families*
- *Helping Hawaii's businesses succeed*
- *Reaching out to make our communities stronger*

To IMPROVE and PROTECT THE LIVES OF OUR WORKING FAMILIES, we stepped up efforts to connect workers with jobs and opportunities in the community. Our **ONE STOPS** or **Workforce Development Centers** located across the state offered people assistance in preparing and searching for a job in an industry they may be interested in. Our counselors helped individuals choose jobs which match their interests, look on-line for job openings, and provided access to computers, copiers, and self-help videos to assist in one's job search.

Many of Hawaii's adults are interested in the construction industry, which is expected to experience a dramatic growth of 27% through 2012. To proactively address and prepare for this growth, the DLIR helped launch the **Hawaii Jobs Initiative**.

- *A \$100,000 grant was released by the department to the Hawaii Institute for Public Affairs (HIPA) to assess the need for workers in this booming industry.*
- *By understanding where potential labor shortages may occur, we can determine how to best train people to prepare and qualify for these openings.*
- *This project was a collaborative effort and example of our commitment to work together with other agencies and organizations to improve our communities.*

Our Office of Community Services (OCS) assisted the low-income, immigrant and refugee populations in Hawaii.

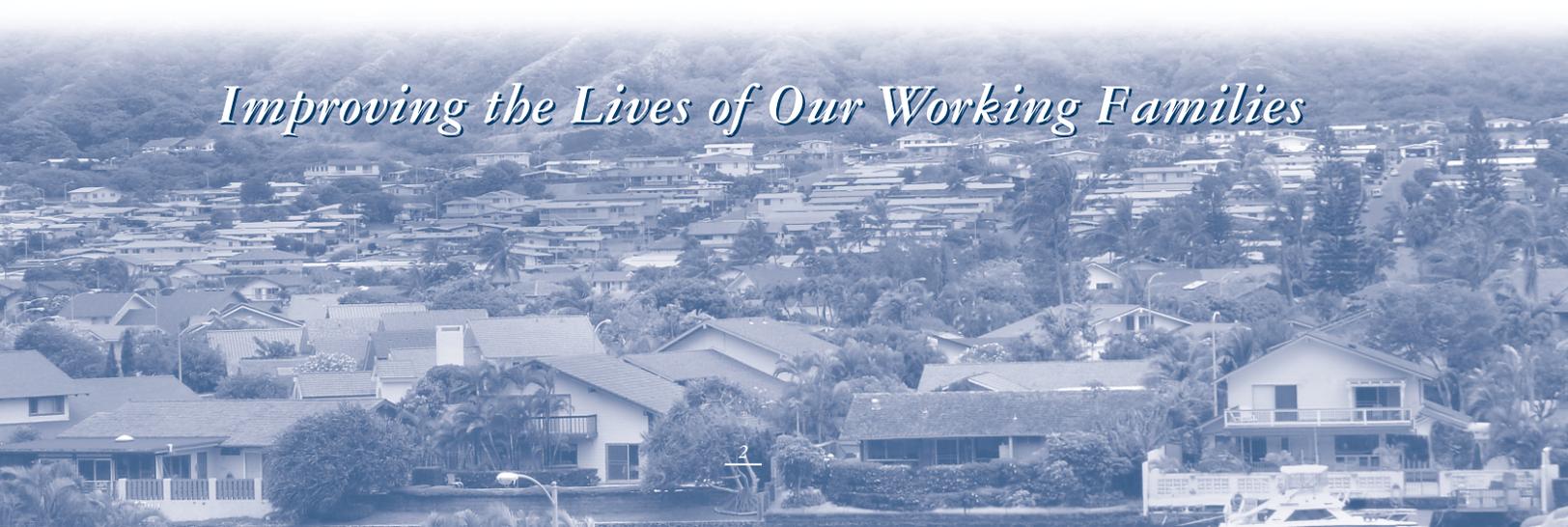
- *This year, the OCS focused on **providing valuable needed services while exercising fiscal responsibility.***
- *The OCS introduced a pilot program, which uses Performance Based Measurements to ensure providers of and participants in the agency's programs are successfully delivering and receiving contracted services.*

In addition to helping Hawaii's population find work, we also increased our efforts to heighten the awareness of both workers and businesses to be **safe on the job.**

The safety and health of Hawaii's workers is paramount to the quality of life. The Hawaii Occupational Safety and Health Division (HIOSH) kicked off a public awareness campaign, "**Tie-Off, It's Your Life**", which encourages the use of fall protection equipment in the construction industry. This combined effort between the DLIR, contractors and labor organizations resulted in the airing of public address announcements on television and radio, in the print media, and in signs and banners at shopping centers, sporting events and construction sites throughout the state. The campaign's primary focus was to remind workers that by protecting themselves, they also protect the lives and welfare of their families. A fall protection video was also created in partnership with contractors, safety companies and labor organizations, and is available on the department's website (<http://www.hawaii.gov/labor>).

Collaborative efforts to promote the well-being of workers also resulted in the creation of a **Drug Education and Awareness** video that businesses, employers and employees can view on the department's website. The DLIR is proud to have worked with Waianae Searider Productions and the Hawaii Medical Service Association (HMSA) to produce the informational video.

When a worker is injured on the job, the DLIR's Disability Compensation Division (DCD) works to ensure the efficient processing of claims, timely delivery of medical services and payment of benefits to injured workers. In 2005, the DLIR made great strides in improving the hearings process for workers' compensation cases that are contested.



Improving the Lives of Our Working Families

During the year, the DCD improved scheduling of Workers' Compensation case hearings. Prior to 2005, hearings could take up to 6 months to be scheduled. With the change in the hearings process, we have been able to set hearing dates within 80 days from receiving a request.

Our Workers' Compensation Division hearings officers were also trained by the National Judicial College to enhance their skills, capabilities and knowledge to render fair and consistent decisions. Our hearings officers learned various techniques and methods to help them effectively communicate their decisions in the orders they issue.

The DLIR implemented an administrative initiative for random compliance checks as part of our goal to continually improve services to our community. The DCD launched a compliance assistance program which is intended to ensure compliance with the Hawaii Prepaid Health Care (PHC) Act. The PHC Act requires employers to provide health care coverage to employees who work at least twenty hours per week and earn 86.67 times the current Hawaii minimum wage in a month. Over 200 companies were visited since the program began in February 2005. Another of our agencies, the Wage Standards Division (WSD), also implemented a similar program in April 2005. The program educates employers and provides assistance to all contractors working on State and county public works construction projects on Hawaii's prevailing wage laws.

HELPING HAWAII'S BUSINESSES SUCCEED helps everyone. Whether it is providing data or applying advanced technology to improve services to our clients, the benefits to the community can be positive and productive.

- *Helping to identify specific industries on the rise can enable businesses, educators, employees and students to effectively plan for the future. Our Workforce Development Division and Workforce Development Council use this critical data that is produced and reported by our Research & Statistics division, to drive the training curriculum and development of the skills required for Hawaii's workforce to succeed in our emerging industries.*

Helping Hawaii's Businesses Succeed

- *Recognizing the need for a more efficient way to document your compliance with the state's labor laws, the DLIR joined with the Department of Commerce and Consumer Affairs, Department of Taxation, Department of Business, Economic Development and Tourism, and the U.S. Internal Revenue Service, to introduce Hawaii Compliance Express. This new on-line system makes it easier and faster for companies that want to provide goods and services to state and county government to demonstrate compliance with applicable Hawaii laws.*
- *The Unemployment Insurance Division introduced a new and improved way for employers to file their "Employer's Quarterly Report of Wages". With free software that can be downloaded, employers can now send their reports over the internet through the State's official website, Hawaii Unemployment Insurance (HUI) Express at <http://hui.ehawaii.gov>*
- *The DLIR took fifteen different labor law posters and flyers which employers are required to display and consolidated them into one comprehensive poster. The department distributed over 50,000 free copies to businesses across the state this year and received highly positive responses from businesses throughout the state for this product.*

The DLIR has changed since it was established in 1939. From the days of the pineapple and sugar plantations, our world is now filled with cutting-edge technology, health and medical advancements, bringing a wide array of jobs and opportunities. The needs of Hawaii's workforce have also changed. We are committed to bringing business and the labor force together and promoting positive working relationships between these groups along with education and government agencies to help Hawaii's economy grow and prosper.

As we look towards the future, we embrace the spirit of Hana Lokahi ... Working Together, and are excited at the possibilities that can manifest as we continue to do so with our partners throughout the community.

Nelson B. Befitel
Director



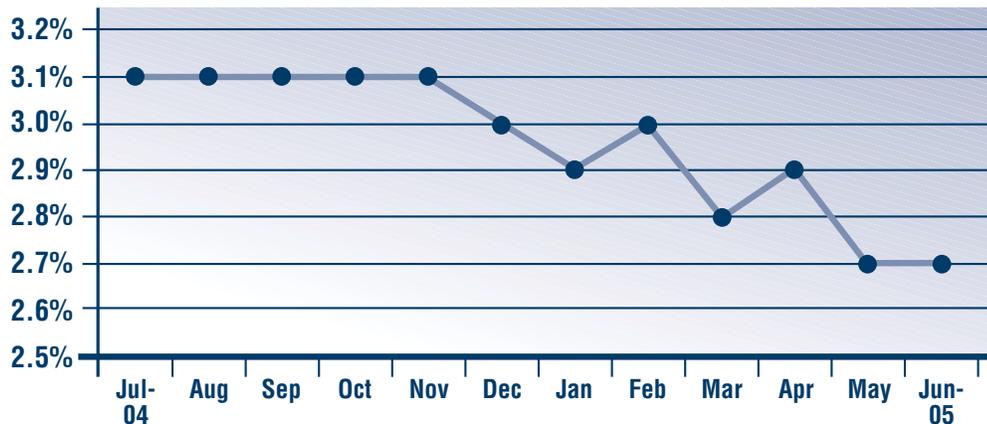
Reaching out to our Communities

IMPROVING THE LIVES OF HAWAII'S WORKING FAMILIES

HAWAII POSTS LOWEST UNEMPLOYMENT RATE IN THE NATION FOR 2005

This has been an exciting year for the State of Hawaii. The state's unemployment rate started out at 3.1% and steadily decreased until hitting a low of 2.6% in September. This rate was the lowest in the last ten years for Hawaii and the **lowest unemployment rate in the nation this past year**. Hawaii had the lowest unemployment rate in the nation every month. The national average was 5.0% or higher and no other state experienced an unemployment rate below 3.4%.

Hawaii's Seasonally Adjusted Unemployment Rate



Since October 2004, the number of individuals employed increased by 31,750. This represents 31,750 more adults who are part of the workforce, contributing to the productivity and economy of the state, while providing for themselves and their families.



The Department of Labor and Industrial Relations (DLIR) is committed to help prepare both existing members of Hawaii's workforce and its youth for jobs in the forecasted fastest growing industries. Working together with our schools, businesses, and other government agencies, our goal is to ensure adults and students improve their skills and learning to take advantage of the job trends and opportunities in the years to come.

WORKFORCE DEVELOPMENT DIVISION (WDD) and WORKFORCE DEVELOPMENT COUNCIL (WDC)

The WDD plans, directs, coordinates and implements a statewide customer driven workforce development system which delivers employment and training services to job applicants, workers and industries. Their goal is to help develop a skilled and competitive workforce, capable of meeting employer's needs which fuels Hawaii's economic development.

The WDC is a private-sector led group who advises the Governor on workforce development to support economic growth and employment opportunities in Hawaii. The Council serves as the state's advisory commission on employment and the workforce.

HAWAII JOBS INITIATIVE

By using market research and data, the DLIR's Workforce Development Division & Workforce Development Council, have been able to develop programs which prepare Hawaii's adults for jobs in high growth industries. When an industry such as construction is forecasted to experience steep growth, that means jobs will be available and workers will be in demand. We must prepare our workers by training them in the skills that are required to qualify for these lucrative opportunities.

To address the dynamic growth in the construction industry, the DLIR released \$100,000 in grant funds to the Hawaii Institute for Public Affairs (HIPA) this year to launch the Hawaii Jobs Initiative. This initiative focuses on assessing the need for workers in the construction industry, given the forecasted growth in military construction, private development and residential housing.

As part of the Hawaii Jobs Initiative, the HIPA will identify areas of potential labor shortages within the construction industry. By knowing where the opportunities will be, action plans and curricula can be developed to train people to fill these jobs when they occur. Nelson Befitel, Director of the Department of Labor and Industrial Relations, explains, "The Hawaii Jobs Initiative is a proactive effort to ensure that Hawaii's construction labor force is ready and able to meet our current and future construction needs."

The Hawaii Jobs Initiative is collaboration between the DLIR, HIPA, the Chamber of Commerce of Hawaii and Pacific Resource Partnership. By working together with other departments and organizations, we can leverage resources to best support and ready the state's workforce.



CERTIFIED NURSING ASSISTANT (CNA) PROGRAM

With the growth in Hawaii's elderly population, there will be a greater need for in-home care and assisted-living homes in the immediate future. To assist in the development of safe and well-run care homes, the DLIR, in partnership with the Hawaii Department of Health and Hawaii Department of Human Services, launched a pilot program to help interested Certified Nursing Assistants start their own care home business.

Funded through a \$2M federal grant obtained by the DLIR, this initiative offers CNAs the opportunity to start their own business and will increase the capacity of long-term care for Hawaii's elderly population.

ONE STOP CENTERS

Your interest may not be in construction, but rather in nursing, business, education or one of the state's other industries. Through the Workforce Development ONE STOP or Workforce Development Centers, job seekers as well as employers can:

- *Schedule an appointment for employment counseling, job matching, referral of qualified job seekers to job openings, job preparation workshops, and training assistance.*
- *Have access to self-service resource rooms consisting of a comprehensive array of tools to help with one's job search efforts. Tools include computers, Internet access to job listings, postings and career development sites, copiers, telephones, fax machines, self-help videos, current labor market information, and career development literature.*
- *Get assistance from rapid response teams in the center if an individual and other employees are scheduled to be laid off from their jobs. Information is targeted to each specific situation with the goal of easing impacted employees' transition to unemployment and reemployment.*
- *Obtain information on job fairs, apprentice programs, jobs in specific industries, and much more.*

In addition to being a resource for those looking for a job, the ONE STOP locations also assist businesses who are trying to recruit and hire new employees. Several thousand employers use the ONE STOP centers to post job listings and recruitment announcements. One of the most important things we can do for the state is to bring together businesses with job vacancies and those individuals who are searching for a job.



For a listing of ONE STOP locations, visit www.hawaii.gov/labor

OFFICE OF COMMUNITY SERVICES (OCS)

The DLIR also recognizes the unique needs our low-income, immigrant and refugee populations. The Office of Community Services procures services for this segment of the population and helps them enter the workforce and become self-sufficient.

In 2005, one of the key areas of focus of the OCS was the efficient use of funds and taxpayer dollars to support its programs. An important initiative launched during the year was a Performance Based Measurement pilot program. Six key milestones need to be attained in order for total funds to be distributed to both providers and recipients of the program. These milestones include an assessment of skills, job training, job placement, and the requirement that a recipient must also remain on the job for at least one year.

To help other organizations become aware of federal funding available to them, the OCS coordinated the Hawaii Faith-Based and Community Initiatives Conference in October. With over 400 people in attendance, the Federal Administration's Faith Based Initiative was explained, demonstrating how organizations of any size are now on a "level playing field" to qualify for funding. At this conference, discussion focused on critical issues such as at-risk youth, the homeless, substance abuse, job training and the needs of the elderly. Additional seminars and workshops were held during the year to assist businesses, organizations and individuals on topics including grant-writing and dealing with the challenge of providing affordable housing in high-cost locations.



HAWAII OCCUPATIONAL SAFETY & HEALTH DIVISION (HIOSH)

Businesses want to be in compliance with the state's labor laws; however, it can be a challenge when employers are busy taking care of the day-to-day operations of their company. The mission of the Hawaii Occupational Safety and Health Division is to assure safe and healthful working conditions for Hawaii's working men and women. While the philosophy of the agency is to enforce compliance and adherence to the laws, they have strived to work in partnership with employers to ensure such an environment, especially in a thriving construction industry, is maintained for employees.

WORKPLACE SAFETY CAMPAIGN

A critical component of being in compliance with the state's labor laws is to ensure employees take the laws seriously. A job injury hurts not only the individual, but also the families they are responsible to support. To help communicate this important message, the DLIR launched a Workplace Safety Campaign in August 2005.



The campaign, “**Tie Off ... It's Your Life,**” reminds workers in the construction industry to wear fall protection equipment. In Hawaii, the majority of construction site violations are for workers failing to “tie-off.” Since 2004, there have been over 400 fall related citations and from January 2002 to December 2004, over 1,000 injuries due to falls. These numbers can be significantly reduced through the use of fall protection equipment. When a construction worker “ties-off,” and wears the protection equipment correctly, there is minimal force and less serious injury to a worker in the event of a fall.

In addition to 30-second television and radio spots and print media, the campaign was also promoted in selected shopping centers and at sporting events at the Stan Sheriff Center and Aloha Stadium. Banners were also prominently displayed at construction sites and free informational videos were made available to employers.



With the construction industry expected to be the fastest growing industry through 2012, this campaign reached a lot of the affected workers and their families. A combined effort between the DLIR, contractors and labor organizations, Nelson Befitel, Director of Labor and Industrial Relations explained, “This initiative demonstrates that in Hawaii, labor and business, as well as government, can work together and combine our resources and efforts to ensure our working families have a safe and healthful workplace.”

L to R: Governor Linda Lingle, Nelson Befitel, Safety Professional Tracy Lawson, Tony Saguibo, Hawaii Laborer's Union

DISABILITY COMPENSATION DIVISION (DCD)

While we all strive to remain safe and healthy at work, there are times when an injury or illness may occur which impacts a worker and their families. To assist individuals during these periods of hardship, various programs administered by the DLIR's Disability Compensation Division such as Workers' Compensation, Temporary Disability Insurance (TDI) and Prepaid Health Care (PHC) are there to help. Several initiatives launched during the past year, helped to ensure compliance with governing laws of these programs and efficiency in their administration.

COMPLIANCE ASSISTANCE

Ensuring All Eligible Employees Receive Health Care Insurance

Hawaii is the only state in the nation to adopt a Prepaid Healthcare law which requires employers to provide their workers with healthcare benefits for off-the-job injuries and illnesses. The DCD initiated a program this year involving random visits with employers to ensure that every employee who is entitled to medical insurance under the PHC Act receives that benefit. This effort is intended not only to enforce compliance, but more importantly, to help educate employers on their responsibilities in this area through positive working relationships with the division.

- *Over 200 employers were visited since the program was launched in February 2005.*
- *As a result of this initiative, over 45 employees now have coverage, which they did not have prior to our visits.*

WORKERS' COMPENSATION CLAIMS

The Workers' Compensation branch implemented new guidelines for the scheduling of case hearings. Prior to adhering to these new guidelines, it could take over six months to have a hearing scheduled. Today, hearings are being set within 80 days from the date that requests are received. One of the significant changes in the scheduling process is that a continuance of a hearing will be allowed by the DCD only if good cause can be shown. As a result of this new philosophy, the Honolulu Office has conducted 15% more hearings, 1,385 cases in 2004, to 1,594 cases in 2005.

In addition to the dramatic improvement in scheduling hearings, the branch:

- *Arranged for training of their Hearing Officers by the National Judicial College. A host of respected national workers' compensation judges, attorneys and senior hearings officers, provided our staff with extensive training on judicial writing, case management, hearing and evidence administration.*
- *Improved, standardized and simplified the hearing decision format so it is easier to read and understand.*
- *Improved the process to file a claim by posting the various DCD forms on the department's website. Claimants can now enter pertinent information directly onto the appropriate form via their computer, print and mail it to us. The DCD is currently working on further enhancements to enable web-based capabilities to send completed forms via the internet to their office.*

The DLIR also proposed a workers' compensation omnibus reform bill in the 2005 Legislative Session. While we were unsuccessful in getting any of our reforms passed, some of the key initiatives of this bill included:

- *Having physicians follow medical guidelines based on “best practices,” also known as evidence-based medicine. This initiative, which is currently being accepted by many medical providers and insurance carriers, could result in a 36.7% cost savings to Hawaii’s Workers’ Compensation system.*
- *Aggressively addressing fraud and abuse of workers’ compensation program by allowing the Insurance Commissioner to investigate and prosecute anyone defrauding the systems, regardless of whether it is committed by an employer, employee, medical provider, insurance company or other service provider.*
- *Allowing employers to have input on the treatment of their injured workers and an employee’s vocational rehabilitation plan.*
- *Limiting attending physicians to medical doctors, dentists, osteopaths, or podiatrists. This process would ensure injured workers would be provided quality medical treatment while controlling costs.*

WAGE STANDARDS DIVISION (WSD)

In addition to the Disability Compensation Division implementing a compliance assistance program, the Wage Standards Division also launched a similar effort for their agency. The Random Compliance Checks Review is intended to educate, facilitate and encourage voluntary compliance by employers of Chapter 104, Hawaii Revised Statutes, Wages and Hours of Employees on Public Works. This law mandates that employers who are awarded contracts for public works jobs must pay their employees appropriate wages. 103 businesses were visited in 2005 and over \$6800 was collected in back-pay for employees.

To further ensure consistent understanding of Chapter 104, HRS, the WSD convened the “Chapter 104 Working Group”. The group, comprised of a diverse spectrum of union and non-union contractors, union representatives, contracting agencies, and legislators, sought to clarify Chapter 104, HRS, address concerns in the construction industry regarding the law, and resolve perceived problems in the application and administration of the law.

HELPING HAWAII'S BUSINESSES SUCCEED

RESEARCH & STATISTICS BUILDING YOUR BUSINESS

By looking at industry trends for the coming years, businesses and employers can build strategies to take advantage of opportunities where the highest growth will be. The DLIR's Research & Statistics Division conducts labor market and labor-related research and analysis and has a vital role in the development of forecasts and projections of occupations in demand, developing statistical data on the labor force, employment, unemployment, industry wages, job counts, and occupational injuries in cooperation with the Federal Bureau of Labor Statistics and the U.S. Department of Labor.

The availability of such critical data can aid businesses and employers in understanding and planning for employment and industry trends.

THE FASTEST GROWING INDUSTRIES

During the years 2002-2012, a 14% increase in employment or a gain of over 78,000 jobs in the State of Hawaii are forecasted to occur with all major industries anticipated to experience some level of growth. More than half of the total increase in employment will be in the areas of Professional & Related Occupations and Service Occupations.

Construction Industry. The steepest growth is expected to be in the construction industry, with a growth rate of 27%.

- *Construction of new homes and renovations will boost the demand for drywall and ceiling tile installers, concrete finishers, construction laborers, electricians, cement, brick and block masons and carpenters.*
- *The Department of Labor & Industrial Relations', Hawaii Apprenticeship Council, will continue to provide oversight of Hawaii's apprenticeship programs which assist individuals who are interested in being a part of the current and future construction projects across the state. This program also assists those interested in electrician and plumbing jobs.*

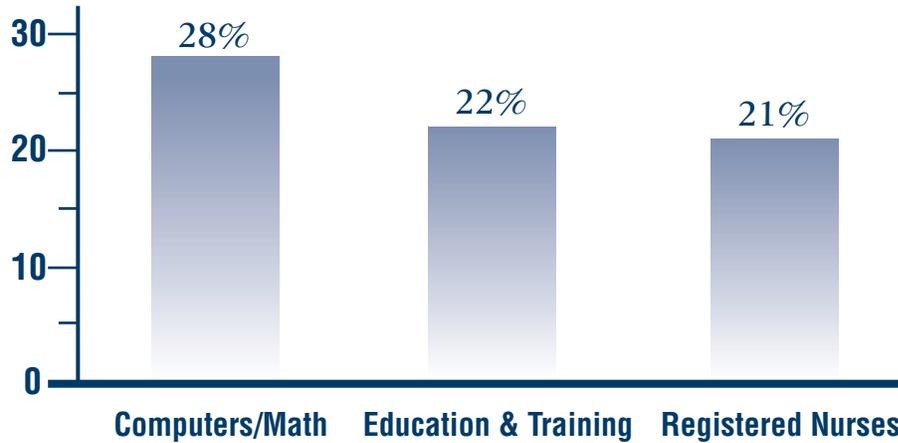
TOP JOBS IN HAWAII

*2004 3rd Quarter – 2006 2nd Quarter
Based on Annual Job Openings*

These occupations have the highest number of current job openings:

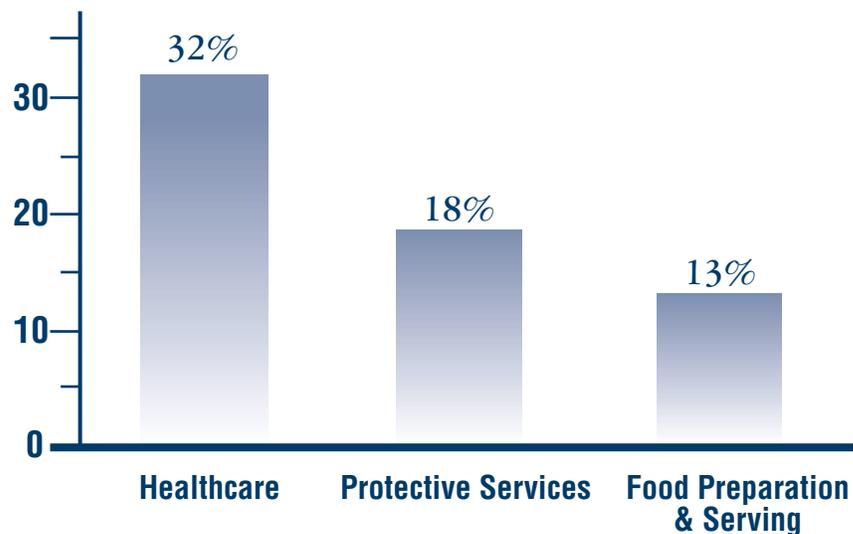
Food Preparation & Servers
Elementary, Secondary & Middle School
Teachers & Assistants
Carpenters & Construction Laborers
Child Care Workers
Self Enrichment Education Teachers
Special Education Teachers

Professional Services. Ranking second with a projected growth rate of 20% are Professional and Related Occupations. Within these industries, the fastest growing segments are shown in the following chart.



- With a 28% growth rate, the largest increase in jobs in this area will be in Computer & Mathematical Occupations.
- Education, Training & Library Operations will continue to grow at a rate of 22%, with the hiring of new teachers at all grade levels. The continuing effort to reduce class size will also result in a greater demand for teachers.
- Registered Nurses will lead the growth in the category of Healthcare Practitioners and Technical Occupations, with a projected growth rate of 21%.
- Other occupations expecting an increase in jobs include Architecture, Engineering, Life, Physical and Social Science, and Community, Social, Legal, Art, Design, Entertainment, Sports and Media services.

Service Occupations. Jobs in this category will increase by 18%.



- *The fastest growth rate of 32% will be in Healthcare as the demand for medical care continues to increase.*
- *Protective Services positions are expected to grow by 18%.*
- *Jobs in food preparation and serving continue to have the highest number of positions and are expected to grow by 13%, due to consumers dining out more frequently.*
- *Other occupations expecting an increase in jobs include Building and Grounds Cleaning, Maintenance, and Personal Care and Service Occupations.*



Management, Business & Financial Occupations. Contributing to an increase of over 7,000 additional jobs, this category is expected to grow by 16%. Slightly over half of these jobs will be in management, with the remainder being in business and financial positions.

Installation, Maintenance & Repair Occupations. Almost half of the 13% growth in this category will come from a demand for general maintenance and repair workers.

Transportation & Material Moving Occupations. A demand for truck drivers of both heavy and light vehicles will contribute significantly to the 10.5% growth rate projected for this industry.

Sales & Related Occupations. The 10.4% estimated growth rate is primarily driven by a greater demand for retail cashiers and retail salespersons.

Production Occupations. A majority of the 7.1% growth will be in the areas of laundry and dry cleaning workers, packing and filling machine operators and tenders, welders, cutters, solderers and brazers.

Office & Administrative Support Occupations. Although job growth will be a low 3.4%, this occupation category will continue to employ the third highest number of workers in the state.

Farming, Fishing & Forestry Occupations. An increase in the need for crop, nursery and greenhouse workers will boost these occupations by 1.5%.



While certain jobs require a Bachelor's Degree or higher, many can be obtained with less than four years of education or training. In some cases, only on-the-job training is required.

PREPARING OUR CHILDREN FOR THEIR FUTURE

Career Kokua, the Hawaii Career Information Delivery System of the DLIR, is a computerized system containing career and related educational information. 2005 marked the 25th year that Career Kokua has provided quality, localized data for career decision making and planning.

The system has been instrumental in helping Hawaii's schools and career development agencies with an on-line self-assessment program that students and adults can utilize to match their preferences and interests with specific occupations.

With the aid of teachers and school counselors, students can use this system to learn more about different occupations, colleges, scholarships and financial aid. Through this early exploration of what their future can be, students build their self-worth, learn how to plan for their future and discover the abundance of resources available to them.

CAREER KOKUA TOP TEN HITS

Students are most interested in learning about these professions:

- Automobile Mechanic
- Chef
- Registered Nurse
- Accountant & Auditor
- Graphic Artist & Designer
- Performing Artist
- Photographer
- Physician
- Lawyer & Judge
- Fire Fighter



When comparing these areas of interest with job opportunities, projections indicate an adequate supply and in some cases, even a surplus of jobs for our young people when they graduate. These careers do require higher levels of education and training beyond high school, making planning for college or other types of continued learning critical during the high school years.

SAFETY AND HEALTH IN THE WORKPLACE

The key to a safe and healthy work environment is prevention. Throughout 2005, the DLIR's Hawaii Occupational Safety and Health (HIOSH) division has worked diligently to transform their image of a heavy-handed enforcement agency, to one that seeks to enforce safety and health laws through a more cooperative, educational and consultative approach.

By developing stronger partnerships in this area, the HIOSH division has worked with businesses, employers, safety and health agencies and organizations to increase awareness and the implementation of successful safety and health practices that protect and secure Hawaii's workforce.

One way that the HIOSH has been able to successfully partner with businesses to help implement quality safety practices and programs has been through its Voluntary Protection Program (VPP). The VPP is primarily designed for larger employers that employ 250 or more employees, though smaller companies are also encouraged to participate in this program.

In the VPP, management, labor and the HIOSH establish cooperative relationships at workplaces that have implemented a successful, comprehensive safety and health management system. Approval into the VPP is an official recognition by the HIOSH of the outstanding efforts of employers and employees who have achieved exemplary occupational safety and health. In 2005, two more companies, Frito Lay, Inc., and Dick Pacific Construction Co. Ltd (BEQ & Post Office MCBH Kaneohe), joined Chevron Products Hawaii Refinery, in achieving this prestigious status.

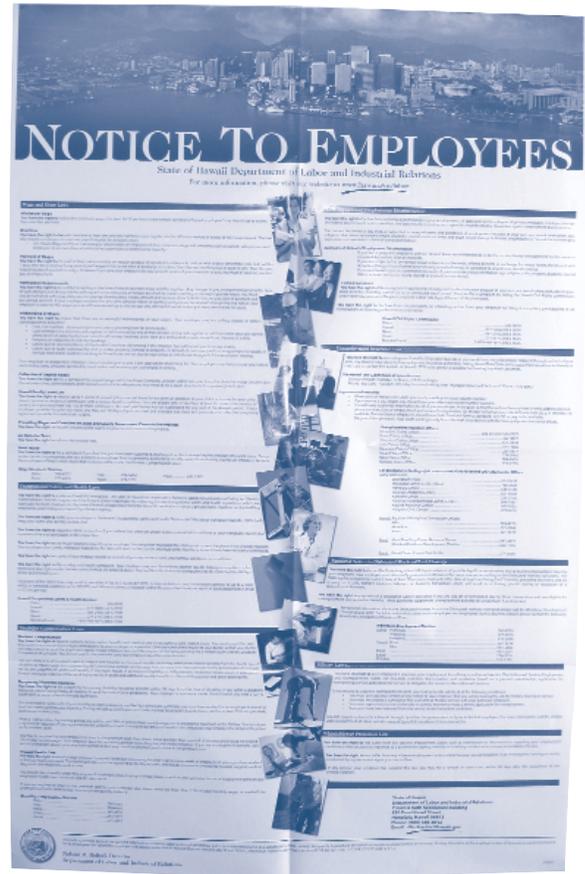
Another HIOSH program, the Safety and Health Achievement and Recognition Program (SHARP), is designed to encourage and support smaller, high hazard industry employers to develop, implement and continuously improve effective safety and health programs at their workplaces. Twenty-five companies have proudly achieved SHARP status thus far, and 40 companies are currently working with the HIOSH to attain this certification.

The benefits to employers of these two recognition programs include an exemption from programmed HIOSH/OSHA inspections and a minimum 5% reduction of their workers' compensation insurance premiums as authorized under Chapter 386-4.5, Hawaii Revised Statutes.



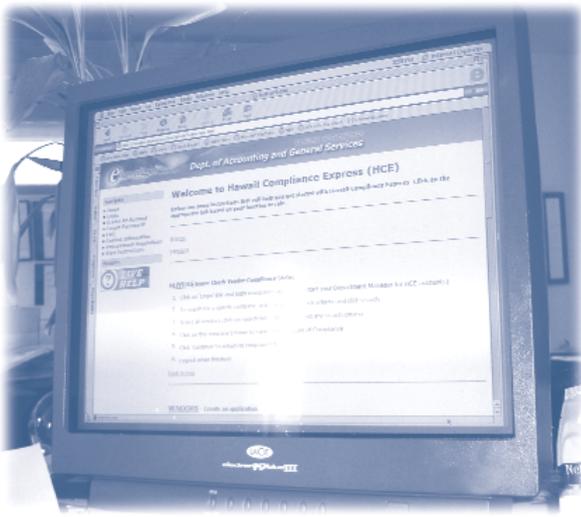
LABOR LAW POSTERS

Hawaii's labor laws require the posting of a number of flyers, announcements, and notices in the workplace. It was not unusual for employers and businesses to have dozens of documents plastered all over their bulletin boards and walls. In 2005, the DLIR took fifteen posters and flyers containing labor law information and consolidated them into **one** comprehensive poster. This 22" x 34" comprehensive poster includes up-to-date information on Workers' Compensation, Temporary Disability, Prepaid Health Care, Occupational Safety and Health, Discrimination, Minimum Wage and other laws. Over 50,000 of these posters were distributed to employers who found this free publication a welcome item to have and display. To request a copy of this free poster, go to <http://www.hawaii.gov/labor>.



HAWAII COMPLIANCE EXPRESS

The DLIR was proud to be a part of a collective effort to improve the process for businesses to demonstrate proof of compliance with required laws to do business with state or county government entities in Hawaii. Along with the Department of Commerce and Consumer Affairs, Department of Business and Economic Development, Department of Taxation, and the U.S. Internal Revenue Service, the DLIR helped implement a new on-line process called Hawaii Compliance Express.



The Hawaii Compliance Express service saves businesses the time and hassle of having to visit or contact each of the departments separately to obtain a "Certificate of Vendor Compliance". The certificate is required for businesses who wish to receive a contract greater than \$25,000 with state or county government agencies in Hawaii.

Through the use of technology, businesses can now submit their forms on-line. What used to take weeks to complete, can now be done in just a few days.

For more information or to register, go to <http://vendors.ehawaii.gov>



With this new process, businesses receive an electronic Vendor Compliance Certificate (in PDF format).

- *This Vendor Compliance Certificate is accepted by all government procurement offices in Hawaii.*
- *Having this certificate eliminates the need for Tax Clearance, Labor Certificate, and Certificate of Good Standing when a company or vendor bids on government projects. It also helps to ensure vendor payments are issued in a timely manner.*
- *Instead of sending forms to different departments of the government, a company or vendor can simply go on-line, follow the easy step-by-step process and obtain a certificate quickly and efficiently.*

UNEMPLOYMENT INSURANCE DIVISION (UI)

The Unemployment Insurance Division administers the unemployment compensation program for the state of Hawaii and is funded by federal and state payroll taxes paid by employers. The program provides partial replacement of wage loss during temporary periods of unemployment to individuals who meet the requirements of state UI laws.

In 2005, the DLIR's Unemployment Division introduced an on-line option for employers to file their Employer's Quarterly Report of Wages (Form UC-B6a). Employers can now send their reports over the Internet by clicking www.hawaii.gov/labor/ui to get started.

A simple free software program, QWRS, can be downloaded to create an electronic file that employers can send online. The program also prints the Form UC-B6, Quarterly Wage, Contribution and Employment and Training Assessment Report, which an employer can use to pay their contributions.

Using this software reduces errors and is safe, fast and efficient. Employers can use the HUI Express to file reports, file amended reports, view a history of reports that have been filed online, update account information and download the QWRS software program.

REACHING OUT TO MAKE OUR COMMUNITY STRONGER

When it comes to community support and caring, Hawaii's workers, businesses, government and private agencies all share a common spirit. By helping those in need and providing life-giving support, we help to sustain the essence of aloha in our state.

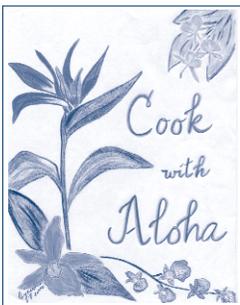
This year, the DLIR proudly participated in a number of ways to demonstrate their support and commitment to help improve and enhance the quality of life for people in Hawaii.

COMMUNITY INVOLVEMENT AND SUPPORT THE "GREAT WALL OF TUNA" CAMPAIGN

During the annual State of Hawaii Employees Food Drive, employees of the DLIR showed their community support by donating \$4,786 to the Hawaii Food Bank and 1,569 pounds of food. Our "Great Wall of Tuna" campaign resulted in the donation of 1,162 cans of tuna to needy families.

GIVING THE ALOHA SPIRIT

As a result of the generosity and compassionate spirit of our employees, over \$31,000 in monetary contributions was donated to the Aloha United Way. One of the major fundraising activities involved the creation of the "Taste of DLIR" Cookbook which contained favorite recipes from the department's employees.



REACHING FAR BEYOND THE ISLANDS

The aloha spirit of the DLIR employees reached far beyond Hawaii, to help those faced with catastrophic situations. Employees were proud to present the American Red Cross with \$3,239 for the Hurricane Katrina Relief Fund in October. In February, the department provided the organization with \$2,015 for aid to the victims of the devastating tsunami in southeast Asia. Additionally, employees from DLIR's HIOSH division volunteered to personally assist in the Hurricane Katrina Relief effort, with one employee, Liese Barnes, serving two weeks in New Orleans, Louisiana, in December.



*L to R: DLIR Deputy Director, Colleen LaClair,
Coralie Matayoshi, CEO Hawaii Red Cross*

EMPLOYEE RECOGNITION

Our employees are the backbone of the department's success. Whether working with local residents, the private sector, local and federal government agencies or non-profit organizations, the DLIR workforce strives daily to deliver quality public service. Each year, we recognize the exceptional efforts, contributions and performance of the working men and women of our organization.

DLIR Employee of the Year



Shelli Gomes

Workers' Compensation Program Specialist,
Disability Compensation Division
Employee of the Year



Mari Imamura

Labor Law Enforcement Specialist
Wage Standards Division
Superior Performance
Non-Clerical Category



Stevette Kaiahue

Secretary
Disability Compensation Division
Superior Performance
Clerical Category

DLIR Manager of the Year



Carole Hara

Labor Law Enforcement Supervisor
Wage Standards Division

Team of the Year



Unemployment Insurance Division Claims Examining Supervisory Team

L to R: DLIR Deputy Director Colleen LaClair, Collette Arakawa, Kathleen Perry, Jacqueline Hironaka, Wallace Yamamoto (Team Representative), Thomas Fong, Pauline Facuri, DLIR Director Nelson Befitel.

Not Pictured: Derek Fukuda, Cheryl Inamine, Lisa Nakamura, Brian Shimabukuro, Clarice Suzuki.

CELEBRATING THE 1000TH DAY

August 28, 2005 marked the 1000th day of the Lingle Aiona Administration. Through the hard work and dedication of thousands of state government employees, many significant improvements in public service programs have been achieved.

In conjunction with the State Incentive and Service Awards Program, an employee recognition program booklet was issued which highlighted some of the exceptional work performed by state government workers.

The following DLIR employees were some of the scores of workers statewide that were spotlighted:

Elaine Young, Workforce Development Division Administrator

Ms. Young submitted an application which garnered the state \$447,500 in National Emergency Grant money to assist over 300 Hawaii County employees. This funding was used to provide skills assessment, counseling, career planning and skills training.

James Hardway, *Special Assistant to the DLIR Director*

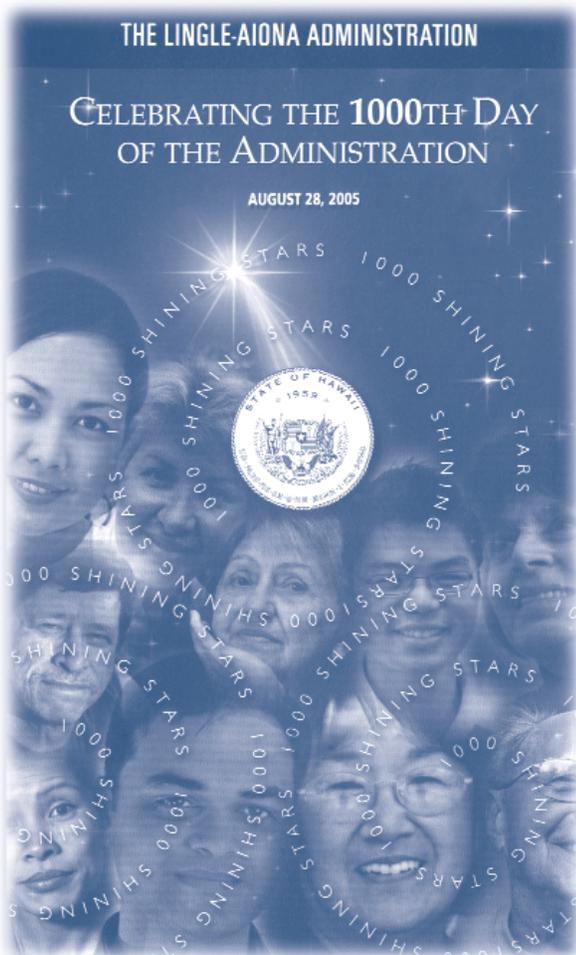
Working with the Oahu Workforce Investment Board and the University of Hawaii, Mr. Hardway helped to develop a class for those interested in carpentry and construction trades. The course, offered through community colleges statewide, resulted in the passing rate on the apprentice exam to increase from 60% to 90%.

Carol Kanayama, *Workforce Development Division Program Officer*

Ms. Kanayama was a key coordinator of the Construction Career Expo, which helped over 1,400 high school students and adults. This event provided individuals with access to potential employers and job training resources.

Greg Thorp & Nira Cooray, *Hawaii Occupational Safety and Health Division OSH Advisors*

Mr. Thorp and Ms. Cooray assisted companies in their completion of the Health Achievement Recognition Program (SHARP), an initiative of the Hawaii Occupational Safety Health Division.



Employee Recognition Program Booklet

Derrick Shimabukuro & Keith Kim, *Disability Compensation Division Enforcement Specialists*

Through their efforts, these individuals implemented improved compliance assistance and enforcement activities to ensure employees receive required medical benefits from their employers.

Charles Clark, Conroy Dang & Charles Flippo, *Hawaii Occupational Safety and Health Division OSH Compliance Officers*

These HIOSH employees helped to launch the department's fall-protection awareness campaign which promotes safety in the construction industry.

Report on Non-General Fund Information 2004-2005

Department of Labor & Industrial Relations

Name of Fund: Unemployment Insurance Trust Fund
Legal Authority: Chapter 383-385, HRS
Fund Type (Method of Funding): Special Fund (B)
Appropriation Account No.: S-312-L, S-313-L

Intended Purpose: All contributions pursuant to this chapter shall be paid into the fund and all compensation and benefits payable pursuant to this chapter shall be paid from the fund.

Current Program Activities: Includes activities related to the collection of employer contributions and the payment of unemployment insurance benefits.

Financial Data

	<u>FY 2005</u>	<u>FY 2006</u>
Beginning Cash Balance	\$ 358,034,483	411,643,146
Beginning Encumbrances		
Revenues	160,636,765	
Expenditures	(107,028,102)	
Transfers (By JV# and Date)		
Net Total Transfers	0	
Amount Derived from Bond Proceeds	0	
Ending Cash Balance	\$ 411,643,146	
Amount Required for Bond Covenants as of 7/01/05		
Amount held in Certificates of Deposit, Escrow Accounts, or other investments as of 7/01/05		

Report on Non-General Fund Information 2004-2005

Continued

Department of Labor & Industrial Relations

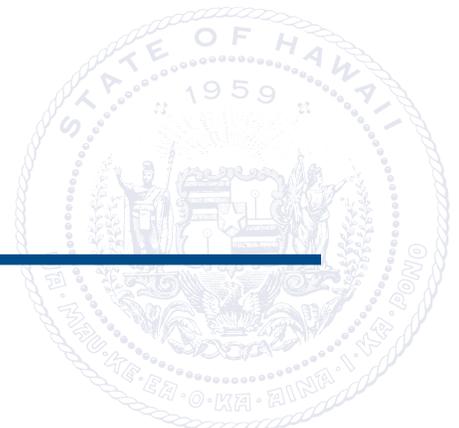
Name of Fund: Boiler and Elevator Safety
Legal Authority: Chapter 397, HRS
Fund Type (Method of Funding): General (A)
Appropriation Account No.: G-05-143-L

Intended Purpose: The department shall establish a boiler and elevator inspection branch for the enforcement of the rules adopted under this chapter and other duties as assigned.

Current Program Activities: Performs safety and compliance inspection/investigation activities involving equipment, facilities and operations related to elevators, dumbwaiters, escalators, moving walks and ramps, inclined lifts, manlifts, tramways and amusement rides, boilers, pressure vessels, pressure piping and systems, and related equipment. Administers licensing examinations for boiler and elevator inspectors, provides on-the-job training and continuous standardization training for inspectors.

Financial Data

	<u>FY 2005</u>	<u>FY 2006</u>
Beginning Cash Balance	\$ 844,736	810,337
Beginning Encumbrances	(185,983)	
Revenues	0	
Expenditures	(636,208)	
Transfers (By JV# and Date)		
Net Total Transfers	0	
Amount Derived from Bond Proceeds	0	
Ending Cash Balance	\$ 22,545	
Amount Required for Bond Covenants as of 7/01/05		
Amount held in Certificates of Deposit, Escrow Accounts, or other investments as of 7/01/05		



Report on Non-General Fund Information 2004-2005

Continued

Department of Labor & Industrial Relations

Name of Fund: Employment and Training Fund
Legal Authority: Chapter 383-128, HRS
Fund Type (Method of Funding): Special Fund (B)
Appropriation Account No.: S-318-L

Intended Purpose: To provide grants and subsidies to public and private agencies and non-profit corporations for employment, education, and training services.

Current Program Activities: Programs to create a more diversified job base for businesses; programs where there are critical skill shortages in high growth industries; programs to retrain unemployed workers; programs for individuals who do not qualify for federal or state programs; and programs for individuals to improve career employment prospects.

Financial Data

	<u>FY 2005</u>	<u>FY 2006</u>
Beginning Cash Balance	\$ 1,980,542	2,148,912
Beginning Encumbrances		
Revenues	998,836	
Expenditures	(830,466)	
Transfers (By JV# and Date)		
Net Total Transfers	0	
Amount Derived from Bond Proceeds		
Ending Cash Balance	\$ 2,148,912	
Amount Required for Bond Covenants as of 7/01/05		
Amount held in Certificates of Deposit, Escrow Accounts, or other investments as of 7/01/05		

Report on Non-General Fund Information 2004-2005

Continued

Department of Labor & Industrial Relations

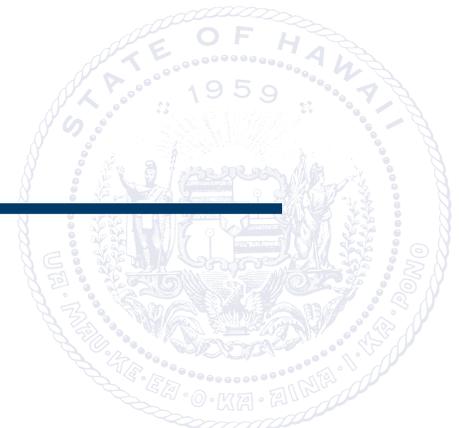
Name of Fund: Premium Supplementation Fund (PHC)
Legal Authority: Chapter 393-41, HRS
Fund Type (Method of Funding): Special Fund (B)
Appropriation Account No.: S-308-L

Intended Purpose: To pay premium supplementation to qualified employers and the payment of health care expenses to eligible employees of non-complying or bankrupt employers.

Current Program Activities: Payment of premium supplementation and health care expenses.

Financial Data

	<u>FY 2005</u>	<u>FY 2006</u>
Beginning Cash Balance	\$ 3,478,617	3,366,738
Beginning Encumbrances	0	
Revenues	98,105	
Expenditures	(209,984)	
Transfers (By JV# and Date)		
Net Total Transfers	0	
Amount Derived from Bond Proceeds	0	
Ending Cash Balance	\$ 3,366,738	
Amount Required for Bond Covenants as of 7/01/05		
Amount held in Certificates of Deposit, Escrow Accounts, or other investments as of 7/01/05		



Report on Non-General Fund Information 2004-2005

Continued

Department of Labor & Industrial Relations

Name of Fund: Special Compensation Fund (WC)
Legal Authority: Chapter 386-151, HRS
Fund Type (Method of Funding): Special Fund (B)
Appropriation Account 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.

Current Program Activities: Payment of workers' compensation benefits, litigation costs, audit fees, and legal services through the Department of Attorney General.

Financial Data

	<u>FY 2005</u>	<u>FY 2006</u>
Beginning Cash Balance	\$ 22,774,926	21,640,931
Beginning Encumbrances	0	
Revenues	16,055,408	
Expenditures	(17,189,403)	
Transfers (By JV# and Date)		
Net Total Transfers	0	
Amount Derived from Bond Proceeds	0	
Ending Cash Balance	\$ 21,640,931	
Amount Required for Bond Covenants as of 7/01/05		
Amount held in Certificates of Deposit, Escrow Accounts, or other investments as of 7/01/05		

Report on Non-General Fund Information 2004-2005

Continued

Department of Labor & Industrial Relations

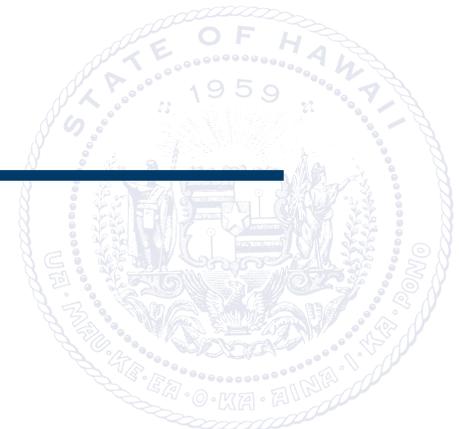
Name of Fund: Special Fund for Disability Benefits (TDI)
Legal Authority: Chapter 392-61, HRS
Fund Type (Method of Funding): Special Fund (B)
Appropriation Account No.: S-303-L

Intended Purpose: To pay TDI benefits for disabilities resulting from non-work related injuries or illnesses to individuals who become disabled when unemployed; and to employees of bankrupt or non-complying employers.

Current Program Activities: Payment of temporary disability insurance benefits.

Financial Data

	<u>FY 2005</u>	<u>FY 2006</u>
Beginning Cash Balance	\$ 8,179,060	8,325,063
Beginning Encumbrances	0	
Revenues	227,132	
Expenditures	(81,129)	
Transfers (By JV# and Date)		
Net Total Transfers	0	
Amount Derived from Bond Proceeds	0	
Ending Cash Balance	\$ 8,325,063	
Amount Required for Bond Covenants as of 7/01/05		
Amount held in Certificates of Deposit, Escrow Accounts, or other investments as of 7/01/05		



Report on Non-General Fund Information 2004-2005

Continued

Department of Labor & Industrial Relations

Name of Fund: Special Unemployment Insurance Admin. Fund
Legal Authority: Chapter 383-127, HRS
Fund Type (Method of Funding): Special Fund (B)
Appropriation Account 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.

Current Program Activities: Administration of the Unemployment Insurance program.

Financial Data

	<u>FY 2005</u>	<u>FY 2006</u>
Beginning Cash Balance	\$ 903,827	808,059
Beginning Encumbrances		
Revenues	548,189	
Expenditures	(643,957)	
Transfers (By JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	\$ 808,059	
Amount Required for Bond Covenants as of 7/01/05		
Amount held in Certificates of Deposit, Escrow Accounts, or other investments as of 7/01/05		

Report of Contested Cases

**Department of Labor & Industrial Relations
Occupational Safety & Health Division
July 1, 2004 – June 30, 2005**

This report is submitted in accordance with section 396-11(k), Hawaii Revised Statutes.

	<u>TOTAL</u>	<u>OSH</u>	<u>DISCRIMINATION</u>
Number of Contests Filed	28	28	0
Disposition	22	21	1
Affirmed	0		
Modified	0		
Vacated	2	1	1
Withdrawn	0		
Settled	20	20	
Dismissed	0		

How many cases were modified, vacated, or settled due to the conduct of an employee or employees who failed to act within the scope of their office, employment or authority under this chapter?

1

OSH – Occupational Safety and Health



DLIR Phone Directory

Department of Labor & Industrial Relations
Princess Ruth Ke'elikolani Building
830 Punchbowl Street
Honolulu, Hawaii 96813
E-mail: dlir.director@hawaii.gov
Web Address: www.hawaii.gov/labor

ADMINISTRATION

Director's Office	586-8844
Deputy Director's Office	586-8852
Administrative Services Office	586-8888
Affirmative Action/Equal Opportunity Officer	586-8865
Information Line	586-8842
Personnel Office (Departmental)	586-9043

DLIR DISTRICT OFFICES

Hilo	974-6464
Kona	322-4808
Maui	984-2072
Kauai	274-3351

DISABILITY COMPENSATION DIVISION

Workers' Comp Info	586-9174
Medical Fee Schedule	586-9181
Temporary Disability	586-9188
Prepaid Healthcare	586-9188

EMPLOYMENT SECURITY APPEALS

REFEREES' OFFICE	586-8930
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HAWAII OCCUPATIONAL SAFETY & HEALTH DIVISION

Accident Reports	586-9102
Complaints	586-9092
Consultation/Training	586-9100
Library	586-9131
Occupational Health	586-9090
Occupational Safety	586-9110
Explosive Permits	586-9110
Boiler/Elevator	586-9141

RESEARCH & STATISTICS OFFICE

Information	586-8999
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UNEMPLOYMENT INSURANCE DIVISION

Claim Filing by Phone	
Applications from Hawaii	643-5555
Applications from outside Hawaii	1-877-215-5793

Claim Certifications from Hawaii	643-2222
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Oahu Claims & Benefits	
Honolulu	586-8970
Waipahu	675-0030
Kaneohe	233-3677

DLIR Phone Directory

UNEMPLOYMENT INSURANCE DIVISION

(continued)

Hilo Claims & Benefits	974-4086
Kona Claims & Benefits	322-4822
Maui Claims & Benefits	984-8400
Molokai Claims & Benefits	553-1750
Kauai Claims & Benefits	274-3043

Employer Services

Oahu	586-8926
Hilo	974-4095
Kona	974-4095
Maui	984-8410
Molokai	984-8410
Kauai	274-3025

WAGE STANDARDS DIVISION

586-8777

WORKFORCE DEVELOPMENT DIVISION

586-8877

Oahu Employer's Job Orders

Honolulu	586-8700
Kaneohe	233-3700
Waipahu	675-0010
Kapolei	692-7636

Job Seekers

Honolulu	586-8700
Kaneohe	233-3700
Waipahu	675-0010
Kapolei	692-7630

Neighbor Islands

Employers & Job Seekers

Hilo	981-2860
Kona	327-4770
Maui	984-2091
Molokai	533-1755
Kauai	274-3056

WORKFORCE DEVELOPMENT

COUNCIL 586-8670

HAWAII CIVIL RIGHTS

COMMISSION 586-8636

HAWAII LABOR RELATIONS

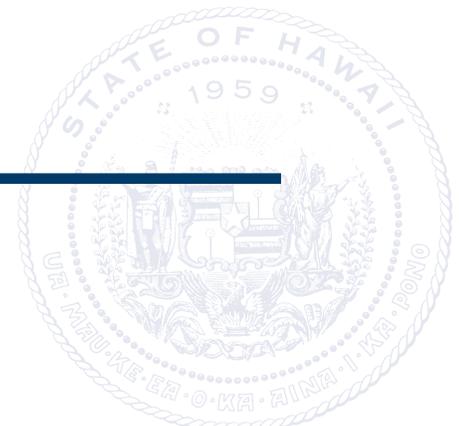
BOARD (*Public Sector Collective Bargaining*) 586-8610

LABOR & INDUSTRIAL RELATIONS APPEALS

BOARD 586-8600

OFFICE OF COMMUNITY SERVICES

(Refugees, Immigrants, Economically Disadvantaged) 586-8675



Coming in July 2006!

The Department of Labor and Industrial Relations will be launching an internet labor exchange solution that will revolutionize the way in which Hawaii jobseekers can learn about available jobs, and how Hawaii employers can hire employees. This state-of-the-art system, called **HireNet Hawaii**, is designed to attract a broad range of jobseekers to assist employers by providing a pool of talent that possess the skills they require.



For more information about Hawaii State Department of Labor and Industrial Relations, please visit our website at: www.hawaii.gov/labor

**Department of Labor & Industrial Relations
Princess Ruth Ke'elikolani Building
830 Punchbowl Street, Honolulu, Hawaii 96813**