

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
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November 25, 2024

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-Third Legislature
State Capitol, Room 409
Honolulu, HI 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third Legislature
State Capitol, Room 431
Honolulu, HI 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Boiler and Elevator Revolving Fund Report, as required by [section 397-13, HRS](#).

In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at <http://labor.hawaii.gov/find-a-report/>.

Sincerely,

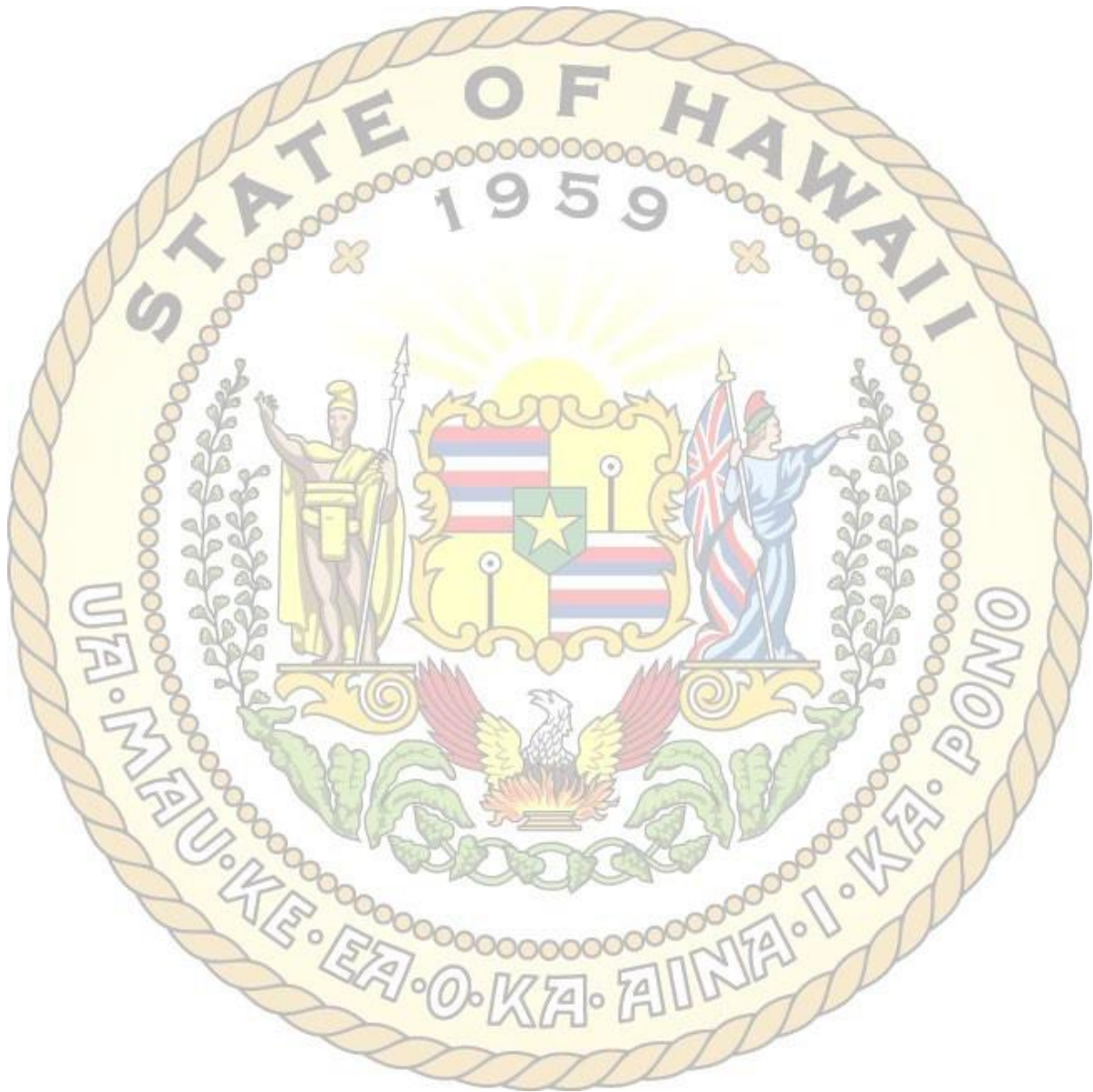
Jade T. Butay
Director of Labor and Industrial Relations

Enclosure

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BOILER AND ELEVATOR REVOLVING FUND

REPORT TO THE 2025 LEGISLATURE



Department of Labor and Industrial Relations

STATE OF HAWAII
JOSH GREEN, M.D., Governor

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
JADE T. BUTAY, Director
WILLIAM G. KUNSTMAN, Deputy Director

HAWAII OCCUPATIONAL SAFETY AND HEALTH DIVISION
BOILER AND ELEVATOR BRANCH
ALAN YAMAMOTO, Acting Administrator
JULIUS DACANAY, Branch Manager

I. INTRODUCTION

Pursuant to 397-13, Hawaii Revised Statutes (HRS), the Director of Labor and Industrial Relations (DLIR), "...shall submit a report to the legislature on the status of the boiler and elevator revolving fund, including expenditures and program results, not less than twenty days prior to the convening of each regular session."

II. PURPOSE

Act 103 (SLH, 2012) established the boiler and elevator special fund, changed the means of financing to special funding, and provided a mechanism for self-sustainability for the Boiler and Elevator Branch (Branch) of the Hawaii Occupational Safety and Health Division (HIOSH). In passing Act 103, the Legislature recognized that the boiler and elevator inspection program staffing & 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's self-sustainability mechanism operates by assessing fees, which supports the operations of the Branch. Act 103's self-sustainability mechanism also provides a means for 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 Hawaii 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**).

Act 186 (SLH, 2018) amended the law by changing the special fund to a revolving fund to properly align the fund with the statutory definition of a revolving fund found in section 37-62, HRS.

III. PROGRAM RESULTS

The Branch performed 2,807 elevator inspections and conducted or accepted 5,544 boiler & pressure vessel inspections during FY2023-24. Act 88 abolished the two Branch supervisors, one elevator inspector, and defunded two additional elevator inspectors. The 2022 Legislature refunded the two elevator inspector positions, and the Branch subsequently redescribed a vacant elevator inspector position into an elevator supervisor. The Branch currently has nineteen authorized positions, down from twenty-two after the loss of three positions abolished in Act 88 (SLH 2021). The Elevator Section has successfully added two elevator inspector trainees and lost two elevator inspectors for employment to other jurisdiction and in the trade. The Boiler Section lost one boiler inspector due to retirement and currently awaiting approval from DHRD on the amendments to the minimum qualifications and class specifications for the position. The Branch continues to recruit and fill all nineteen authorized positions.

The Branch amended the Hawaii Administrative Rules (HAR) for the Elevator Section in 2014, 2016, 2019, and 2021. A major overhaul of the boiler rules

became effective in 2019. The Branch has recently amended the boiler HAR and became effective on November 1, 2024, which included the adoption of updated national consensus safety standards (codes) and updated fees. The Branch is in the process of presenting the proposed revision to the elevator HAR to the elevator stakeholders prior to submission to the Small Business Regulatory Review Board. The proposed revision entails minor modifications to clarify the existing requirements and updated fees.

The Branch received approval from former Governor David Y. Ige for a Special Project pursuant to 76-11.6, HRS, for the Boiler and Elevator Technology Project. The purpose of the project is to upgrade the Branch’s technology systems and increase the productivity of operations. The project also includes the Boiler Technology Specialist and Elevator Technology Specialist positions, both of which are temporary and exempt. The Branch Manager has been temporarily assigned to the Boiler Technology Specialist position.

The Boiler Section is currently working on adopting the National Board of Boiler and Pressure Vessel Inspectors’ JRS platform to replace the current system for managing boiler inspection workflow and database. The JRS system will enable the Boiler Section to plan work, perform inspections, enter inspection results, perform quality assurance, generate invoices, enter payment information, and generate certificates, all from one centralized system. The agreement to utilize the NB JRS System has been approved and the Boiler section is on the list for the integration into JRS platform and user training.

IV. BUDGET

The beginning balance of \$ 1,087,568.04 on July 1, 2023, has increased to \$1,352,556.19 as of June 30, 2024.

Fiscal Year 2023-2024

Beginning Balance		1,087,568.04
Revenues	Fees, Interest	2,222,850.68
Expenditures		1,957,862.53
Balance as of 6/30/2024		1,352,556.19

The Branch has not made a loan repayment and currently has a remaining balance of \$100,000. Pursuant to Act 102 (SLH, 2022), the DLIR has until June 30, 2025, to reimburse \$1,000,000 to the General Fund and to date has deposited \$900,000.