

Program Structure Number: 020201

Program ID and Title: LBR 143, Hawaii Occupational Safety and Health

Page Reference in the Executive Budget Supplement, Vol. I: None.

I. Introduction

A. Summary of Program Objectives

To assure every employee has safe and healthful working conditions, and to certify the safe operations and use of boilers, pressure systems, amusement rides, elevators and kindred equipment.

B. Description of Program Objectives

The goal of voluntary compliance with Hawaii's Occupational Safety and Health Law, administrative rules, and standards by all employers is supported by consultation and training, education, and information programs reinforced by compliance inspections and enforcement through citations and penalties.

Investigations are conducted in accordance with a scheduling system and/or in response to employee complaints regarding workplace hazards. Investigations of fatalities and catastrophes are also conducted to determine and abate causal factors.

Consultation and training are provided to employers and their employees to encourage and promote voluntary compliance.

Certificates of fitness are issued to individuals who are responsible for the use, storage, transport, sales and purchase of explosives, which may include pyrotechnics and special effects.

Boilers, pressure vessels, elevators, amusement rides, and other automatic transport systems are inspected for the safety of the equipment and operation in accordance with nationally recognized standards adopted by the program as protection for public users.

Certificates are issued to crane operators by the Hoisting Machine Operators' Advisory Board.

A Summary of the Objectives and Activities as Discussed in the Multi-Year Plan and Financial Plan.

"Improve the quality of life for workers and families." Nothing is more important than maintaining the quality of life and preventing injuries and illnesses to the public and workers.

Consultation and training, education, and information programs reinforced by compliance inspections and enforcement through citations and penalties support the goal of voluntary compliance with Hawaii's Occupational Safety and Health Law by all employers. Investigations are conducted in accordance with a scheduling system and/or in response to employee complaints regarding workplace hazards. Investigations of fatalities and catastrophes are conducted to determine root causes of accidents to prevent recurrences. Consultation and training are provided to employers and employees to encourage and promote voluntary compliance. Occupational Safety and Health Rules and Standards are kept current.

In the area of occupational safety and health, the DLIR has been afforded 18(e) status by the U.S. Department of Labor's (USDOL) Occupational Safety and Health Administration (OSHA). This means that the State is able to administer its own occupational safety and health program provided that it meets the minimum requirements set forth by OSHA. In exchange, OSHA provides up to 50% of the funding for the program.

The minimum requirements are to be "as effective as" OSHA, therefore, regular evaluations of the program are conducted by OSHA to ensure that public funds are used effectively and efficiently.

In the area of boilers and elevators, the equipment are inspected for the safety of the equipment and their operation in accordance with Chapter 397, HRS, and with nationally recognized standards to protect the public.

Certificates are issued to blasters and pyrotechnics/special effects specialists and to crane operators to protect both the employees and the public.

C. Explain how the Program intends to meet its objectives within the Biennium Budget.

The HIOSH has revised its Five-Year Strategic Plan to focus on what can be accomplished regarding mandated responsibilities with available resources. Currently, the Strategic Goal is to:

1. Improve workplace safety and health for all workers as evidenced by fewer hazards, reduced exposures, and fewer injuries, illnesses

and fatalities.

Strategy: Focus statewide attention and divisional resources on the most prevalent types of workplace injuries and illnesses, and the most hazardous industries. Industries with the highest injury and illness rates will receive both consultation and enforcement attention throughout the five-year period. An extensive outreach and awareness campaign has been initiated focusing on these specific industries.

2. Improve safety for workers and the public on the use and installation of regulated equipment which includes boilers and pressure vessels; elevators and kindred equipment; and amusement rides.

Strategy: Using available resources, the division is focusing on inspections that could potentially have the most impact on the public in general. These would be the 3-year and 5-year safety tests for elevators; 6 months inspections for elevators and amusement rides; and biennial inspections of power boilers and other high-pressure devices.

II. Program Performance Results

- A. Discuss the performance results achieved by each program in FY 2008.

In FY 2007, the HIOSH evaluated themselves and also were evaluated by OSHA in accordance with federal regulations that address the OSH Act requirement for the State Plans to be "as effective as" OSHA. In the Federal FY 2007 Evaluation, OSHA reported that the HIOSH "reduced injury and illness rates in construction; transportation and warehousing; wholesale trade; health and social assistance; accommodations and food service; arts, entertainment, and recreation; and local government. Although the injury and illness rates for manufacturing remained higher than the 2003 baseline, there is an overall downward trend.

The program's effectiveness utilizes the Bureau of Labor Statistics' (BLS) data on injury and illness rates for the states as well as intermediate outcome measures such as the number of hazards that were corrected and activity measures such as the number of inspections conducted and timeframes for responses to complaints.

Workers' compensation data is also used to measure results.

The most recent data available for program results are:

	<u>1996</u>	<u>2007</u>	<u>%Change</u>
<u>Workers' Comp. Data</u>			
1. Work Comp. Costs	\$288.5 mil.	\$247.3 mil.	- 14.3%
2. Reported Cases	33,628	26,105	- 22.4%
3. Average Cost/Case*	\$5,193	\$6,755	+30.1%
<u>Bureau of Labor Statistics</u> (private sector)			
1. Injury/Illness Rate	6.8	4.6	-32.4%
2. Lost Workday Cases	3.6	3.0	-16.7%

Data Sources

1. Workers' Compensation Data Book, DLIR – 1996-2007 (latest available)
2. Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, 1996-2007 (latest available)

Workers' compensation costs, reported cases and the BLS injury and illness rates show decreases since 1996. However, the cost per case increased each year from 1997 to 2004, then decreased in 2005, started to increase again in 2006, and continued to increase in 2007.

- B. Explain how these results relate to the program's objectives and the department's mission.

Both the current and new performance measures must be tied into the mission of the department through the quality of work life aspect. Assuring that workers have safe and healthful places of employment addresses life and death in general, as well as the quality of life. Indirectly, accident prevention also affects the economic bottom line of businesses. Safe business is productive, competitive business without uncontrolled losses or accidents.

- C. Explain how the effectiveness of the Program is measured (i.e., outcome, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

In the area of occupational safety and health, the effectiveness of the program is measured using statistics from the Bureau of Labor Statistics' (BLS) for injuries, illnesses, and fatalities and from the DLIR's Disability

Compensation Division (DCD) for their cost. The performance results for 2007 are discussed in A. above. The performance results for 2008 are not yet available.

- D. Discuss actions taken by each Program to improve its performance results.

Develop and implement a 5-Year Strategic Plan, using data to identify areas that require attention. Offer employers an incentive to take proactive measures to prevent accidents and reduce injuries and illnesses. Incentives include exemption from enforcement and recognition of exemplary employers.

- E. Identify all modifications to your program's performance measures and discuss the rationale for these modifications.

The performance measure for work-related fatalities was modified due to a change in the measure. The measure is the number of work-related fatalities, instead of per 100,000 employees, and includes all fatalities, even those which the OSH Program has no jurisdiction, such as transportation incidences.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any

- 1. Filling Professional level positions to do the work.

One of the HIOSH's immediate goals is to fill the numerous vacancies. They are actively in the process of filling these positions through the required civil service recruitment and hiring process. However, these positions are not to exceed (NTE) June 30, 2009, because of the Department of Budget and Finance's budget ceiling for FY2010-FY2011. The NTE June 30, 2009, will adversely affect the HIOSH's ability to fill these positions.

- 2. Employer acceptance of State consultation services.

Despite the availability of FREE consultations to assist employers in preventing accidents and become compliant with occupational safety and health laws, there has been reluctance on the part of employers to request State assistance. The biggest roadblock is the perception that a consultation visit could eventually bring in the enforcement.

The HIOSH believes that strong, effective and fair enforcement policies will always be the foundation of their program. In meeting this goal, the HIOSH has initiated the de minimis and notice-of-violation (NOV) policies, for non-serious hazards that can be fixed on the spot, or within two (2) weeks. This policy benefits employees because they are assured of a safe work environment through immediate correction of a problem.

B. Program Change Recommendations to Remedy Problems

Unfilled Positions. Recruitment above the minimum has and will be utilized to attract qualified candidates in managerial and highly technical positions.

Over the past two (2) years, the strategy for assuring safe and healthful workplaces has evolved from the near exclusive use of government inspections and consultations and training to a combination of deterrence and incentives programs. Partnerships with industries, unions, associations and insurance companies are increasing. The HIOSH's enforcement resources are directed to the most hazardous industries, and a "common sense" approach to enforcement fosters voluntary compliance through understanding and promotion of mutually beneficial objectives.

This new strategy requires a broader skill set among inspectors and consultants. Understanding basic business practices that include management of human resources and insurance areas and the ability to communicate using business terminology is increasingly important.

The HIOSH's proudest improvement is building successful relationships with the business community. They have gained the trust of the business community by utilizing the HIOSH's Voluntary Protection Program (VPP) and Safety and Health Achievement Recognition Program (SHARP). These programs are designed to recognize large and small companies for creating an exemplary safety and health program and effectively implementing it. Companies recognized as VPP or SHARP businesses are also awarded a minimum five percent (5%) discount on their workers' compensation premiums and are removed from the HIOSH's planned inspection list. Inspectors and consultants must be able retain and improve their technical abilities and also sharpen their communication skills to effectively build relationships with businesses. Such individuals are in great demand throughout the State and nation. The State's greatest challenge is to recruit and retain qualified staff. To accomplish this, the HIOSH must be able to offer competitive salaries for their vacancies.

- C. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None.

IV. Expenditures for Fiscal Year 2008-2009

	Acts 213/07,158/08 FY 2008 - 2009	Collective * Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	67.00			67.00	67.00
Personal Services	\$ 3,393,374	\$ 225,422	(72,885)	\$ 3,545,911	\$ 3,545,911
Current Expenses	1,013,238			1,013,238	1,013,238
Equipment					
Motor Vehicles					
Total	\$ 4,406,612	\$ 225,422	\$ (72,885)	\$ 4,559,149	\$ 4,559,149
Less:					
Pos. Count					
Special Fund					
Pos. Count	25.50			25.50	25.50
Federal Fund	2,244,249	92,838		2,337,087	2,337,087
Pos. Count					
Other Funds	\$ 50,000			50,000	50,000
Pos. Count	41.50			41.50	41.50
Gen. Fund	2,112,363	132,584	(72,885)	2,172,062	2,172,062

* No Transfer In/Out

- A. Explain all transfers within the Program I.D. and its Impact on the Program.

None.

- B. Explain all transfers between Program IDs and its impact on the Program.

Transfer vacancy savings of \$37,186 to General Administration (LBR 902) to fund the payroll deficit due to the 4% reductions by the Legislature.

- C. Explain all restrictions and its impact on the Program.

Restricted \$35,699 to comply with the Governor's budget execution policy and reduced general fund allocation.

V. Biennium Budget Request for FY 2010 - FY2011

	Budget Request FY2009-2010	Budget Request FY2010-2011	Biennium Budget FY2010-FY2011
Pos. Count	52.50	52.50	52.50
Personal Services	\$ 3,001,354	\$ 3,001,354	\$ 6,002,708
Current Expenses	863,238	863,238	1,726,476
Equipment			
Motor Vehicles			
Total	<u>\$ 3,864,592</u>	<u>\$ 3,864,592</u>	<u>\$ 7,729,184</u>
Less:			
Pos. Count			
Special Fund			
Pos. Count	25.50	25.50	25.50
Federal Fund	2,337,087	2,337,087	4,674,174
Pos. Count			
Other Funds	50,000	50,000	100,000
Pos. Count	27.00	27.00	27.00
Gen. Fund	1,477,505	1,477,505	2,955,010

A. Workload or Program Request

1. Description of request, reason for the request, and desired outcomes or objectives to be accomplished.

None.

2. Listing /description of positions requested, and funding requirements by cost category and source of funding.

None.

3. For all lump sum requests, please provide a breakout indicating specific purposes for all planned expenditures.

None.

B. For all position count reductions, please specify whether the positions were filled or vacant.

All 14.5 positions are vacant.

VI. Identify restrictions carried over from FY 2008-2009 as well as additional reductions due to the Department of Budget and Finance's budget ceilings for FY2010-FY2011.

A. Description of the reduction, the reasons for the reduction and the impacts to the objectives to be accomplished by the program.

In LBR 143 EA (Occupational Safety and Health), there is a reduction of 8.5 general funded positions totaling \$342,006. These positions receive matching federal funds in accordance with the grant agreement.

The reduction in general funded positions will reduce the compliance staffing level to below the benchmark levels of nine (9) safety compliance positions and nine (9) health compliance positions. The reduction in staffing levels will adversely affect the HIOSH's ability to accomplish the OSHA-mandated program elements.

In LBR 143 EB (Boiler and Elevator Safety), there is a reduction of 6 general funded positions totaling \$275,436. Additionally, there is a general fund reduction of \$150,000 in operating expenses.

There is a backlog of boilers, pressure vessels, elevators, amusement rides, and other automatic transport systems needing inspections. A reduction in the staffing level may increase the backlog, and a reduction in operating expenses will make interisland travel for equipment inspections challenging.

B. Listing/description of the positions cut, including source of funding; please specify whether the positions were filled or vacant.

All of the affected LBR 143EA (Occupational Safety and Health) positions are vacant.

	MOF	FTE (P)	(\$)
Position Title, SR			
(00057) OSHCO IV, SR 21	A	(0.50)	(24,972)
(04368) OSHCO III, SR 19	A	(0.50)	(18,246)
(18113) Clerk III, SR 08	A	(0.50)	(13,332)
(24665) EHS IV, SR 22	A	(0.50)	(16,656)
(24669) Clerk III, SR 08	A	(0.50)	(11,868)
(24674) OSHCO IV, SR 21	A	(0.50)	(19,728)
(24678) OSH Prog Spec V, SR 24	A	(0.50)	(23,724)
(30700) OSHCO IV, SR 21	A	(0.50)	(30,408)

(30706) OSH Advisor IV, SR 22	A	(0.50)	(21,072)
(45374) OSH Advisor IV, SR 22	A	(0.50)	(19,668)
(98001L) OSH Advisor IV, SR 22	A	(0.50)	(21,072)
(06798) OSHCO IV, SR 21	A	(0.50)	(22,212)
(24664) EHS III, SR 20	A	(0.50)	(19,476)
(24670) Secretary II, SR 14	A	(0.50)	(18,972)
(24675) Secretary II, SR 14	A	(0.50)	(18,972)
(30694) EHS I, SR 16	A	(0.50)	(16,656)
(30701) OSHCO IV, SR 21	A	(0.50)	(24,972)
Total		(8.50)	(342,006)

All of the affected LBR 143EB (Boiler and Elevator Safety) positions are vacant.

Position Title, SR	MOF	FTE (P)	(\$)
(05189) Sup OSH Compl Off, SR25	A	(1.00)	(68,388)
(24647) Clerk Typist II, SR 08	A	(1.00)	(22,152)
(43634) Boiler Inspector, SR 21	A	(1.00)	(49,944)
(19294) Boiler Inspector, SR 21	A	(1.00)	(54,036)
(27103) Elevator Inspector II, SR 21	A	(1.00)	(44,424)
(26168) Clerk Typist II, SR 08	A	(1.00)	(36,492)
Total		(6.00)	(275,436)

VII. Capital Improvement Request for FY2010-FY2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.