

Program Structure Number: 020202

Program ID and Title: LBR 152, Wage Standards

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

I. Introduction

A. Summary of Program Objectives

To assure workers of their lawful rights and benefits related to their wages; to safeguard against unlawful employment practices; and to promote voluntary compliance by educating and assisting employers.

B. Description of Program Objectives

1. Investigate and hear complaints alleging violations of labor laws covering payment of wages, child labor, prevailing wages and hours on State and county public works construction projects, minimum wage, overtime, family leave, work injury termination, and lie detector tests; hear appeals of notifications of violation.
2. Issue certificates for the employment of minors; payment of special minimum rates; and exceptions under the Payment of Wages and Other Compensation Law.
3. Conduct workshops, educational programs, and consultative meetings with employers, employer representatives, employees, labor organizations, consultants, and State, county and federal agencies in order to promote voluntary compliance.

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

The objectives and activities of the program are as described above, with focus on voluntary compliance through education and sanctions against employers who refuse to voluntarily comply with the law.

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

1. Increase awareness of assigned labor laws by collaborating with employers, government agencies, and other stakeholders to develop and produce informational materials for access on the

internet; conducting workshops and participating in seminars; and conducting random compliance checks in order to promote voluntary compliance.

2. Investigate and hear complaints and appeals relating to violations of unpaid wages, minimum wage, overtime, prevailing wages, work injury termination, family leave, child labor, and other assigned laws.

## II. Program Performance Results

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

In FY 2008, the program conducted 754 investigations and found \$803,101 in back wages and penalties for 504 employees. The program took in 810 new complaints and held 123 hearings on work injury termination complaints and appeals of Chapter 104 notices of violation. The program issued 13,068 minors' work permits, special minimum wage certificates, and pay exceptions.

Throughout FY 2008, the program endeavored to develop collaborative relationships with private and public sector organizations to leverage limited resources in order to achieve its objectives, and will focus on compliance assistance and educational activities for the remainder of FY 2009.

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

These results relate to the Quality of Worklife initiative of the department by ensuring and protecting the lawful rights and benefits of workers.

- 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 addition to measures of effectiveness, statistical monthly and annual reports of program activities and objectives and periodic review of the strategic plan measure program performance results.

After evaluating effectiveness of its program-initiated random compliance checks from FY 2007, the program reduced the random rate of investigations and had to curtail child labor outreach due to limited resources. The current decrease in the economy has caused a surge in the number of complaints filed in the last three quarters.

Implementation of an online child labor registration system continues to improve program efficiency and customer satisfaction.

- D. Discuss actions taken by each Program to improve its performance results.
1. Developed a structured training program for new Labor Law Enforcement Specialists that are being hired as retirements impact the Division.
  2. Expanded education efforts on the Wages and Hours of Employees on Public Works Law, Chapter 104, Hawaii Revised Statutes, by reaching out to contractors, contracting agencies and others who are involved with the law, and holding sessions at their worksites.
  3. Continued to upgrade the Program's computer system to improve efficiency and productivity and enhance the case tracking, certification, employer and client information, and statistical reporting applications.
  4. Implemented a strategic plan with specific goals and objectives and periodic evaluations to measure progress.
  5. Continued to review policies and procedures to streamline operations and eliminate duplicate activities.
- E. Identify all modifications to your program's performance measures and discuss the rationale for these modifications.

Expand response windows for phone and email inquiries and projections on timeliness of investigations and hearings due to reductions for two (2) positions and an increase in workload.

### III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any.

The elimination of two (2) positions in the Intake and Certification Branch will cause the Compliance Branch, Hearings Branch and Technical Services to pick up new assignments.

- B. Program Change Recommendations to Remedy Problems

1. The Compliance Branch and Hearings Branch will need to conduct the intake of complaints and assist the Technical Services and Support with responses to 15,000 inquiries that are handled by the Division annually.
  2. Shift response windows and projections on timeliness to reflect the increase in workload and less staff.
  3. Rely more heavily on the webpage to provide meaningful, easy to find answers to standard questions received.
  4. Reorganization of the Division will also be a consideration.
- 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.

Newly hired employees in investigations and technical support as a result of retirements are still in the learning phases and will take time and training to bring them up to par.

Intensifying the training phase will require funds to travel to neighbor islands in addition to training fees, for education outside of the Division's on-the-job program.

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	24.00			24.00	24.00
Personal Services	\$ 1,233,058	\$ 91,270	(50,260)	\$ 1,274,068	\$ 1,274,068
Current Expenses	23,431			23,431	23,431
Equipment					
Motor Vehicles					
Total	<u>\$ 1,256,489</u>	<u>\$ 91,270</u>	<u>\$ (50,260)</u>	<u>\$ 1,297,499</u>	<u>\$ 1,297,499</u>
Less:					
Pos. Count					
Special Fund					
Pos. Count					
Federal Fund					
Pos. Count					
Other Funds					
Pos. Count	24.00			24.00	24.50
Gen. Fund	\$ 1,256,489	\$ 91,270	(50,260)	\$ 1,297,499	\$ 1,297,499

\* 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.

None.

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

Personal Service restriction of \$50,260 resulted from a delay in hiring of three (3) Labor Law Enforcement Specialist positions (#16012, #3720, #41649).

Biennium Budget Request for FY 2010 - FY2011

	Budget Request FY2009-2010	Budget Request FY2010-2011	Biennium Budget FY2010-FY2011
Pos. Count	22.00	22.00	22.00
Personal Services	\$ 1,173,392	\$ 1,173,392	\$ 2,346,784
Current Expenses	23,431	23,431	46,862
Equipment			
Motor Vehicles			
Total	<u>\$ 1,196,823</u>	<u>\$ 1,196,823</u>	<u>\$ 2,393,646</u>
Less:			
Pos. Count			
Special Fund			
Pos. Count			
Federal Fund			
Pos. Count			
Other Funds			
Pos. Count	22.00	22.00	22.00
Gen. Fund	\$ 1,196,823	\$ 1,196,823	\$ 2,393,646

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.

#3720 - Filled until 6/30/09.

#41649 - Vacant (no authorization to fill)

- VI. Identify restrictions carried over from FY 2008-2009 as well as additional restrictions due to 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.

A reduction of \$150,936 in general funds will result in the loss of two (2) positions which will create an increase in the workload and a decrease in customer service measured by longer response times and expanded measures of timely investigations and hearings.

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

General Funds:

#3720 - Filled until 6/30/09

#41469- Vacant (no authorized funds)

- VII. Capital Improvement Request for FY2010-FY2011

None.

- VIII Proposed Lapses of Capital Improvement Program Projects

None.