

LINDA LINGLE
GOVERNOR



DARWIN L.D. CHING
DIRECTOR

COLLEEN Y. LaCLAIR
DEPUTY DIRECTOR

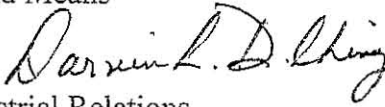
STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.hawaii.gov/labor
Phone: (808) 586-8842 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

January 13, 2010

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

The Honorable Donna Mercado Kim, Chair
Senate Committee on Ways and Means

FROM: Darwin L.D. Ching, Director 
Department of Labor and Industrial Relations

SUBJECT: FY 2010-2011 Supplemental Budget Information

REF: Your Memorandum Dated December 7, 2009 on the Above Subject Matter

In accordance with your above-referenced correspondence, we respectfully provide the Department of Labor and Industrial Relations' FY 2010-2011 Supplemental Budget as requested.

Should you have any questions on this matter, please call me at 586-8844, or Mr. Patrick Fukuki, Business Management Officer, at 586-8888.

Enclosure

c: Patrick Fukuki

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
2010-2011 Supplemental Budget Testimony

Departmental Overview

The mission of the Department of Labor and Industrial Relations (DLIR), as set forth in Chapter 26-20, Hawaii Revised Statutes, is:

“Administer programs designed to increase the economic security, physical and economic well-being, and productivity of workers, and to achieve good labor-management relations.”

This mission is fulfilled through the following primary goals:

- Assure quality of work-life for workers through programs that provide economic security and enhance physical well-being and productivity, and
- Build a highly skilled and globally competitive workforce through collaborative public-private partnerships.

To achieve these goals, the Department’s thrust in the 2010 – 2011 supplemental budget will include:

- (1) Continue to assist workers in receiving benefits; and
- (2) Assisting the employers through our Quality of Work-Life Programs to continue voluntary compliance with the labor laws.

We believe our Supplemental Budget for 2010-2011 now before you, will enable the DLIR to achieve its established goals and priority plan.

The DLIR Supplemental budget includes the following requested appropriations:

- | | |
|-------------------------|--|
| (1) State General Funds | approx. <u>\$12.9 million</u> (173 Perm. Positions) |
| (2) Special Funds (4) | approx. <u>\$391 million</u> (8 Perm. Positions) |
| UI | \$361 million (Trust Fund and UI Penalty & Interest Fund) |
| WC Spec. Comp. Fund | \$24 million (Includes Special Fund for Disability Benefits – TDI and Special Premium Supplemental Fund – Prepaid Health Care) |

Employment and Training Fund	\$6 million
Hawaii Occupational Safety and Health's Hoisting Machine Operations' Certification Revolving Fund	\$50 thousand
(3) Federal Funds	<u>\$76 million</u> (396 permanent positions)
(4) Interdepartmental Transfer	<u>\$2.8 million</u> for the Welfare to Work program and Employment Service Core Services from the State Dept. of Human Services (DHS).

This results in a total Supplemental budget of \$482.7 million (577 positions).

Our FY 2010-2011 Supplemental Budget reflects the following adjustments:

- Reduction of 54.66 permanent and 7.00 temporary positions and \$2,877,905 in general funds due to lay-offs and furlough savings.
- Reduction of 15.50 temporary positions and \$661,301 in special funds due to vacancies.
- Reduction of 36.28 permanent and 57.65 temporary positions and \$6,061,464 in federal funds due to vacancies and furlough savings.
- Reduction of 38.00 temporary positions and \$2,190,980 in inter-departmental transfer funds due to vacancies.

Most of the federal monies provided to the DLIR are from the U.S. Department of Labor. However, there are also some federal monies received by the Office of Community Services (which is assigned to DLIR for administrative purposes only) from the U.S. Department of Health and Human Services, Energy, Housing and Urban Development, and Agriculture.

We look forward to working with you during this session.

As you have our written testimony before you, I will, in the interest of time and with your consent, present the budget highlights for those programs which have budget adjustments in Fiscal Year 2010-2011.

Department of Labor and Industrial Relations
Department-wide Budget Summary

Table 1

Fiscal Year (FY) 2010					
Act 162/09 Appropriation (a)	Restriction (b)	Emergency Appropriation (c)	Total FY10 (d)	MOF	
15,801,051	(1,717,820)	-	14,083,231	A	
391,536,386	(67,021)	-	391,469,365	B	
82,222,399	(2,746,013)	-	79,476,386	N	
-	-	-	-	T	
4,859,105	(52,690)	-	4,806,415	U	
168,247,471	-	-	168,247,471	V	
50,000	-	-	50,000	W	
662,716,412	(4,583,544)	-	658,132,868	Total	
Fiscal Year (FY) 2011					
Act 162/09 Appropriation (e)	Reductions (f)	Additions (g)	Total FY11 (h)	MOF	
15,733,033	(2,877,905)	-	12,855,128	A	
391,536,386	(912,295)	250,994	390,875,085	B	
82,195,486	(9,478,698)	3,417,234	76,134,022	N	
-	-	-	-	T	
4,859,105	(2,190,980)	-	2,668,125	U	
152,858	-	-	152,858	V	
50,000	-	-	50,000	W	
494,526,868	(15,459,878)	3,668,228	482,735,218	Total	

Program Structure Number: 020101

Program I.D. and Title: LBR 111, Workforce Development

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

I. Introduction

A. Summary of Program Objectives

To deliver employment and training services that are integrated with economic development efforts to job applicants, workers, and industries throughout the state.

B. Description of Program Objectives

1. Administer programs for employment, training, apprenticeship and related services, allocate resources, and establish statewide policies.
2. Coordinate employment, training, and apprenticeship programs within the state to maximize the use of resources and improve the delivery of services.
3. Register, assess, counsel, and test, as needed, to assist jobseekers in developing and implementing employability development plans.
4. Solicit and receive job orders from employers and recruit, screen, select and refer jobseekers to job openings, training and apprenticeship programs.
5. Monitor programs as required and provide technical assistance and consultative services for the maintenance and operation of approved programs.

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

A summary of the objectives and activities in the Multi-Year Program and Financial Plan are provided in A. and B. above, respectively.

- C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

Objectives will be met through the delivery of a statewide comprehensive and integrated workforce development system throughout the state. Services will continue to be offered to groups of individuals or may be customized to meet individual needs, depending on the delivery mode that is most effective for a particular target group or individual.

Services are provided through One-Stop Centers established in each county. The Centers provide employers and job seekers easy access to an array of employment and training services through partner organizations. Customers can tap into internet-based job boards for job openings, applicant resumes, labor market information, and career information. Jobseekers can also use resource rooms equipped with IT hardware and software to search and apply for jobs, learn about the labor market, and acquire information about job training programs.

II. Program Performance Results

- A. Discuss the performance results achieved by each Program in FY 2009.

Most of the various programs within LBR 111 met acceptable standards for achievement despite the increased demand for services resulting from high unemployment rates. The one measure that was significantly below the planned rate was the percentage of job applicants who found jobs. This was due to the sharp spike in unemployment, which flooded offices with laid off workers while the number of job openings decreased.

	<u>Actual</u>	<u>Plan</u>
• % Adults Entered Employment after training	75.8%	79.0%
• % Dislocated Workers Entered Employment after training	83.8%	79.0%
• % Youth Attained Skills after Training	89.5%	70.5%
• Percentage of Job Applicants who Found Jobs	35.0%	50.7%

Services to target groups for the federally-funded programs exceeded plans because of higher demand and influx of economic stimulus funds late in the fiscal

year.

	<u>Actual</u>	<u>Plan</u>
• Number of job seekers applying:	72,927	50,000
• Number of military veterans seeking services	2,533	4,500

Performance for FY 2010 is expected to be affected by continuing high unemployment rates with increased numbers of individuals applying for jobs and training. Competition for jobs will be keen, with fewer job openings anticipated than the past year.

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

The performance measures relate directly to the Department's mission to "... administer programs designed to increase the economic security, physical and economic well-being, and productivity of workers and to achieve good labor management relations." The measures provide information on the attainment of job skills and employment, job retention and wage levels of Hawaii's workers.

The measures also directly relate to the Department's goal to "Build a highly skilled and globally competitive workforce through collaborative efforts of public-private partnerships".

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

Performance levels are set for each program's measures of effectiveness at the beginning of the fiscal year. For example, some measures used in employment and training programs are the following:

- Job skills competency attainment
- Job placement
- Job retention

Performance of each contractor/operator is reviewed based on reports submitted and results of monitoring and audits conducted.

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

Within the last two fiscal years, in collaboration with the federal government, the DLIR arranged for training to be provided by technical experts to the various agencies involved in operating federally-funded employment and training programs administered by the DLIR. Topics covered included participant performance and fiscal reporting. Subject experts within the DLIR also provided training on various issues to the service providers.

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

None.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any.

Because unemployment rates have been dropping over the last decade, federal funds also have been shrinking and staffing levels were minimal for operations during FY 2009. The sudden increased demand for services strained existing resources until federal economic stimulus funds became available. These funds enabled more staff to be hired late in the FY, but their limited seniority made them vulnerable to RIFs and bumping by other state employees.

- B. Program Change Recommendations to Remedy Problems

None.

- 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 2010

	Act 162/09 FY 2010	Collective Bargaining	* Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	120.50			120.50	120.50
Personal Svcs	\$ 19,468,957		(2,157,451)	17,311,506	\$ 17,311,506
Current Exp	49,757,043			49,757,043	49,757,043
Equipment					
Motor Vehicles					
Total	\$ 69,226,000	\$ -	\$ (2,157,451)	\$ 67,068,549	\$ 67,068,549
Less:					
Pos. Count					
Special Fund	6,834,023		(25,711)	6,808,312	6,808,312
Pos. Count	118.20			118.20	118.20
Federal Fund	50,307,130		(2,066,646)	48,240,484	48,240,484
Pos. Count					
Other Funds	\$ 11,906,292		(52,690)	11,853,602	11,853,602
Pos. Count	2.30			2.30	2.30
Gen. Fund	178,555		(12,404)	166,151	166,151
* 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 I.D.s and its Impact on the Program.

None.

C. Explain all Restrictions and its Impact on the Program.

Furlough savings will not significantly change the measures of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY 2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	120.50	(32.50)	88.00
Personal Svcs	\$ 17,415,760	\$ (7,518,702)	9,897,058
Current Exp	43,563,053	(18,212)	43,544,841
Equipment			
Motor Vehicles			
Total	\$ 60,978,813	\$ (7,536,914)	\$ 53,441,899
Less:			
Pos. Count			
Special Fund	6,834,023	(894,013)	5,940,010
Pos. Count	118.20	(30.40)	87.80
Federal Fund	50,307,130	(4,373,264)	45,933,866
Pos. Count			
Other Funds	\$ 3,659,105	(2,190,980)	1,468,125
Pos. Count	2.30	(2.10)	0.20
Gen. Fund	178,555	(78,657)	99,898
* No Transfer In/Out			

A. Workload or Program Request

1. Description of request, reasons for the request, and desired outcomes or objectives to be accomplished by the proposed program.
 - a. Abolish 1 filled position due to lay-offs.
 - b. Abolish 131.65 vacant positions due to funding.
 - c. Reduction due to furlough savings and adjustment to personal services.
 - d. Change in MOF due to increase in federal funds to service the unemployed.
2. Listing/description of positions requested, and funding requirements by cost category and source of funding.

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(040751) ESS V, SR24	A	(1.00)	0.00	(54,783)

Other Personal Services				
Fringe Benefits				
Turnover Savings not realized	A			194
Subtotal Personal Service Costs		(1.00)	0.00	(54,589)
By MOF	A	(1.00)	0.00	(54,589)
	B	0.00	0.00	0
	N	0.00	0.00	0

B. Personal Services (111/PA-1)	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Position Title, SR				
(046852) ESS III, SR20	B	0.00	(1.00)	(42,132)
(046853) ESS II, SR18	B	0.00	(1.00)	(43,860)
(046854) ESS II, SR18	B	0.00	(1.00)	(43,860)
(046855) ESS III, SR20	B	0.00	(1.00)	(42,132)
(046856) ESS III, SR20	B	0.00	(1.00)	(42,132)
(047115) ESS III, SR20	B	0.00	(1.00)	(47,892)
(047125) ESS III, SR20	B	0.00	(1.00)	(42,132)
(047917) ESS III, SR20	B	0.00	(1.00)	(42,132)
Other Personal Services				
Fringe Benefits	B			(128,259)
Turnover Savings				
Subtotal Personal Service Costs		0.00	(8.00)	(474,531)
By MOF	A	0.00	0.00	0
	B	0.00	(8.00)	(474,531)
	N	0.00	0.00	0

B. Personal Services (111/PA-2)	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Position Title, SR				
(004042) ESS III, SR20	N	(1.00)	0.00	(13,641)
(004076) ESS IV, SR22	N	(1.00)	0.00	(45,576)
(007639) Office Asst IV, SR10	N	(1.00)	0.00	(27,756)
(007743) ESS IV, SR22	N	(0.50)	0.00	(22,788)
(012238) ESS IV, SR22	N	(1.00)	0.00	(55,500)
(014090) ESS IV, SR22	N	(1.00)	0.00	(11,102)
(014107) Emp Aid IV, SR11	N	(1.00)	0.00	(28,836)
(015167) Office Asst III, SR08	N	(0.50)	0.00	(12,834)
(017479) ESS IV, SR22	N	(1.00)	0.00	(45,576)
(017751) ESS IV, SR22	N	(1.00)	0.00	(45,576)
(017770) ESS IV, SR24	N	(1.00)	0.00	(51,312)
(017784) ESS III, SR20	N	(1.00)	0.00	(42,132)
(017790) ESS III, SR20	N	(1.00)	0.00	(13,912)
(022076) ESS III, SR20	N	(1.00)	0.00	(57,708)
(022080) ESS III, SR20	N	(1.00)	0.00	(42,132)
(022377) Office Asst III, SR08	N	(0.50)	0.00	(12,834)
(022587) Office Asst III, SR08	N	(1.00)	0.00	(25,668)

(022867) Office Asst III, SR08	N	(1.00)	0.00	(25,668)
(023766) ESS III, SR20	N	(1.00)		(42,132)
(023769) ESS III, SR20	N	(1.00)		(42,132)
(025451) ESS III, SR22	N	(1.00)		(45,576)
(025452) ESS III, SR20	N	(1.00)		(42,132)
(025454) ESS III, SR20	N	(1.00)		(62,424)
(027084) ESS III, SR20	N	(1.00)		(42,132)
(031564) ESS III, SR20	N	(1.00)		(42,132)
(032402) ESS III, SR20	N	(1.00)		(42,132)
(033332) ESS IV, SR22	N	(1.00)		(45,576)
(033335) ESS III, SR20	N	(1.00)		(42,132)
(033336) ESS III, SR20	N	(0.50)		(22,788)
(033338) ESS III, SR20	N	(1.00)		(42,132)
(045054) ESS IV, SR22	N	(1.00)		(45,576)
(017522) ESS I, SR16	N	0.00	(1.00)	(36,024)
(028318) ESS III, SR20	N	0.00	(1.00)	(42,132)
(029339) ESS II, SR18	N	0.00	(1.00)	(16,824)
(029340) ESS II, SR18	N	0.00	(1.00)	(16,824)
(029341) ESS III, SR20	N	0.00	(1.00)	(18,180)
(029342) ESS III, SR20	N	0.00	(1.00)	(21,930)
(029547) ESS III, SR20	N	0.00	(1.00)	(16,824)
(031563) ESS III, SR20	N	0.00	(1.00)	(42,132)
(031587) ESS III, SR20	N	0.00	(1.00)	(18,180)
(031588) ESS III, SR20	N	0.00	(1.00)	(42,132)
(032448) ESS I, SR16	N	0.00	(1.00)	(36,024)
(032638) ESS III, SR20	N	0.00	(1.00)	(42,132)
(034982) ESS III, SR20	N	0.00	(1.00)	(42,132)
(034983) ESS III, SR20	N	0.00	(1.00)	(42,132)
(034987) ESS III, SR20	N	0.00	(1.00)	(42,132)
(034991) ESS I, SR16	N	0.00	(1.00)	(15,546)
(034997) ESS III, SR20	N	0.00	(1.00)	(18,918)
(034999) ESS III, SR20	N	0.00	(1.00)	(42,132)
(035002) ESS I, SR18	N	0.00	(1.00)	(16,824)
(035004) ESS II, SR18	N	0.00	(1.00)	(16,824)
(035015) ESS III, SR20	N	0.00	(1.00)	(42,132)
(035162) ESS I, SR16	N	0.00	(1.00)	(36,024)
(039099) ESS III, SR20	N	0.00	(1.00)	(42,132)
(039100) ESS III, SR20	N	0.00	(1.00)	(42,132)
(040025) ESS II, SR18	N	0.00	(1.00)	(38,988)
(040198) ESS III, SR20	N	0.00	(1.00)	(42,132)
(040271) ESS II, SR18	N	0.00	(1.00)	(38,988)
(040638) ESS III, SR20	N	0.00	(1.00)	(42,132)
(040639) ESS II, SR18	N	0.00	(1.00)	(38,988)
(041926) ESS III, SR20	N	0.00	(1.00)	(12,726)
(042386) Office Asst III, SR08	N	0.00	(1.00)	(25,668)
(042425) ESS IV, SR22	N	0.00	(1.00)	(45,576)
(042426) ESS III, SR20	N	0.00	(1.00)	(23,028)
(042428) ESS III, SR20	N	0.00	(1.00)	(23,946)
(042432) Emp Aid IV, SR11	N	0.00	(1.00)	(28,836)

(042433) Emp Aid IV, SR11	N	0.00	(1.00)	(18,918)
(043136) ESS III, SR20	N	0.00	(1.00)	(18,918)
(043295) Emp Aid IV, SR13	N	0.00	(1.00)	(31,212)
(047913) ESS II, SR18	N	0.00	(1.00)	(18,180)
(047914) ESS II, SR18	N	0.00	(1.00)	(18,180)
(047915) ESS III, SR20	N	0.00	(1.00)	(19,668)
(047932) ESS III, SR20	N	0.00	(1.00)	(42,132)
(052824) ESS III, SR20	N	0.00	(1.00)	(42,132)
(052825) ESS III, SR20	N	0.00	(1.00)	(42,132)
(052827) ESS III, SR20	N	0.00	(1.00)	(42,132)
(052831) ESS III, SR20	N	0.00	(1.00)	(42,132)
(052833) ESS III, SR20	N	0.00	(1.00)	(42,132)
(052835) ESS III, SR20	N	0.00	(0.65)	(42,132)
(052836) ESS I, SR16	N	0.00	(1.00)	(42,132)
(052838) ESS III, SR20	N	0.00	(1.00)	(42,132)
(052839) ESS III, SR20	N	0.00	(0.50)	(42,132)
(052840) ESS III, SR20	N	0.00	(1.00)	(42,132)
(054613) ESS III, SR20	N	0.00	(1.00)	(38,988)
(054614) ESS II, SR18	N	0.00	(1.00)	(38,988)
(106039) Clerk Typist II, SR08	N	0.00	(1.00)	(21,096)
(110717) ESS II, SR18	N	0.00	(1.00)	(38,988)
(110718) ESS I, SR16	N	0.00	(1.00)	(36,024)
(110719) ESS III, SR20	N	0.00	(1.00)	(42,132)
(110720) ESS II, SR18	N	0.00	(1.00)	(38,988)
(110721) ESS II, SR18	N	0.00	(1.00)	(38,988)
(112134) Office Asst III, SR08	N	0.00	(1.00)	(25,668)
(112234) Office Asst III, SR09	N	0.00	(1.00)	(25,668)
Other Personal Services				
RIF Adjustment	N			22,496
Fringe Benefits	N			(1,170,654)
Turnover Savings				
Subtotal Personal Service Costs		(29.00)	(61.15)	(4,331,167)
By MOF	A	0.00	0.00	0
	B	0.00	0.00	0
	N	(29.00)	(61.15)	(4,331,167)

B. Personal Services (111/PB-2) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(06795) ESS IV, SR22	A	(1.00)	0.00	(20,140)
(022377) Office Asst III, SR08	A	(0.10)	0.00	(2,567)
(022377) Office Asst III, SR08	N	(0.40)	0.00	(10,267)
(025307) ESS VI, SR26	N	(1.00)	0.00	(55,500)
(022429) Office Asst III, SR08	N	0.00	(1.00)	(23,736)
(102541) HRD Coordinator, SRNA	B	0.00	(1.00)	(58,817)
(103057) HRD Prog Spec, SRNA	B	0.00	(1.00)	(34,637)

(106201) HRD Asst. SRNA	B	0.00	(1.00)	(33,216)
Other Personal Services				
RIF Adjustment	N			10,585
Fringe Benefits	B			(46,919)
Fringe Benefits	N			(29,231)
Subtotal Personal Service Costs		(2.50)	(4.00)	(304,445)
By MOF	A	(1.10)	0.00	(22,707)
	B	0.00	(3.00)	(173,589)
	N	(1.40)	(1.00)	(108,149)

B. Personal Services (111/PA-3) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(018810) ESS III, SR20	U	0.00	(1.00)	(42,132)
(024374) ESS III, SR20	U	0.00	(1.00)	(42,132)
(031978) ESS III, SR20	U	0.00	(1.00)	(42,132)
(032452) ESS II, SR18	U	0.00	(1.00)	(38,988)
(034961) ESS III, SR20	U	0.00	(1.00)	(42,132)
(034985) ESS II, SR18	U	0.00	(1.00)	(38,988)
(034986) ESS II, SR18	U	0.00	(1.00)	(38,988)
(034989) ESS II, SR18	U	0.00	(1.00)	(38,988)
(034996) ESS II, SR18	U	0.00	(1.00)	(16,824)
(034998) ESS II, SR18	U	0.00	(1.00)	(16,824)
(040027) ESS II, SR18	U	0.00	(1.00)	(38,988)
(046979) ESS III, SR20	U	0.00	(1.00)	(42,132)
(047918) ESS III, SR20	U	0.00	(1.00)	(19,668)
(047919) ESS III, SR20	U	0.00	(1.00)	(19,668)
(047931) ESS II, SR18	U	0.00	(1.00)	(18,180)
(047933) ESS III, SR20	U	0.00	(0.50)	(21,066)
(047940) ESS III, SR20	U	0.00	(0.50)	(21,912)
(047942) ESS II, SR18	U	0.00	(1.00)	(38,988)
(047943) ESS III, SR20	U	0.00	(1.00)	(57,708)
(047944) ESS II, SR18	U	0.00	(1.00)	(45,576)
(047945) ESS II, SR18	U	0.00	(1.00)	(38,988)
(047946) ESS III, SR20	U	0.00	(1.00)	(42,132)
(049738) ESS II, SR18	U	0.00	(1.00)	(16,824)
(052828) ESS II, SR18	U	0.00	(1.00)	(38,988)
(052829) ESS II, SR18	U	0.00	(1.00)	(38,988)
(052832) ESS III, SR20	U	0.00	(1.00)	(42,132)
(117050) ESS II, SR18	U	0.00	(1.00)	(38,988)
(117140) ESS II, SR18	U	0.00	(1.00)	(38,988)
Other Personal Services				
Fringe Benefits	U			(362,267)
Turnover Savings				
Subtotal Personal Service Costs		0.00	(27.00)	(1,340,309)
By MOF	A	0.00	0.00	0
	B	0.00	0.00	0

	N	0.00	0.00	0
	U	0.00	(27.00)	(1,340,309)

C. Personal Services (111/PA-4) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	B			(27,445)
Furlough Savings	N			(580,782)
Furlough Savings	U			(158,379)
Fringe Benefits	B			(10,165)
Fringe Benefits	N			(215,122)
Fringe Benefits	U			(58,663)
Administrative Adjustment	B			33,280
Administrative Adjustment	N			(248,663)
Administrative Adjustment	U			(93,681)
Turnover Savings not realized	B			22,612
Turnover Savings not realized	N			353,506
Turnover Savings not realized	U			99,886
Subtotal Personal Service Costs		0.00	0.00	(883,616)
By MOF	A	0.00	0.00	0
	B	0.00	0.00	18,282
	N	0.00	0.00	(691,061)
	U	0.00	0.00	(210,837)

C. Personal Services (111/PB-3) Position Title, SR	MOF	FY 10 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(1,361)
Furlough Savings	B			(7,960)
Furlough Savings	N			(86,378)
Fringe Benefits	B			(2,949)
Fringe Benefits	N			(31,994)
Administrative Adjustment	B			(792)
Administrative Adjustment	N			(67,119)
Turnover Savings not realized	B			7,346
Turnover Savings not realized	N			42,950
Subtotal Personal Service Costs		0.00	0.00	(148,257)
By MOF	A	0.00	0.00	(1,361)
	B	0.00	0.00	(4,355)
	N	0.00	0.00	(142,541)

D. Personal Services (111/PA-5) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(91002) WD Spclt IV, SR22	U	0.00	(1.00)	(45,576)

(93006) Program Spclt I, SR20	B	0.00	(1.00)	(42,132)
(93006) Program Spclt I, SR20	N	0.00	1.00	42,132
(93012) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96112) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96112) WD Spclt II, SR20	N	0.00	1.00	42,132
(96113) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96113) WD Spclt II, SR20	N	0.00	1.00	42,132
(96114) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96114) WD Spclt II, SR20	N	0.00	1.00	42,132
(96115) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96115) WD Spclt II, SR20	N	0.00	1.00	42,132
(96116) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96116) WD Spclt II, SR20	N	0.00	1.00	42,132
(96117) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96117) WD Spclt II, SR20	N	0.00	1.00	42,132
(96118) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96119) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(96120) WD Spclt II, SR20	U	0.00	(1.00)	(42,132)
(98001) WD Spclt II, SR20	B	0.00	(0.50)	(21,066)
(98001) WD Spclt II, SR20	N	0.00	0.50	21,066
(98002) WD Spclt II, SR20	B	0.00	(0.50)	(21,066)
(98002) WD Spclt II, SR20	N	0.00	0.50	21,066
(98003) WD Spclt II, SR20	B	0.00	(0.50)	(21,066)
(98003) WD Spclt II, SR20	N	0.00	0.50	21,066
(98004) WD Spclt II, SR20	B	0.00	(0.50)	(21,066)
(98004) WD Spclt II, SR20	N	0.00	0.50	21,066
(98005) WD Spclt II, SR20	B	0.00	(0.50)	(21,066)
(98005) WD Spclt II, SR20	N	0.00	0.50	21,066
(98006) WD Spclt II, SR20	B	0.00	(0.50)	(21,066)
(98006) WD Spclt II, SR20	N	0.00	0.50	21,066
(98007) WD Spclt II, SR20	B	0.00	(0.50)	(21,066)
(98007) WD Spclt II, SR20	N	0.00	0.50	21,066
Other Personal Services				
Fringe Benefits	B			(70,226)
Fringe Benefits	N			163,860
Fringe Benefits	U			(172,938)
Subtotal Personal Service Costs		0.00	(5.00)	(293,408)
By MOF	A	0.00	0.00	0
	B	0.00	(4.50)	(259,820)
	N	0.00	10.50	606,246
	U	0.00	(11.00)	(639,834)

D. Personal Services (111/PB-4) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(91002) WD Spclt IV, SR22	N	0.00	1.00	45,576
(93012) WD Spclt II, SR 20	N	0.00	1.00	42,132
(93118) WD Spclt II, SR 20	N	0.00	1.00	42,132

(93119) WD Spclt II, SR 20	N	0.00	1.00	42,132
(93120) WD Spclt II, SR 20	N	0.00	1.00	42,132
Other Personal Services				
Fringe Benefits	N			79,304
Subtotal Personal Service Costs		0.00	5.00	293,408
By MOF	A	0.00	0.00	0
	B	0.00	0.00	0
	N	0.00	5.00	293,408

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

None.

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

1 filled and 131.65 vacant positions.

VI. Identify restrictions carried over from FY 2010 as well as additional restrictions due to the Department of Budget and Finance's budget ceilings for FY 2011.

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

None.

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

None.

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number: 020102

Program ID and Title: LBR 135, Workforce Development Council

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

I. Introduction

A. Summary of Program Objectives

The Workforce Development Council (WDC) is the policy advisory body to the Governor and State Legislature on workforce development. Workforce development encompasses a broad range of programs and services in workforce development, including employment training, career and skills development, and industry and occupation information. The Council is also the state oversight body for federally funded workforce investment programs. The WDC is responsible for the state workforce development strategic plan and a five year workforce investment act plan, which is required by the U.S. Department of Labor in order for Hawaii to receive over \$ 6.2 million in Workforce Investment Act funds. The federal Workforce Investment Act (WIA) of 1998 gives significant responsibilities to the WDC and opportunities for the state to build a skilled, competitive workforce to drive new economic development. The WDC's program goals are to:

1. Provide opportunities to all people to gain and maintain skills, attitudes and behaviors to compete in the workforce and be self-sufficient;
2. Expand the labor pool; and
3. Implement a workforce system in synergy with education and economic development.

B. Description of Program Objectives

1. Develop and oversee policies, programs and services to assist customer jobseekers to obtain employment, employers to secure a skilled workforce, and youth to become well-educated and work-ready;
2. Update and implement the Hawaii workforce development strategic plan to coordinate a statewide workforce system linking education, employment and economic development priorities and connecting activities; and

3. Analyze and construct a collaborative performance data system to measure performance assessments, benchmarks and results.

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

Other important program objectives that complement and support the major objectives are:

1. Assess the coordination between workforce needs and education preparation, and economic initiatives; and institute continuous improvement practices;
2. Serve as an information resource, clearinghouse and website with connecting links to workforce data, education and training; and workforce program and project activities;
3. Analyze and interpret workforce information particularly with regard to changes in industries, occupations and communities; and the economic and social effects of these changes;
4. Identify unmet workforce and economic development needs and how public and private collaboration can address those needs;
5. Create public awareness and understanding of the state's workforce plan, policies, programs and activities;
6. Submit a yearly report to the Governor and Legislature on workforce issues, the state of employment, an inventory of federal and state funded programs and services, a progress report on system coordination and funding streams, and recommendations for legislative and administrative consideration and implementation;
7. Provide technical assistance to local workforce boards;
8. Provide resources and leadership to improve the content, access and delivery of the state's career information system; and
9. Carry out the workforce development functions and duties of the state workforce investment board as required by the Workforce Investment Act of 1998.

- C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

The Council is guiding the coordination of a state workforce system through private and public sector board partnerships at the state and local levels. Accountability is driven by performance results with federal incentives and penalties at stake. Coalition-building and private sector Council membership extend the reach of the Council's influence. The Council is focusing on:

1. Coalitions to support One-Stop delivery of integrated services;
2. Coalitions through local youth councils to create a comprehensive system of youth services;
3. A website to provide and link to comprehensive information for job seekers, employers, youth, and program planners;
4. State and local implementation of the federal workforce investment act, including monitoring and improved performance on the act's measures; and
5. Expansion of the State's labor pool through better education of youth and incumbent workers, skill-building projects, and strategies to hire populations that are not participating in the workforce.

The Council has 31 members, including the Governor and four members from the State Legislature, two each from the Senate and House, and all four local workforce investment board chairs. Presently, there is a staff of one Executive Director and two professional staff. Three Council members serve on the University of Hawaii's Career and Technical Education Coordinating Advisory Council. One Council member serves on the State Council for Vocational Rehabilitation, and the Council staff serves on a number of advisory boards and task forces with goals to improve education.

Three-fifths of the Council's operating budget is derived from federal funding.

II. Program Performance Results

- A. Discuss the performance results achieved by each program in FY 2009.

1. Hawaii met or exceeded 11 of its 17 negotiated WIA Title I-B program performance targets. 11 targeted outcomes met the 80% outcome. 8 of the 11 performance targets exceeded the negotiated performance levels. The state met its negotiated outcomes relating to employment, retention, earnings, employability among adults and dislocated workers who have exited the program, and retention and skills development or employability of youth ages 14-18. The State did not meet older youth and customer satisfaction targets. The WDC and USDOL are currently providing technical assistance to evaluate and correct these deficiencies.
2. The percentage of success in advancing administrative and legislative recommendations by 50% was met by the WDC. For example, the WDC recommended in its Comprehensive State Plan that the Administration and the Legislature look at allowing UI claimants to gain on-the-job training with employers. The UI claimant would receive job training, while the employer provided the training and evaluated whether or not to hire the individual at the end of the training time. This initiative has been picked up by the DLIR for implementation in 2010.
3. The percentage of satisfaction with the WDC's effectiveness as measured by community assessment meets the planned level at 70%.
4. As planned, the Council completed 90% of its federal Workforce Investment Act (WIA) responsibilities.

Major highlights for FY 2009 include the Council's submittal of seven federal waivers on behalf of the state and four counties. Additionally, the Council also negotiated State WIA Performance Targets with the local counties and the U.S. Department of Labor. The Council also drafted and submitted the FY 2008 Annual WIA Performance Report, as well as the American Recovery and Reinvestment Act State Plan Modification for Title I-B of the WIA and Wagner Peyser Act.

5. The number of reports and publications completed met the target of 5.

The Council drafted and or sponsored the following

reports and publication during FY 2009:

- a. "Comprehensive State Plan for Workforce Development - 2009 to 2014 and Annual Report"
<http://hawaii.gov/labor/wdc/pdf/WDC%20Comp%20Report%20-%20061509%20FINAL.pdf>
- b. "Workforce Investment Act Title 1-B Annual Performance Report, PY July 2007 to June 2008, Year 8."
<http://hawaii.gov/labor/wdc/pdf/FINAL%20Oct%201.pdf>
- c. "State Plan Modification for Implementing the Employment and Training Provisions of the American Recovery and Reinvestment Act - Title 1-B of the Workforce Investment Act and the Wagner-Peyser Act."
http://hawaii.gov/labor/wdc/pdf/State%20Plan%20Mod_061909_FINAL.pdf
- d. "Educating and Training Tomorrow's Green Workforce Report" Presentation to the American Recovery and Reinvestment Act: Supporting the Aloha State to "Go Green" workshop sponsored By Congressman Neil Abercrombie.
http://www.house.gov/abercrombie/pdf/greenjobs_HardwayWDC.pdf
- e. "Innovation and Technology in Hawaii: An Economic and Workforce Profile"
http://www.hiscitech.org/data/n_0001/resources/live/Innovation+Tech+Hawaii+Report+Sept30.pdf

6. The Council met the goal of 120 organizations participating in the Annual WDC Forum, as well as others. The Council held its annual forum with community stakeholders and the National Governor's Association on January 12, 2008 at Kapiolani Community College. Additionally, the Council has sponsored or been involved in several other forums focusing on workforce development from the Bio-energy Master Plan to ARRA Workshops an Green Jobs associated with the Recovery Act.

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

Report recommendations suggested improvements to worker supply, worker preparation, and information for workforce development policy. Follow-up actions are

initiatives taken to assist, motivate and support implementation of suggested recommendations.

These results relate to the DLIR's program objectives of building a highly skilled and globally competitive workforce through collaborative public-private partnerships.

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

See item A above.

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

See item A above.

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

None.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any.

The economic environment in Hawaii was not conducive for implementing Hawaii Title WIA IB program State and local area strategic plans. At the onset of PY 2008, the four local area WIA One-Stop delivery systems were strategically geared to addressing Hawaii's severe labor shortages, but instead they were sought to address layoff aversion and rapid reemployment. In FY 2007, Hawaii's average unemployment rate was 2.63 per cent. By August 2009, Hawaii's UI rate was averaging 6.93 per cent. This rapid escalation of the state's UI rate, and subsequent deterioration of the economy, led the State and local areas, in turn, to reconfigure their strategies towards this new development utilizing funding allocated on better economic times. Fortunately, at the end of PY 2008, the State and local areas received a boost with the American Recovery and Reinvestment Act supplemental funding.

In terms of long term workforce development issues, there are five major structural barriers to workforce development:

1. Job quality gap. An estimated 30% of jobs in Hawaii pay a living wage - approximately \$49,500 per year statewide for a family of four.
2. Worker supply gap. Like other states, Hawaii is experiencing the beginning of a long-term worker supply gap as the "baby boomers" begin to leave the labor market, and fewer high school graduates replace them.
3. Worker preparation gap. Hawaii is not preparing its people for the types of higher-skilled jobs that are necessary to meet global competition. The root causes include (a) inadequate preparation throughout the Kindergarten-12 levels, and (b) lack of employer incentives for incumbent worker education.
4. Poorly performing educational pipeline. Directly related to worker preparation is the need for Hawaii's workers to attend post-secondary education or training to attain competitive, high-level skills. This means (a) a good Kindergarten-12 system that produces well-educated and work-ready youth, and (b) strategies to keep already-working individuals up-to-date and learning new skills.
5. Workforce Housing. The lack of affordable housing limits the ability of the State in retaining and attracting both skilled and unskilled labor.

B. Program Change Recommendations to Remedy Problems

None.

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 2010

	Act 162/09 FY 2010	Collective Bargaining	± Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	3.00			3.00	3.00
Personal Services	\$ 345,372		(34,881)	310,491	\$ 310,491
Current Expenses	252,813			252,813	252,813
Equipment	4,805			4,805	4,805
Motor Vehicles					
Total	\$ 602,990	\$ -	\$ (34,881)	\$ 568,109	\$ 568,109
Less:					
Pos. Count					
Special Fund					
Pos. Count					
Federal Fund	459,236		(16,776)	442,460	442,460
Pos. Count					
Other Funds					
Pos. Count	3.00			3.00	3.00
Gen. Fund	143,754		(18,105)	125,649	125,649
* 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 I.D.s and its Impact on the Program.

None.

C. Explain all Restrictions and its Impact on the Program.

Furlough savings will not significantly change the measures of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY 2011	Budget Adjustment	Supplemental Budget FY 2011
Pos. Count	3.00	(2.00)	1.00
Personal Services	\$ 345,372	\$ (167,519)	\$ 177,853
Current Expenses	252,813		252,813
Equipment	4,805		4,805
Motor Vehicles			
Total	\$ 602,990	\$ (167,519)	\$ 435,471
Less:			
Pos. Count			
Special Fund			
Pos. Count			
Federal Fund	459,236	(110,302)	348,934
Pos. Count			
Other Funds			
Pos. Count	3.00	(2.00)	1.00
Gen. Fund	143,754	(57,217)	86,537

A. Workload or Program Request

1. Description of request, reason for the request, and desired outcomes or objectives to be accomplished.
 - a. Abolish 2 filled positions due to lay-offs.
 - b. Abolish 2 vacant positions due to funding.
 - c. Reductions due to furlough savings and adjustments to personal services.
2. Listing/description of positions requested, and funding requirements by cost category and source of funding.

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(015033) Secretary II, SR14	A	(1.00)	0.00	(34,959)
(022523) Emp Analyst V, SR24	A	(1.00)	0.00	(41,357)
Other Personal Services				

(100278) Exec Dir, SRNA salary (adj)	A	0.00	0.00	26,941
Fringe Benefits				
Turnover Savings				
Subtotal Personal Service Costs		(2.00)	0.00	(49,375)
By MOF	A	(2.00)	0.00	(49,375)
	B	0.00	0.00	0
	N	0.00	0.00	0

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(030515) Prog Spec IV, SR22	N	0.00	(1.00)	(45,576)
(030516) Emp Analyst V, SR24	N	0.00	(1.00)	(51,312)
Other Personal Services				
Fringe Benefits	N			(35,887)
Turnover Savings				
Subtotal Personal Service Costs		0.00	(2.00)	(132,775)
By MOF	A	0.00	0.00	0
	B	0.00	0.00	0
	N	0.00	(2.00)	(132,775)

C. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(7,842)
Furlough Savings	N			(10,137)
Fringe Benefits	N			(3,755)
Administrative Adjustment	A			(7,493)
Administrative Adjustment	N			30,853
Salary adjustment-Executive Director	A			7,493
Fringe Benefits				
Turnover Savings not realized	N			5,512
Subtotal Personal Service Costs		0.00	0.00	14,631
By MOF	A	0.00	0.00	(7,842)
	B	0.00	0.00	0
	N	0.00	0.00	22,473

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.

Two positions were filled and were notified that the

Department had identified them for a Reduction in Force (RIF). Subsequently, one person retired prior to the RIF and one person was displaced. Two vacant non-funded federal positions were also abolished during the RIF process.

VI. Identify restrictions carried over from FY 2010 as well as additional restrictions due to the Department of Budget and Finance's budget ceilings for FY 2011.

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

The loss of 40% of staffing was due to the RIF process implemented by the Department to meet the 14% budget restrictions imposed on the DLIR. The positions were cut because they were partially state-funded.

The loss of 100% of clerical support and the senior Employment Analyst has impacted the ability of the program to carry out all of its legislatively mandated objectives. However, the program is adjusting by prioritizing state and federal objectives.

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

Two positions were unfunded and unfilled (Employment Analyst V and Program Specialist IV).

Two positions were filled (Employment Analyst V and Secretary II). Both of these positions were funded by both State and federal WIA monies.

VII. Capital Improvement Request for FY2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number: 020201

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

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

I. Introduction

A. Summary of Program Objectives

To assure that 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 unannounced compliance inspections and enforcement through citations and penalties.

Investigations are conducted on a random basis and 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 those 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 safety of the equipment and operation in accordance with nationally recognized standards adopted by the program as protection for public users.

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."
Maintaining the quality of life and preventing injuries

and illnesses to the public and workers is of utmost importance.

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 on a random basis and 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 department has been afforded 18(e) status by the U.S. Department of Labor (DOL), 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.

- C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

The division 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:

- (1a) 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.

(1b) 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-month 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 2009.

In FY 2009, the HIOSH evaluated themselves, and also were evaluated by OSHA in accordance with federal regulations that address the OSH Act requirement for state plans to be "as effective as" OSHA. OSHA has not yet issued the Federal Fiscal Year 2008 Evaluation of the HIOSH, which covers the period from October 2007 to September 2008.

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 like 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>2008</u>	<u>%Change</u>
<u>Workers' Comp. Data</u>			
1. Work Comp. Costs	\$288.5 mil.	\$245.8 mil.	-14.8%
2. Reported Cases	33,628	24,542	-27.0%
3. Average Cost/Case*	\$5,193	\$6,909	+33.0%
<u>Bureau of Labor Statistics</u> (private sector)			
4. Injury/Illness Rate	6.8	4.3	-36.8%
5. Lost Workday Cases	3.6	2.6	-27.8%

Data Sources

- (1) Workers' Compensation Data Book, DLIR - 1996-2008 (latest available)
- (2) Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, 1996-2008 (latest available)

Workers' compensation reported cases and the BLS injury and illness rates show decreases since 1996. Workers' compensation costs and cost per case, however, fluctuate for a total decrease of 14.8% and a total increase of 33.0%, respectively.

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

Both the current and new performance measures tie into the mission of the department which is to assure the quality of life for workers through safe and healthful places of employment. 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., outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The 5-year Strategic Plan and its Annual Performance Plans include activities, intermediate outcomes and primary outcome measures for each of the strategic objectives. Data tables detailing performance goals and measures, data sources, and baseline information for each Strategic Goal and Objective for FY 2008 and FY 2009 are available and will be transmitted under separate cover as requested.

- 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, including those which the OSH Program has no jurisdiction, such as transportation incidences.

III. Problems and Issues

A. Discuss Problems and Issues Encountered If Any

The Reduction in Force (RIF) affected a total of 12 positions in the Hawaii Occupational Safety and Health division (HIOSH). Fair and effective enforcement is the core function of the division. Accordingly, no safety and health inspector positions were cut in the RIF. Federal OSHA has been apprised of the effects of the RIF caused by the State's current fiscal crisis.

The positions that were affected were predominately administrative support positions. Federal officials have commented that Hawaii's clerical staff was overstaffed when compared to others. Additionally, three (3) occupational safety and health consultant positions were affected. Consultants promote voluntary compliance with the occupational safety and health laws by providing advice and training to employers on ways to prevent accidents and improve employers' safety and health programs.

Federal OSHA benchmarks prescribed for the HIOSH was last set in 1980, over three decades ago. These staffing benchmarks were set at nine (9) safety inspectors and nine (9) health inspectors in the Enforcement Branch. In the Consultation and Training Branch, the benchmarks were set at two (2) safety consultants, two (2) health consultants, and one (1) safety compliance assistant specialist.

With the RIF and the loss of vacancies, the Enforcement Branch will have five (5) front-line safety inspectors and one (1) working supervisor and five (5) front-line health inspectors and one (1) working manager.

In the Consultation and Training Branch, there remains one (1) safety consultant, one (1) health consultant, and one (1) branch manager.

The abolishment of positions and vacancies necessitate

restructuring to focus on the most efficient allocation of resources to accomplish essential functions.

B. Program Change Recommendations to Remedy Problems

The HIOSH is undergoing a reorganization to properly allocate resources on achieving core and essential functions. At the core of the HIOSH mission is to ensure fair and effective enforcement.

In addition to reorganizing, the Department has engaged federal OSHA discussion of potential remedies including the lowering of staffing benchmarks last set three (3) decades ago, when injury and illness rates in Hawaii were dramatically higher than they are today.

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.

See above.

IV. Expenditures for Fiscal Year 2010

	Act 162/09 FY 2010	Collective * Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	55.50			55.50	55.50
Personal Services	\$ 3,168,202		(330,221)	\$ 2,837,981	\$ 2,837,981
Current Expenses	863,238			863,238	863,238
Equipment					
Motor Vehicles					
Total	\$ 4,031,440	\$ -	\$ (330,221)	\$ 3,701,219	\$ 3,701,219
Less:					
Pos. Count					
Special Fund					
Pos. Count	25.50			25.50	25.50
Federal Fund	2,337,087		(131,687)	2,205,400	2,205,400
Pos. Count					
Other Funds	\$ 50,000			50,000	50,000
Pos. Count	30.00			30.00	30.00
Gen. Fund	1,644,353		(198,534)	1,445,819	1,445,819
* 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.

Furlough savings will not significantly change the measure of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	55.50	(25.50)	30.00
Personal Services	\$ 3,168,202	\$ (1,544,414)	\$ 1,623,788
Current Expenses	863,238		863,238
Equipment			-
Motor Vehicles			
Total	\$ 4,031,440	\$ (1,544,414)	\$ 2,487,026
Less:			
Pos. Count			
Special Fund			
Pos. Count	25.50	(16.00)	9.50
Federal Fund	2,337,087	(1,024,448)	1,312,639
Pos. Count			
Other Funds	50,000		50,000
Pos. Count	30.00	(9.50)	20.50
Gen. Fund	1,644,353	(519,966)	1,124,387

A. Workload or Program Request

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

- a. Abolish 12 filled positions due to layoffs.
- b. Abolish 11.50 vacant positions due to funding.
- c. Reduction due to furlough savings and adjustment to personal services.
- d. Abolish 2 vacant boiler/elevator positions due to funding.
- e. Reduction due to boiler/elevator furlough savings and adjustment to personal

services.

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

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(024657) OSH Advisor IV, SR22	A	(0.50)	0.00	(26,676)
(024657) OSH Advisor IV, SR22	N	(0.50)	0.00	(26,676)
(024658) OSH Advisor IV, SR22	A	(0.50)	0.00	(23,706)
(024658) OSH Advisor IV, SR22	N	(0.50)	0.00	(23,706)
(024659) OSH Advisor IV, SR22	A	(0.50)	0.00	(25,656)
(024659) OSH Advisor IV, SR22	N	(0.50)	0.00	(25,656)
(024660) Secretary II, SR14	A	(0.50)	0.00	(21,342)
(024660) Secretary II, SR14	N	(0.50)	0.00	(21,342)
(024663) Librarian IV, SR22	A	(0.50)	0.00	(33,744)
(024663) Librarian IV, SR22	N	(0.50)	0.00	(33,744)
(024676) Office Asst III, SR08	A	(0.50)	0.00	(13,878)
(024676) Office Asst III, SR08	N	(0.50)	0.00	(13,878)
(024677) Office Asst III, SR08	A	(0.50)	0.00	(15,018)
(024677) Office Asst III, SR08	N	(0.50)	0.00	(15,018)
(024679) OSH Prog Spec IV, SR22	A	(0.50)	0.00	(28,854)
(024679) OSH Prog Spec IV, SR22	N	(0.50)	0.00	(28,854)
(024680) Clerical Sup. III, SR14	A	(0.50)	0.00	(22,206)
(024680) Clerical Sup. III, SR15	N	(0.50)	0.00	(22,206)
(024681) Account Clerk III, SR11	A	(0.50)	0.00	(16,212)
(024681) Account Clerk III, SR11	N	(0.50)	0.00	(16,212)
(028436) OSH Prog Spec IV, SR22	A	(0.50)	0.00	(25,656)
(028436) OSH Prog Spec IV, SR22	N	(0.50)	0.00	(25,656)
(33912) OSH Prog Spec IV, SR22	A	(0.50)	0.00	(25,656)
(33912) OSH Prog Spec IV, SR22	N	(0.50)	0.00	(25,656)
Other Personal Services				
Fringe Benefits	N			(103,195)
Turnover Savings				
Subtotal Personal Service Costs		(12.00)	0.00	(660,403)
By MOF	A	(6.00)	0.00	(278,604)
	B	0.00	0.00	0
	N	(6.00)	0.00	(381,799)

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(000057) OSHCO IV, SR21	N	(0.50)	0.00	(21,342)
(004368) OSHCO III, SR19	N	(0.50)	0.00	(19,740)
(0006798) OSHCO IV, SR21	N	(0.50)	0.00	(21,342)
(018113) Office Asst III, SR08	N	(0.50)	0.00	(12,834)

Other Personal Services				
RIF Adjustments	A	0.00	0.00	7,620
Fringe Benefits				
Turnover Savings				
Subtotal Personal Service Costs		(2.00)	0.00	(84,996)
By MOF	A	(2.00)	0.00	(84,996)
	B	0.00	0.00	0
	N	0.00	0.00	0

E. Personal Services (List all positions)	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Position Title, SR				
Other Personal Services				
Furlough Savings	A			(34,151)
Administrative Adjustment	A			(12,679)
Fringe Benefits				
Turnover Savings				
Subtotal Personal Service Costs		0.00	0.00	(46,830)
By MOF	A	0.00	0.00	(46,830)
	B	0.00	0.00	0
	N	0.00	0.00	0

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.

12 filled positions and 13.50 vacant positions.

VI. Identify restrictions carried over from FY 2010 as well as additional reductions due to the Department of Budget and Finance's budget ceilings for FY 2011.

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

None.

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

None.

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

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, drug and lie detector tests; hear appeals of notifications of violation.
2. Issue certificates for the employment of minors, the payment of special minimum rates, and for 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; 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 2006 and FY 20072009.

In FY 20072009, the program conducted 744 737 investigations and found \$523,502523,236 in back wages for 402 569 employees. The program took in 794 809 new complaints and held 9190 hearings on work injury termination complaints and on appeals of Chapter 104 notices of violation. The program issued 13,52610,648 minors work permits, special minimum wage certificates, and pay exceptions. A total of 13,88113,429 inquiries were answered.

Throughout FY 20072009, 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 20082010.

- 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.

Measures of effectiveness include the length of time it takes to respond to a complainant, the number of investigations where monetary violations are found, and customer satisfaction with our services. Statistical monthly and annual reports of program activities and objectives are periodically reviewed to track program performance results.

The Unfortunately, tThe program restored will have to rreduce its program-initiated random compliance checks and suspend child labor outreach activities, which had been curtailed in previous years due to limited resources. The number of wage complaints increased this year by approximately thirty two percent. The use of current technology and experienced investigators assisted in allowing the program to maintain timeliness in conducting investigations and collecting back pay owed to workers. Implementation of an online child labor registration system improved program efficiency and has made the amount of traffic at our public counter decrease. This has resulted in positive customer satisfaction reviews.

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

1. Developed Continued development of web-based child labor registration for 16 and 17 year old workers to obtain work permits online.
2. Developed a Memorandum of Agreement with the Department of Education to coordinate joint enforcement of Chapter 104, HRS.
2. Continuing 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.
3. Implemented a strategic plan with specific goals and objectives and periodic evaluations to measure progress.
4. 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.

No modifications from previous year.

III. Problems and Issues

A. Discuss Problems and Issues Encountered If Any.

Expansion of work load without corresponding financing and staff to accommodate increase, specifically Act 61

16 and Act 62 7 amendments to Chapter 104, Hawaii Revised Statutes, including includes the submission to the Department of certified payrollscollective bargaining agreements on projects financed by special purpose revenue bonds; expanding scope of the law to construction projects in private buildings where more than fifty percent is leased by state and county agencies; and Act 179 amendment to Section 378-32, Hawaii Revised Statutes, adding unlawful termination due to on-site drug test.and submission of certified fringe benefit reporting forms.

B. Program Change Recommendations to Remedy Problems

The Department is working to identify training for personnel who do not have expertise in the expanded areas of Chapter 104. Multi-agency working groups are forming to provide assistance and consistency to the administration and enforcement of the expanded areas.

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.

Timeliness of investigations may is expected to suffer will be reduced due to RIF and department's abolishment of investigation specialist staff. Customer satisfaction may deteriorate. To correct this problem a fewer number of random investigations are being implemented. Further development of the webpage will be critical in reaching out to customers and maintaining world class service.

IV. Expenditures for Fiscal Year 20101007-2008

	Act 162/09 FY 2010	Collective ± Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	22.00			22.00	22.00
Personal Services	\$ 1,173,392		(158,143)	\$ 1,015,249	\$ 1,015,249
Current Expenses	23,431			23,431	\$ 23,431
Equipment					
Motor Vehicles					
Total	\$ 1,196,823	\$ -	\$ (158,143)	\$ 1,038,680	\$ 1,038,680
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		(158,143)	\$ 1,038,680	\$ 1,038,680
* 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.

None RIF restrictions and restriction due to furlough savings dip in economy will result in less manhours available and affect will decrease the ability to timely complete investigations.

V. Supplemental

Biennium Budget Request for Fiscal Year FY 201108 - FY2009

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	22.00	(4.00)	18.00
Personal Services	\$ 1,173,392	\$ (248,671)	\$ 924,721
Current Expenses	23,431		23,431
Equipment			
Motor Vehicles			
Total	\$ 1,196,823	\$ (248,671)	\$ 948,152
Less:			
Pos. Count			
Special Fund			
Pos. Count			
Federal Fund			
Pos. Count			
Other Funds			
Pos. Count	22.00	(4.00)	18.00
Gen. Fund	\$ 1,196,823	\$ (248,671)	\$ 948,152

A. Workload or Program Request

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

Nonea. Abolish 3 filled positions due to layoffs.

- b. Abolish 1 vacant position due to funding.
- c. Reduction due to furlough savings.

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

A. Personal Services (List all positions)	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Position Title, SR				
(012642) LLES II, SR18	A	(1.00)	0.00	(38,988)
(012652) LLES IV, SR22	A	(1.00)	0.00	(51,312)
(016012) LLES IV, SR22	A	(1.00)	0.00	(45,573)
Other Personal Services				
Fringe Benefits				

Turnover Savings				
Subtotal Personal Service Costs		(3.00)	0.00	(135,873)
By MOF	A	(3.00)	0.00	(135,873)
	B	0.00	0.00	0
	N	0.00	0.00	0

B. Personal Services (List all positions)		FY 11 Request		
Position Title, SR	MOF	FTE (P)	FTE (T)	(\$)
(040806) LLE Supvr, SR26	A	(1.00)	0.00	(82,128)
Other Personal Services				
Fringe Benefits				
Turnover Savings not realized	A	0.00	0.00	63,361
Subtotal Personal Service Costs		(1.00)	0.00	(18,767)
By MOF	A	(1.00)	0.00	(18,767)
	B	0.00	0.00	0
	N	0.00	0.00	0

C. Personal Services (List all positions)		FY 11 Request		
Position Title, SR	MOF	FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A	0.00	0.00	(94,031)
Fringe Benefits				
Turnover Savings				
Subtotal Personal Service Costs		0.00	0.00	(94,031)
By MOF	A	0.00	0.00	(94,031)
	B	0.00	0.00	0
	N	0.00	0.00	0

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.

NoneThree Filled, One Vacant

VI. Identify restrictions carried over from FY 2006201008-

2007 2009 as well as additional restrictions due to Department of Budget and Finance's budget ceilings for FY2008FY201109-FY2009FY2010.

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

NoneOne supervisory position was not funded, two investigation specialist positions were not filled and three investigation specialist positions were rifted due to the budget concerns. This amounted to a total loss of 6 positions.

Without these positions, the caseload will be increased and delays in the resolution of complaints are expected.

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

NoneThree general funded specialist (two investigative and one supervisory) positions were not filled after June 30, 2009, and three general funded specialist filled positions were rifted. All six positions were abolished as of January 1, 2010.

VII. Capital Improvement Request for FY20112008-FY2009

None

VIII. Proposed Lapses of Capital Improvement Program Projects

None

Program Structure Number: 020203

Program ID and Title: LBR 153, Hawai`i Civil Rights Commission

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

I. Introduction

A. Summary of Program Objectives

The State Constitution mandates that no person shall be discriminated against in the exercise of their civil rights. The Hawai`i Civil Rights Commission enforces state laws prohibiting discriminatory practices in employment, housing, public accommodations, and access to services receiving state financial assistance, pursuant to Hawai`i Revised Statutes Chapters 368, 489, 515 and Part I of 378.

B. Description of Program Objectives

1. Receive, investigate, and conciliate complaints alleging any unlawful discriminatory practices in employment, housing, public accommodations, and access to State-funded services.
2. Hold contested case hearings on complaints alleging unlawful practices where conciliation efforts are inappropriate or unsuccessful, and order appropriate legal and equitable relief or affirmative action when a violation is found.
2. Commence actions in circuit court to seek appropriate relief including the enforcement of any Commission order.
4. Issue publications and results of investigations and research to promote goodwill and minimize or eliminate discrimination in employment, housing and public accommodations.

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

The objectives and activities discussed in the Multi-Year and Financial Plan for the FY 2010 - FY 2011 Biennium is substantially the same as those stated in I.A. AND I.B. above.

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

The priority of the HCRC for the remainder of FY 2010 and FY 2011 is to maintain our capacity in order to efficiently and effectively enforce our state civil rights laws.

Case Inventory and Processing: In the face of substantial funding and staffing cuts it will be difficult to maintain the recent progress made on completing investigations in 95% of all complaints within 24 months of filing. The HCRC will continue to actively reexamine its processes and attempt to avoid substantial increases in case inventory and length of time to investigate cases.

Voluntary Mediation Program: The HCRC will continue to improve and expand its voluntary mediation program to encourage and offer mediation in more cases. The HCRC is planning to expand mediation efforts in housing discrimination cases and in later stages of the HCRC process, both in conciliation and litigation of cause cases.

Public Awareness: The HCRC plans to continue its focus on public education activities during the upcoming year. The HCRC will continue its annual public training and co-sponsorship of the E Ola Pono Art, Video and Writing Contest for public and private school students statewide. The HCRC will work with federal, state, business, labor, and community partners to expand outreach and public education statewide, especially on the neighbor islands. The HCRC will continue to explore more public-private partnerships to develop user-friendly public education resources.

II. Program Performance Results

- A. Discuss the performance results achieved by each Program in FY 2009.

In addition to program measures of effectiveness,¹ other measures are employed to determine whether the program is meeting its objectives, including: cases processed through intake; cases in investigation (backlog or inventory); cases mediated², settled, or conciliated, and the relief secured; investigations

¹Program Measures of Effectiveness include: % Employment Discrimination Investigations Completed within 1 year; % Fair Housing Discrimination Investigations Completed within 150 days; % Public Accommodations Discrimination Investigations Completed within 1 year; % State Services Discrimination Investigations Completed within 1 Year.

²The HCRC implemented its voluntary mediation program in September 1998.

resulting in cause determinations; cases docketed for hearing, hearings conducted, and Commission final decision and orders; and Commission final determinations upheld by the Courts on appeal. In addition, the HCRC conducts ongoing public education and outreach efforts.

During FY 2009, ending June 30, 2009, the HCRC performed the following toward meeting its objectives: conducted 914 intake interviews, which led to the filing of 439 complaints³; closed 401 cases; maintained an investigation caseload of 381 cases at the end of the year; negotiated or conciliated settlements resulting in monetary relief in excess of \$806,400 and affirmative relief (including reinstatement, hiring, training and changes in discriminatory policies); docketed one case for hearing, and litigated one case in state circuit court and federal district court.

The HCRC continues to encourage and offer voluntary mediation in employment discrimination cases. During FY 2009, the HCRC's voluntary mediation program completed its tenth year of operation, working with the Mediation Centers of Hawai'i and community mediation centers on Oahu, Hawai'i, Maui, and Kauai. 20 cases settled in mediation for monetary relief totaling \$516,595.

During FY 2009, the HCRC Commission and staff participated in numerous public education forums and campaigns, conducted training for a wide variety of professional, business, and labor groups. In May 2008 and again in October 2009, both dates falling just outside FY 2009, the HCRC conducted its annual public training on intermediate and advanced topics at the Hawai'i Convention Center. Approximately 200 people attended each of the trainings.

During FY 2009, the HCRC website www.hawaii.gov/labor/hcrc continued to attract broad public interest and use, particularly of those pages on administrative rules, case decisions, and mediation.

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

The mission of the HCRC is to eliminate discrimination through enforcement of anti-discrimination laws and

³An additional 279 complaints were dual-filed with the HCRC through the U.S. Equal Employment Opportunity Commission (EEOC) and U.S. Department of Housing and Urban Development (HUD), and were assigned for investigation by EEOC or HUD.

education. Although the effectiveness of the HCRC cannot be measured in exclusively quantitative terms, these measures evidence how the HCRC's enforcement, litigation, and education efforts meet the program's objectives.

- 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.

During the past fiscal year, the HCRC accepted an average of 60 complaints per month, compared to 57 in the previous fiscal year; of these, an average of 23 complaints per month were dual-filed complaints originally filed and investigated by the U.S. Equal Employment Opportunity Commission (EEOC) or U.S. Department of Housing and Urban Development (HUD). Of the complaints investigated by the HCRC, an average of 33 cases closed per month, compared to 24 in the previous fiscal year. There were 18 cause determinations and 70 negotiated or conciliated settlements during the past fiscal year, compared to 23 cause determinations and 64 settlements the previous fiscal year. During the past fiscal year, case closures averaged 332 days per closure, compared to the previous fiscal year average of 333 days per closure, both reflecting successful concerted efforts to close oldest cases.

Although the effectiveness of the HCRC cannot be measured in exclusively quantitative terms, these measures evidence how the HCRC's enforcement efforts meet the program's objectives.

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

Investigation caseload has been a major HCRC concern over the years, with a peak of more than 620 open cases in the caseload inventory at the end of FY 1997 and FY 1998. Since then, the HCRC has successfully focused its efforts on reducing the investigation caseload inventory so that there were 334 open cases at end of FY 2008, increasing to 381 at the end of FY 2009.

A lower case inventory has allowed the HCRC to reduce the time it takes to investigate complaints, by targeting oldest cases for closure. During FY 2009, the HCRC continued to meet its goal of completing the investigation of 95% of all complaints within 24 months of filing, as an incremental approach to reducing the

length of time to investigate all cases to an ideal of 18 months.

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

The HCRC has not modified its program performance measures.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any.

- (1) Impact of General Fund Budget Reductions.

The capacity of the Hawai'i Civil Rights Commission (HCRC) to effectively perform its law enforcement functions is diminished by the substantial reductions in state general funding. This is a shared impact, as these cuts affect state agencies across the board, our employees, and the public that we serve. While acknowledging that our performance expectations must be adjusted based on substantial cuts to our funding, staffing, and resources, it is our collective task and responsibility to reexamine our processes, policies, and procedures as we strive to maintain performance of our core functions. For the HCRC, this presents a difficult proposition - how to perform our law enforcement responsibilities (investigating, conciliating, and litigating discrimination complaints), with fewer investigators, attorneys, and support staff.

At the beginning of the FY 2010 budget process (before the impact of the fiscal crisis), the HCRC's general fund (GF) Base Appropriation was \$1,355,403, based on the FY 2009 budget, and the HCRC base position count was 30 permanent positions and 5 temporary positions.⁴

The Final FY 2010 GF Budget passed by the legislature and approved by the Governor was \$1,049,279, a reduction of \$249,882. The final position count was 27 permanent positions and 5 temporary positions, a reduction of 3 positions.⁵

⁴ Of the base permanent position count of 30 positions, 5.5 permanent positions (full or partial funding of 9 positions) were federally funded; all 5 temporary positions were federally funded.

⁵ Of the final permanent position count of 27 positions, 5.5 permanent positions (full or partial funding of 9 positions) were federally funded; all 5 temporary positions were federally funded.

Additionally, in the first round RIF, four HCRC employees were laid off, resulting in the loss of 4 permanent positions, leaving 23 permanent positions / 5 temporary positions, and yielding a GF cost savings of \$168,072.

Finally, pursuant to the negotiated collective bargaining agreement, the HCRC joins the rest of the executive branch in implementing 18 furlough days during FY 2009-2010, losing 18 work days and yielding a GF cost savings of 9.77% of remaining GF salaries, or approximately \$86,000.

Thus, from the starting FY 2010 base GF appropriation of \$1,355,403, the HCRC GF budget has been reduced by: a) the final budget passed by the legislature; b) the RIF; and c) and the furloughs, for a total GF budget reduction of approximately \$504,048. This represents a 37% reduction from the FY 2010 base GF appropriation. The HCRC has lost 7 of 30 permanent positions, a 23% reduction. This includes the loss of 3 of 11 permanent investigator positions and 1 of 4 attorneys.

(2) Over-reliance on federal funds.

During the last major financial crisis under the Cayetano administration, the HCRC converted the means of funding of a large number of positions from state general funds to federal funds. As a result, eight permanent positions currently are wholly or partially federal funded, as are a number of temporary positions. The HCRC has been forced to rely on federal funds to pay for staffing the investigation, clerical, mediation/public education, and adjudication positions. In addition, because the HCRC general fund budget is heavily and almost exclusively dedicated to personal services, the HCRC has relied on federal funds for virtually all other operating expenses (postage, supplies, copying, phones, etc.), litigation and mediation costs, IT, transportation and inter-island travel.

The imposition of this additional shift in means of funding will have an understandably adverse effect on the HCRC and the effectiveness of its operations. Federal funding through HUD and EEOC

contracts is finite (\$211,230 for FY 2009) and unlikely to increase.⁶ At present funding levels, the HCRC will expend \$483,219 in federal funds in FY 2010 for personnel costs alone, or 229% of what we received under our FY 2009 federal contracts.⁷

Any additional cuts will exacerbate the impact on services, resulting in fewer investigations completed, longer times to complete investigations, fewer cases settled and conciliated, fewer cases litigated reduced public education and outreach.

While the HCRC does have a federal fund balance, those funds are used for almost all of non-personal services operating costs. The HCRC general fund budget is almost exclusively dedicated to personal services as a result of past budget cuts.

Faced with the choice between the loss of additional positions versus a short term commitment to fund general funded positions with federal funds, the HCRC implemented the short-term expenditure of federal funds to pay for general funded positions. This was done with the express understanding that the arrangement would not extend beyond the current biennium.

The reduction in state resources and funding dedicated to the investigation of dual-filed state-federal fair employment and fair housing complaints causes greater reliance on federal funding through HCRC work share agreements with the EEOC and HUD. Both EEOC and HUD contracts require maintenance of state efforts. Further reductions of state resources may jeopardize continued federal funding under the HCRC's contracts with EEOC and HUD.

6 HCRC Federal Funding FY 2009

HUD FY 2008 Contract	113,880
EEOC FY 2008 Contract	<u>97,350</u>
TOTAL	211,230

⁷ The \$483,219 in projected federal fund expenditure is the total of the amounts being expended for 4.0 federally funded positions (\$210,011) and four temporary positions currently filled (\$171,312), plus the use of \$101,896 in federal funds to cover a general fund payroll deficit..

(3) Problems and Issues Relating to Case Backlog, Timely Complaint Processing and Enforcement Resources.

Case backlog and enforcement resources have been a major concern since the HCRC began its operations on January 2, 1991 with a transferred backlog of 266 employment discrimination cases. In 1989, the Legislative Auditor recommended an optimum caseload of 30 cases per investigator.⁸ As of June 30, 1998, there were 623 cases pending in investigation, an average of 62 cases per each of ten HCRC line investigators. Through concerted efforts at backlog reduction, including the implementation of priority complaint processing and voluntary mediation, the investigation case inventory has been maintained at a more manageable level, down to 334 cases at the end of FY 2008, allowing for more effective use of resources.

HUD and EEOC have implemented contract provisions requiring state and local enforcement agencies to reduce aged case inventory. These federal initiatives are consistent with HCRC efforts to reduce the length of time of investigation without sacrificing effective law enforcement. The HCRC has responded by implementing internal policies and program initiatives including voluntary early stage mediation, priority charge processing, specialization in investigation, and increased preventative public education.

General fund budget reductions will impact the progress made on timely, efficient, and effective investigation of complaints. The investigation case inventory rose to 381 cases at the end of FY 2009. With projected increases in case filings and reduced staffing and resources, the case inventory is projected to increase again in FY 2010 and FY 2011.

B. Program Change Recommendations to Remedy Problems

See I. C. above.

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.

⁸ "A Study on Implementation of the Civil Rights Commission for the State of Hawai'i" (Report No. 89-9, January 1989).

See III. A & B above.

IV. Expenditures for FY 2010

	Act 162/09 FY 2010	Collective ± Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	27.00			27.00	27.00
Personal Svcs	\$ 1,581,333		(183,710)	\$ 1,397,623	\$ 1,397,623
Current Exp	143,969			143,969	143,969
Equipment					
Motor Vehicles					
Total	\$ 1,725,302	\$ -	\$ (183,710)	\$ 1,541,592	\$ 1,541,592
Less:					
Pos. Count					
Special Fund					
Pos. Count	5.50			5.50	5.50
Federal Fund	619,781		(42,294)	577,487	577,487
Pos. Count					
Other Funds					
Pos. Count	21.50			21.50	21.50
Gen. Fund	1,105,521		(141,416)	964,105	964,105
* 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 I.D.s and its Impact on the Program.

None.

C. Explain all Restrictions and its Impact on the Program.

Furlough savings will not significantly change the measures of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	27.00	(6.00)	21.00
Personal Services	\$ 1,581,333	\$ (232,627)	\$ 1,348,706
Current Expenses	143,969		143,969
Equipment			
Motor Vehicles			
Total	<u>\$ 1,725,302</u>	<u>\$ (232,627)</u>	<u>\$ 1,492,675</u>
Less:			
Pos. Count			
Special Fund			
Pos. Count	5.50	(1.50)	4.00
Federal Fund	619,781	(100,439)	519,342
Pos. Count			
Other Funds			
Pos. Count	21.50	(4.50)	17.00
Gen. Fund	1,105,521	(132,188)	973,333

A. Workload or Program Request

1. Description of request, reason for the request, and desired outcomes or objectives to be accomplished.
 - a. Abolish 4 filled positions due to lay-offs.
 - b. Abolish 3 vacant positions due to funding.
 - c. Reduction due to furlough savings.

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

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(047925) Legal Clerk, SR14	A	(1.00)	0.00	(37,968)
(047928) Investigator IV, SR22	A	(1.00)	0.00	(45,576)
(102235) Staff Attorney, SRNA	A	(0.50)	0.00	(38,952)
(102235) Staff Attorney, SRNA	N	(0.50)	0.00	(38,952)
(118848) Investigator IV, SR22	A	(1.00)	0.00	(45,576)
Other Personal Services				
Fringe Benefits	N			(14,428)
RIF Adjustment	A	0.00	0.00	3,000
Turnover Savings not realized	A	0.00	0.00	126,139
Turnover Savings not realized	N	0.00	0.00	35,949
Subtotal Personal Service Costs		(4.00)	0.00	(56,364)
By MOF	A	(3.50)	0.00	(38,933)
	B	0.00	0.00	0
	N	(0.50)	0.00	(17,431)

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(015980) Investigator VI, SR26	N	(1.00)	0.00	(55,500)
(028984) Investigator IV, SR22	N	0.00	(1.00)	(45,576)
(102380) Staff Attorney,	A	(1.00)	0.00	0
Other Personal Services				
Fringe Benefits	N			(37,439)
Turnover Savings not realized	N	0.00	0.00	93,284
Subtotal Personal Service Costs		(2.00)	(1.00)	(45,231)
By MOF	A	(1.00)	0.00	0
	B	0.00	0.00	0
	N	(1.00)	(1.00)	(45,231)

C. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(93,225)
Furlough Savings	N			(27,566)
Fringe Benefits	N			(10,211)
Turnover Savings				
Subtotal Personal Service Costs		0.00	0.00	(131,002)
By MOF	A	0.00	0.00	(93,225)
	B	0.00	0.00	0
	N	0.00	0.00	(37,777)

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.

4 filled positions and 3 vacant positions.

VI. Identify restrictions carried over from FY 2010 as well as additional reductions due to the Department of Budget and Finance's budget ceilings for FY 2011.

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

None.

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

None.

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number:020301

Program ID and Title: LBR 161, Public and Private Employment

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

I. Introduction

A. Summary of Program Objectives

To ensure the just administration of the laws governing collective bargaining in the public and private sectors, pursuant to Hawaii Revised Statutes (HRS) Chapters 89 and 377 and in the public sector, to promote harmonious and cooperative relations between government and its employees.

To promptly and fairly decide contests from the citations and orders of the Director of Labor and Industrial Relations relating to Occupational Safety and Health, pursuant to HRS Chapter 396.

B. Description of Program Objectives

1. Fairly conduct hearings and promptly decide prohibited practice and unfair labor practice complaints.
2. Provide impasse assistance where necessary.
3. Conduct representation proceedings and elections of exclusive representatives (certification, decertification, and amendment or clarification of appropriate bargaining units).
4. Determine the appropriateness of refunds of union dues to nonmember employees.
5. Fairly conduct hearings and promptly decide contests involving occupational safety and health issues.
6. Issue declaratory rulings on the applicability of statutes, rules, or orders of the Board to specific factual contexts.
7. Appear in court to defend its decisions and orders on appeal.
8. Maintain and provide lists of qualified arbitrators to parties upon their request.

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

A primary objective of the Board is to enforce and protect the rights of employees and unions to organize and bargain collectively in balance with the employer's rights to manage operations as provided by HRS Chapters 89 and 377 by resolving disputes brought before it in a fair and timely manner. The Board seeks to promote cooperation in the resolution of disputes and improve the relationships between employers, unions, and employees.

The Board also strives to ensure the right of workers to a safe and healthful work environment and encourage employer and employee efforts to reduce injury and disease arising out of employment by fairly resolving contests from citations and decisions of the Director of Labor and Industrial Relations pursuant to HRS Chapter 396, Occupational Safety and Health.

- C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

The Board strives to conduct its hearings and other proceedings, such as prohibited practice and unfair labor practice proceedings, objectively and to render timely decisions. In order to promote cooperation and improve the communication between the parties, the Board encourages the parties to seek the assistance of mediators to amicably resolve their disputes. The Board also maintains cases pending settlement on the hearing calendar and regularly meets with the parties to monitor their progress. The Board also reviews its performance and strives to improve the quality and timeliness of its decisions and orders by the efforts of its members and staff.

II. Program Performance Results

- A. Discuss the performance results achieved by each program in FY 2009.

During FY 2009, the Board conducted 87 pre-hearing or status conferences, 40 motions hearings, and 24 days of hearings on the merits of the contested cases before it, and closed 57 cases. The Board issued 4 decisions relating to collective bargaining and 99 orders, including 42 orders disposing of cases. The Board issued one Occupational Safety and Health decision and 43 orders, including 14 dispositive orders. The Board

was party to 23 court proceedings and was affirmed in 67% of its court appeals, either by the Circuit Court, Intermediate Court of Appeals, or the Supreme Court.

One measure of the Board's efficiency is the percentage of cases disposed of within 30 days of submission. During FY 2009, the Board closed 93% of the cases within 30 days. These cases vary in complexity; some involving issues affecting one employee and others affecting the rights of a large number of employees.

The number of cases resolved reflects the Board's [and staff's] efforts to dispose of pending cases either by decision or settlement. The number of cases resolved has decreased from previous years but the number of decisions and orders rendered within 30 days of closing remains fairly constant. The number of cases upheld on appeal also varies depending on which cases are considered and decided by the appellate courts.

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

The Board administers the laws regulating employee relations in the public sector of Hawaii and the private sector, which is not within the jurisdiction of the National Labor Relations Board. In addition, the Board decides contests arising from the decisions of the Director of Labor and Industrial Relations involving occupational safety and health. Thus, the efficiency of the Board in rendering credible decisions and orders resolving labor-management disputes and defining the rights of the employees, employers and the unions as well as in ensuring a safe working environment is critical in achieving good labor-management relations, workplace safety, and in promoting the Department of Labor and Industrial Relations' objective of improving the Quality of Worklife for Hawaii's workers.

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

The number of cases resolved, the number of decisions, which are rendered within 30 days, and the number of cases that are upheld on appeal measure the effectiveness of the program. During FY 2009, the Board resolved 57 cases, which reflects a decrease from 65 in FY 2008. Moreover, the percentage of decisions rendered within 30 days increased from 84% in FY 2008

to 93% in FY 2009. In addition the percentage of cases affirmed on appeal decreased slightly from 69% in FY 2008 to 67% in FY 2009.

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

In order to promote the amicable resolution of disputes and improve the communication between the parties, the Board encouraged the parties to seek the assistance of outside mediators and facilitated discussions with the principal parties. The Board also met regularly with the parties attempting to resolve their disputes to monitor their progress.

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

None.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered if Any.

None.

- B. Program Change Recommendations to Remedy Problems

None.

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

None.

IV. Expenditures for Fiscal Year 2010

	Act 162/09 FY 2010	Collective ± Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	1.00			1.00	1.00
Personal Services	\$ 454,895		(61,308)	\$ 393,587	\$ 393,587
Current Expenses	34,836			34,836	34,836
Equipment					
Motor Vehicles					
Total	\$ 489,731	\$ -	\$ (61,308)	\$ 428,423	\$ 428,423
Less:					
Pos. Count					
Special Fund					
Pos. Count					
Federal Fund					
Pos. Count					
Other Funds					
Pos. Count	1.00			1.00	1.00
Gen. Fund	\$ 489,731	\$ -	\$ (61,308)	\$ 428,423	\$ 428,423
* No Transfer In/Out					

A. Explain all transfers within the Program ID 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.

For fiscal year 2010, the Department of Budget and Finance restricted \$61,308 in A funds to reflect an anticipated across-the-board 3-day furlough for State employees. Salary reductions and furlough savings, as well as reductions in other programs, contributed to meet the restriction.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	1.00		1.00
Personal Service	\$ 454,895	\$ (30,559)	\$ 424,336
Current Expenses	34,836		34,836
Equipment			
Motor Vehicles			
Total	\$ 489,731	\$ (30,559)	\$ 459,172
Less:			
Pos. Count			
Special Fund			
Pos. Count			
Federal Fund			
Pos. Count			
Other Funds			
Pos. Count	1.00		1.00
Gen. Fund	\$ 489,731	\$ (30,559)	\$ 459,172

A. Workload or Program Request

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

Reduction due to furlough savings and adjustment to personal services.

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

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(47,381)
Fringe Benefits				
Turnover Savings not realized	A			16,822
Subtotal Personal Service Costs		0.00	0.00	(30,559)
By MOF	A	0.00	0.00	(30,559)
	B	0.00	0.00	0
	N	0.00	0.00	0

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.

None.

- VI. Identify restrictions carried over from FY 2010 as well as additional reductions due to the Department of Budget and Finance's budget ceilings for FY 2011.

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

Reductions of \$30,559 for FY 2010 and 2011, respectively, in A Funds reflect savings from mandatory salary adjustments by Act 85, Session Laws of Hawaii 2009 and furloughs imposed by Executive Orders 09-06, 09-07, 09-08, 09-09. These reductions will not impact the objectives to be accomplished by the program.

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

None.

- VII. Capital Improvement Request for Fiscal Year 2011

None.

- VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number: 020103

Program ID and Title: LBR171, Unemployment Compensation

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

I. Introduction

A. Summary of Program Objectives

To alleviate the economic hardships that result from loss of wage income during periods of involuntary unemployment.

B. Description of Program Objectives

1. Collection of contributions from subject employers to finance the payment of benefits.
2. Payment of benefits to eligible persons who are unemployed.

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

The activities to carry out the program objective to alleviate economic hardships of the unemployed are continuously monitored through federal measurements and standards. Emphasis will be placed on key components such as prompt benefit payments, elimination of deficiencies in the claims adjudication process, registration of subject employers, tax collection and reduction of tax delinquency, and strengthening management and the organization.

C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

The Unemployment Compensation program intends to meet its objectives by continuing to incorporate state-of-the-art technology and automation into its processes. The program will also continue to embrace the principle of making continuous improvements with particular emphasis on improving customer services.

II. Program Performance Results

A. Discuss the performance results achieved by each Program in FY 2009.

The Unemployment Compensation program is evaluated by

the U.S. Department of Labor (USDOL) for initial claims promptness as its primary performance measurement. The USDOL's standard is for the full payment of unemployment compensation to eligible claimants with the greatest promptness that is administratively feasible. The criteria used to determine whether there has been substantial compliance with this standard is that a minimum of 87% of first payments to intrastate claimants are made within 14 days of the first compensable week ending date and 93% within 35 days, and 70% of first payments to interstate claimants are made within 14 days of the first compensable week ending date and 78% within 35 days.

In FY 2009 and for the first five months of FY 2010, the UI Division's performance did not meet all initial claims promptness standards. The performance results of the initial claims promptness are as follows:

	<14 days	<35 days
Intrastate claimants		
FY 2009	82%	96%
FY 2010 (5 months)	77%	94%
Interstate claimants		
FY 2009	72%	90%
FY 2010 (5 months)	68%	87%

The UI Division did not achieve the federal standard of making 87% timely first payments within 14 days for intrastate claimants for FY 2009 and for the first 5 months of FY 2010. Although the UI Division met the federal standard of making 70% timely first payments within 14 days for interstate claimants in FY 2009, the performance for the first 5 months of FY 2010 was below the federal standard.

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

By achieving the USDOL's standard, eligible claimants will receive much needed financial assistance in a timely manner, thereby promoting the Department's mission of providing for the economic security and economic well-being of Hawaii's workers.

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

The effectiveness of the program is measured not only on how it achieves the USDOL initial claims promptness standards but also on the accuracy of benefit payments that are paid to claimants. The UI Division operates a federally mandated quality control program, which assesses the accuracy and appropriateness of unemployment compensation (UC) benefit payments. The accuracy measurement derived from this program is based on the premise that information derived from a statistically representative sample of claims can provide reliable information. Each week, a random sample of claims are reviewed using a strict methodology and an investigative process which includes in-depth interviews with the claimants, employers, unions, and other parties who impact the payment of benefits. Based on the results of the reviews, the UI Division is able to produce reliable estimates and projections as to the accuracy of UC benefit payments. Partial results for the calendar year ending December 31, 2009 indicate that 94.1% of the benefit payments were paid correctly. The estimated incorrect payments were attributed primarily to eligibility issues, and "benefit year earnings" errors.

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

Due to the significant increase in workloads in FY 2009, the UI Division increased its staffing levels by an additional 29 employees in FY 2010 and will be recruiting an additional 36 employees in FY 2011 in order to process the increased workloads within federal performance standards. The UI Division also expanded the capacity of its telephone claim filing system and mainframe systems in order to improve the timeliness of paying the nearly 36,000 claim certifications that are filed each week. In early November, an additional 48 lines was added to the telephone claim filing system. Claimants are now able to file their claim certification on peak filing days without waiting for an available telephone line. In early December 2009, the mainframe's capacity was also increased from 16,000 to 22,000 claim certifications payments that can be processed in a single day. The increase in capacity allows the payment of an additional 6,000 claim certifications on Tuesday instead of on Wednesday. In addition to expanding the capacity of the current automated systems, the UI Division also developed strategic plans to expand internet services to UI claimants in order to improve performance results and staff productivity. The expansion would be implemented in three major phases. On May 11, 2009, the UI

Division implemented Phase I which provided limited internet initial claim filing to totally unemployed claimants in Hawaii. Since the implementation in May 2009, approximately 15% of the claimants filed their initial claims via the internet. UI Staff productivity was increased since these claimants were able to self-file their initial claims without assistance from UI claims taking staff. On December 21, 2009, the UI Division successfully "soft launched" Phase II of the project, enabling claimants to file their weekly or bi-weekly claim certifications over the internet. A full implementation of the claim certification filing system is targeted for January 19 2010. The internet claim certification filing system will be sized to allow 5,000 claimants to file their claim certification each hour, a five-fold increase in the telephone claim filing system's capacity. If all claimants were to use the system, all 36,000 claim certifications could be filed in approximately 7 hours. After the full implementation of Phase II on January 19, 2010, the UI Division plans to develop a full service initial claim filing and inquiry system in Phase III. The system will allow claimants to view their claim information over the internet. Allowing claimants to view their claim information will mean fewer call to the unemployment insurance claims offices. In addition, Phase III will expand initial claim filing to include nearly all types of initial claims. Claimants will, for the most part will be able to completely self file their initial claims resulting in reduced claim filing delays and significant staff productivity improvements. Phase III is targeted for implementation on October 1, 2010.

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

None.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any.

Due to the lack of vacant permanent positions authorized in the budget, the UI Division must recruit additional staff using its existing temporary positions in order to process the increased workloads. The UI Division is also utilizing overtime to process the increased workloads.

- B. Program Change Recommendations to Remedy Problems

Requesting state overtime and additional permanent full time and part-time staff due to workload increases.

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

None.

IV. Expenditures for Fiscal Year 2010

	Act 162/09 FY 2010	Collective ± Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	207.50			207.50	207.50
Personal Svcs	\$ 13,787,003		(23,424)	\$ 13,763,579	\$ 13,763,579
Current Exp	513,438,498			513,438,498	513,438,498
Equipment					
Motor Veh					
Total	\$ 527,225,501	\$ -	\$ (23,424)	\$ 527,202,077	\$ 527,202,077
Less:					
Pos. Count					
Special Fund	361,026,650		(23,424)	361,003,226	361,003,226
Pos. Count	207.50			207.50	207.50
Federal Fund	15,698,851			15,698,851	15,698,851
Pos. Count					
Other Funds	\$ 150,500,000			150,500,000	150,500,000
Pos. Count					
Gen. Fund					
*No Transfers In/Out					

- A. Explain all Transfers Within the Program I.D. and its Impact on the Program.

None.

- B. Explain all Transfers Between Program I.D.s and its Impact on the Program.

None.

- C. Explain all Restrictions and its Impact on the Program.

Furlough savings will not significantly change the measure of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental FY 2011	Budget
Pos. Count	207.50	33.00		240.50
Personal Services	\$ 13,787,003	\$ 1,408,187	\$	15,195,190
Current Expenses	362,938,498			362,938,498
Equipment				
Motor Vehicles				
Total	\$ 376,725,501	\$ 1,408,187	\$	378,133,688
Less:				
Pos. Count				
Special Fund	361,026,650	164,660		361,191,310
Pos. Count	207.50	33.00		240.50
Federal Fund	15,698,851	1,243,527		16,942,378
Pos. Count				
Other Funds				
Pos. Count				
Gen. Fund				

A. Workload or Program Request

1. Description of request, reason for the request, and desired outcomes or objectives to be accomplished.
 - a. The reason for the Program Request is to abolish positions that the UI Division will no longer be filling.
 - b. The reason for the Program Request is to authorize overtime to process increased workloads.
 - c. The reason for the Program Request is to reduce funds due to furlough savings and adjustments to personal services.
 - d. The reason for the Program Request is to hire additional permanent full time and part time staff to process the increased workloads.
2. Listing/description of positions requested, and funding requirements by cost category and source of funding.

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(005292) Secretary II, SR14	N	(1.00)	0.00	(32,424)

(008722) Secretary II, SR14	N	(1.00)	0.00	(32,424)
(011199) Auditor IV, SR22	N	(1.00)	0.00	(45,576)
Other Personal Services				
RIF Adjustments	N			8,355
Fringe Benefits	N			(37,806)
Turnover Savings				
Subtotal Personal Service Costs		(3.00)	0.00	(139,875)
By MOF	A	0.00	0.00	0
	B	0.00	0.00	0
	N	(3.00)	0.00	(139,875)

B. Personal Services (List all positions)		FY 11 Request		
Position Title, SR	MOF	FTE (P)	FTE (T)	(\$)
Other Personal Services				
Staff Overtime	N			710,887
Fringe Benefits	N			263,312
Turnover Savings				
Subtotal Personal Service Costs		0.00	0.00	974,199
By MOF	A	0.00	0.00	0
	B	0.00	0.00	0
	N	0.00	0.00	974,199

C. Personal Services (List all positions)		FY 11 Request		
Position Title, SR	MOF	FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	B			(105,292)
Furlough Savings	N			(1,045,129)
Fringe Benefits	B			(39,000)
Fringe Benefits	N			(387,116)
Administrative Adjustment	B			274,097
Administrative Adjustment	N			56,281
Turnover Savings not realized	B			34,855
Turnover Savings not realized	N			401,765
Subtotal Personal Service Costs		0.00	0.00	(809,539)
By MOF	A	0.00	0.00	0
	B	0.00	0.00	164,660
	N	0.00	0.00	(974,199)

D. Personal Services (List all positions)		FY 11 Request		
Position Title, SR	MOF	FTE (P)	FTE (T)	(\$)
(91171) Unemployment Ins Spclt I, SR16	N	1.00	0.00	36,024
(91172) Unemployment Ins Spclt I, SR16	N	1.00	0.00	36,024
(91173) Unemployment Ins Spclt I, SR16	N	1.00	0.00	36,024

(91225) Unemployment Ins Asst III, SR09	N	0.50	0.00	14,430
(91226) Unemployment Ins Asst III, SR09	N	0.50	0.00	14,430
(91227) Unemployment Ins Asst III, SR09	N	0.50	0.00	14,430
(91228) Unemployment Ins Asst III, SR09	N	0.50	0.00	14,430
Other Personal Services				
Fringe Benefits	N			244,146
Turnover Savings				
Subtotal Personal Service Costs		36.00	0.00	1,383,402
By MOF				
	A	0.00	0.00	0
	B	0.00	0.00	0
	N	36.00	0.00	1,383,402

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.

3 vacant positions.

VI. Identify restrictions carried over from FY 2010 as well as additional reductions due to the Department of Budget and Finances budget ceilings for FY 2011.

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

None.

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

None.

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number: 020404

Program I.D. and Title: LBR 183, Disability Compensation

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

I. Introduction

A. Summary of Program Objectives

To alleviate the economic hardships that results from the loss of wage income due to work or non work-connected disability and provide vocational rehabilitation opportunities and incentives for industrially injured workers.

B. Description of Program Objectives

1. Monitor employer compliance with disability insurance laws to ensure employees are being afforded required coverage.
2. Process Workers' Compensation (WC) cases to ensure claimants are receiving benefits they are entitled to.
3. Conduct hearings to determine benefit entitlements to claimants.
4. Provide vocational rehabilitation opportunities to WC claimants.
5. Monitor health care providers and treatment plans to ensure care and services are necessary and appropriate.
6. Review Prepaid Health Care and Temporary Disability Insurance plans to ensure statutory standards are met.

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

See paragraph I.A. (Summary of Program Objectives) and paragraph II.A. (Performance Results).

C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

This program will meet its objectives by continuing to:

- Improve the division's information systems to facilitate timely quality customer service.
- Improve programs by clarifying objectives and eliminating ineffective and unnecessary

bureaucracies.

- Empower employees to participate in creation of the division's vision and improvements.
- Provide employees with tools and training to enable optimal performance.
- Provide customers with information to facilitate their positive participation in DCD program activities.

II. Program Performance Results

A. Discuss the performance results achieved by each Program in FY 2009.

Efforts to alleviate economic hardships resulting from work and non-work disabilities include ensuring that employers meet disability coverage requirements and that disability benefits are being paid.

The DCD conducts investigations, audits, and plans review to ensure employers meet their coverage requirements. Employer investigations increased (26,040 in FY 2008 vs. 31,758 in FY 2009) as a result of the climb in the number of Certificates of Compliance requiring employer compliance checks. Employer audits remained relatively constant (886 in FY 2008 vs. 971 in FY 2009). The number of disability plans reviewed also remained relatively constant (9,948 in FY 2008 vs. 10,609 in FY 2009). The number of newly registered employers remained fairly constant (4,607 in FY 2008 vs. 4,171 in FY 2009). The total employers subject to the DCD disability laws also remained constant (33,210 in FY 2008 vs. 33,400 in FY 2009).

The DCD's efforts to ensure claimants receive their disability benefits are reflected in claims, hearings, and decisions statistics. The number of new workers' compensation (WC) claims decreased again this year from 25,717 in FY 2008 to 23,291 in FY 2009, reflecting the effectiveness and success of employer safety programs. The number of cases closed by the division decreased (27,339 in FY 2008 vs. 24,728 in FY 2009) due to the abolishment of one of four clerical positions responsible for closing cases. WC hearings remained relatively constant (2,427 in FY 2008 vs. 2,533 in FY 2009). WC decisions also remained fairly constant (8,811 in FY 2008 vs. 8,023 in FY 2009). WC decisions rendered within the 60-day statutory requirement remained constant at 99% in both fiscal years. Finally, the number of WC claimants referred to vocational rehabilitation training remained constant

(458 vs. 453 in FY 2008 and FY 2009, respectively). The percentage of appealed WC decisions upheld by the Labor Appeals Board as a percentage of decisions rendered by the division remained fairly constant (97% vs. 96% in FY 2008 and 2009, respectively) as did the percentage of cases scheduled for hearings within 80 days of request (92% in both fiscal years).

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

The mission of the department is carried out through the department's primary goal of assuring the quality of worklife for workers through economic security and physical well-being. The division's WC, TDI, and PHC programs were established to meet this end.

- Investigating, auditing, registering subject employers, and plans review, are all efforts which monitor employer compliance with disability insurance laws to ensure the workforce is covered in the event employees become disabled.
- Processing WC cases and closing/reviewing claims ensure claimants receive benefits they are entitled to.
- Conducting hearings and rendering decisions establish benefit entitlements to claimants. Monitoring the time it takes for hearings to be scheduled, how soon decisions are issued, and whether appealed decisions are upheld by the Appeals Board measure the timeliness and accuracy of the hearings and decision process.
- Providing vocational rehabilitation opportunities and monitoring health care and treatment plans directly relate to the corresponding program objectives.

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

The effectiveness of the program is manifested by such measures of effectiveness as:

- The percentage of subject employers in compliance with workers' compensation, temporary disability insurance, and prepaid health care laws, which

remained constant (81% in FY 2008 and FY 2009);
and

- The percentage of complaints to claims made under the WC program, which remained the same (0.3% in both Fiscal Years) as did the TDI program (0.4% during this period).
- The following means are also used to measure the effectiveness of the WC, Temporary Disability Insurance (TDI), and Prepaid Health Care (PHC) programs:

(1) Backlog of branch operations (such as claims processing, case filing, decision rendering, stipulation processing, and hearings scheduling). Operations backlog and timeliness of response to complaints and inquiries indicate the division's ability to maintain adequate levels of service to the public and thus ensure that economic hardships of the workers are being alleviated.

- WC operations which include claims processing, filing, hearings (including treatment plans), and decision rendering have remained current throughout the fiscal biennium. The backlog in hearing case review increased to six weeks due to personnel shortages in FY 2009. Hearing scheduling and decision processing were backlogged six weeks due to personnel shortages in the Hearings Branch and the Clerical Support Unit.
- The TDI and PHC operations that include the processing of TDI and PHC coverage documents, TDI Special Fund claims processing, hearings support, and decision rendering, saw its backlog increase to eight months due to staffing shortages.
- Enforcement operations remained backlogged due to insufficient staffing in the audit and investigation sections. The audit section's backlog remained constant at ten weeks throughout FY 2009. The investigation section's backlog increased 24 months due to

staffing shortages and the increased workload from the Certificate of Compliance requirements check.

- (2) Timeliness of response to public inquiries and requests for assistance.
 - Timeliness of responses to public inquiries and complaints to the Enforcement Branch did not change throughout the past fiscal year and remained at just under one week.
- (3) Workers' Compensation costs. The cost of WC is one measure of whether cost-cutting measures and legislation are effective and whether the WC program is being administered in an effective and efficient manner.
 - Workers' Compensation costs increased slightly by 1.9% or \$4,608,362 from CY 2006 to CY 2007. No data is available yet for CY 2008.
- (4) Comparison with other states' programs (e.g. cost per claim). Comparison with other states and customer surveys provide external input for improvements to services provided to the public and for objective evaluation of the division's efforts to meet those needs.
 - No data is available at this time.
- (5) Customer surveys (as funding permits).
 - Lack of funding did not permit customers to be surveyed.

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

The following actions have been undertaken by the division to improve performance results:

- (1) Implemented revised administrative processes to streamline office procedures and workflows.
- (2) Continuous improvements in communications, office automation, and managerial reporting.
- (3) Conducted monthly employer orientation workshops

to increase employers' awareness of the WC, TDI, and PHC laws and obligations, and to improve employer compliance with these laws.

(4) Conducted compliance checks of employers who sought to do business with the State and Counties of Hawaii.

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

None.

III. Problems and Issues

A. Discuss Problems and Issues Encountered If Any.

Information Technology Procurement. The DCD continues to strive to upgrade its automation system in order to provide greater flexibility, more timely, and useful information to help the division service the public. One of the DCD's strategies to effect this improvement is to implement upgrades to its automation system which will enhance the efficiency of its programs' operations. In order to facilitate these improvements, a DCD Information Technology Master Plan was initiated and developed in FY 2002 to define the division's technology direction. The plan contains several projects that collectively represent the vision of the DCD including the following:

- Electronic Data Interchange (EDI) for the Workers' Compensation Forms WC-1 (Report of Industrial Injury), WC-3 (Carrier Report) and WC-36 (Proof of Coverage) Projects
- Mainframe Migration Project
- Electronic Historical Records Project

Since the initiation of the DCD Information Technology Master Plan, the DCD's computer environment has undergone significant hardware and software upgrades which will provide the foundation for these projects.

The Electronic Data Interchange (EDI) projects will allow insurance carriers and self-insured employers to electronically file their Workers' Compensation forms. Electronic filing will decrease the time it takes to file and transmit the reports, thereby allowing injured workers' claims to be processed more quickly. Furthermore, administrative costs to businesses that

are associated with filing paper-based documents will decrease with the adoption of EDI. DCD has approached and has received the support from numerous insurance carriers for the EDI projects.

Minimal funding in fiscal year 2004 allowed DCD to develop Phase I of the Workers' Compensation Form WC-1 EDI (Form WC-1 EDI) Project. Phase I was introduced to provide insurance carriers and self-insured employers with the opportunity to electronically file the Form WC-1 via CDROM or floppy diskette. During fiscal year 2007, DCD implemented Phase II of the Form WC-1 EDI project which allowed electronic submittals of the Form WC-1 via Internet email.

The remaining projects included in the DCD Information Technology Master Plan have been temporarily suspended due to the lack of project funding. In the future, the DCD will continue to submit requests for funding to subsidize the costs associated with these projects.

Records Storage. The division and its Neighbor Island District Offices suffer from a serious lack of storage space for its workers' compensation case records. Currently, the division maintains eight years of closed cases on site and is faced with increasing storage requirements for open case files. Neighbor Island District Offices face a similar situation for their open and closed cases.

The division is exploring means to file these records electronically (in word processing and optical format) to reduce the storage requirements. The electronic files will create a more efficient means to access information from the closed cases.

B. Program Change Recommendations to Remedy Problems

None.

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 2010

	Act 162/09 FY 2010	Collective \pm Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	106.00			106.00	106.00
Personal Svcs	\$ 5,452,772		(665,008)	\$ 4,787,764	\$ 4,787,764
Current Exp	23,174,470			23,174,470	23,174,470
Equipment				-	-
Motor Veh					
Total	\$ 28,627,242	\$ -	\$ (665,008)	\$ 27,962,234	\$ 27,962,234
Less:					
Pos. Count	8.00			8.00	8.00
Special Fund	23,675,713		(17,886)	23,657,827	23,657,827
Pos. Count					
Federal Fund					
Pos. Count					
Other Funds					
Pos. Count	98.00			98.00	98.00
Gen. Fund	4,951,529		(647,122)	4,304,407	4,304,407

* No Transfers In/Out

A. Explain all transfers within the Program ID 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

Restrictions of \$665,008 consisted of savings a Reduction In Force (RIF) of 18 employees and from furlough savings.

RIF. Restricting the funding and subsequent RIF of 18 employees will create backlogs in the following core areas of the division:

- WC operations (claims processing, case filing, stipulation processing, hearings scheduling, and decision rendering) backlog will increase to 8 weeks contributing to delays in WC case resolution and claimants' receipt of WC benefits in disputed cases.

- TDI and PHC operations (coverage processing, Special Fund claims processing, TDI and PHC plans review) backlog will increase to 8 - 12 months causing delays

in plans processing and employer coverage information that is disseminated to enforcement personnel for compliance monitoring.

- Enforcement operations (employer compliance monitoring and premium supplementation review for employers) backlog will increase to 24 - 30 months for investigations and 12 months for employer audits. These backlogs will increase the number of noncompliant employers who do not provide WC, TDI, and PHC coverage to their employees. The potential impact could place the WC, TDI, and PHC special funds at risk of having to pay for the benefits to claimants who are not covered by their non-complying employers.

Furlough. The loss of two working days a month will reduce available work resources by 10%. Workload priorities will be shifted to ensure time-sensitive deadlines continue to be met. The drawback to the refocused efforts will be to compound the backlogs created by the RIF restrictions above.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	106.00	(18.00)	88.00
Personal Services	\$ 5,452,772	\$ (607,653)	\$ 4,845,119
Current Expenses	23,174,470		23,174,470
Equipment			
Motor Vehicles			
Total	<u>\$ 28,627,242</u>	<u>\$ (607,653)</u>	<u>\$ 28,019,589</u>
Less:			
Pos. Count	8.00		8.00
Special Fund	23,675,713	68,052	23,743,765
Pos. Count			
Federal Fund			
Pos. Count			
Other Funds			
Pos. Count	98.00	(18.00)	80.00
Gen. Fund	4,951,529	(675,705)	4,275,824

A. Workload or Program Request

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

a. Abolish 18 filled positions due to layoffs.

b. Reduction due to furlough savings and adjustments to personal services.

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

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(015277) Office Asst I, SR04	A	(1.00)	0.00	(23,688)
(017668) Office Asst III, SR08	A	(1.00)	0.00	(26,700)
(019435) Office Asst IV, SR10	A	(1.00)	0.00	(33,756)
(021224) Clerk Steno III, SR11	A	(1.00)	0.00	(37,968)
(022175) DC Enf Spec IV, SR22	A	(1.00)	0.00	(60,024)
(023517) Office Asst III, SR08	A	(1.00)	0.00	(39,480)
(026719) Auditor IV, SR22	A	(1.00)	0.00	(60,024)
(026833) Office Asst II, SR06	A	(1.00)	0.00	(23,688)
(032681) Office Asst III, SR08	A	(1.00)	0.00	(39,480)
(032807) Office Asst IV, SR10	A	(1.00)	0.00	(37,968)
(035538) Office Asst III, SR08	A	(1.00)	0.00	(33,756)
(036452) Office Asst I, SR04	A	(1.00)	0.00	(28,836)
(036478) W/C Claims Spec I, SR16	A	(1.00)	0.00	(51,312)
(036481) DC Enf Spec IV, SR22	A	(1.00)	0.00	(53,352)
(036962) DC Enf Spec IV, SR22	A	(1.00)	0.00	(55,500)
(036964) DC Prog Spec II, SR26	A	(1.00)	0.00	(82,128)
(047957) W/C Hearings Off III, SR22	A	(1.00)	0.00	(45,576)
(052819) Inf Tech Spec IV, SR22	A	(1.00)	0.00	(47,412)
Other Personal Services				
RIF Adjustment	A			45,504
Fringe Benefits				
Turnover Savings not realized	A			461,765
Subtotal Personal Service Costs		(18.00)	0.00	(273,379)
By MOF	A	(18.00)	0.00	(273,379)
	B	0.00	0.00	0
	N	0.00	0.00	0

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(402,326)
Furlough Savings	B			(53,373)
Administrative Adjustment	B			127,350
Fringe Benefits	B			(19,769)
Turnover Savings not realized	B			13,844

Subtotal Personal Service Costs		0.00	0.00	(334,274)
By MOF	A	0.00	0.00	(402,326)
	B	0.00	0.00	68,052
	N	0.00	0.00	0

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 18 positions were filled.

VI. Identify restrictions carried over from FY 2010 as well as additional reductions due to the Department of Budget and Finance's budget ceilings for FY 2011.

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

Furlough restrictions were carried over from FY 2010 to help meet the state's budget deficit. Impacts to program objectives were identified in paragraph IV.C. above.

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

The 18 general-funded positions that are being eliminated are identified in part V. All 18 positions were filled. (Note: The 18 positions are in addition to the 11 general-funded vacant positions the division lost in FY 2009).

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number: 020205

Program ID and Title: LBR 316, Office of Language Access

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

I. Introduction

A. Summary of Program Objectives

To provide oversight, central coordination, and technical assistance to state and state-funded agencies in their implementation of language access requirements.

B. Description of Program Objectives

The program will assist state and state-funded agencies in the development and implementation of their language access plans by providing them with technical assistance (workshops, trainings, examples of language access plans, and other tools), by monitoring the implementation of their plans and the submission of periodic reports, and by providing central coordination of language access plan requirements, education and training, and resource development.

C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

The program will hold limited workshops and trainings for agencies, monitor language access plan implementation of agencies, hold activities for the language access month, and work with agencies in addressing resource needs.

II. Program Performance Results

A. Discuss the performance results achieved by each Program in FY 2009.

All 25 state agencies and 60 state-funded agencies submitted and started implementation of their language access plans. The first review and monitoring of language access plan implementation was conducted. Several training/workshops were held for front line and bilingual staff of state and state-funded agencies. The first (2008) and second (2009) Annual Hawaii Conference on Language Access were held.

B. Explain how these results relate to the program's

objectives and department's mission.

These results are in line with the objective of ensuring compliance with the language access law.

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

The program's effectiveness was measured in terms of the number and percentage of state and other state-funded agencies submitting language access plans by the set statutory deadline, the number of technical assistance/trainings provided to agencies, and the number of assistance provided (information, referrals, complaints resolved). All 25 state (100%) and 60 state-funded agencies submitted and started implementing their language access plans; more than 40 technical assistance meetings and trainings were conducted; and more than 1,000 callers and visitors were assisted, including the resolution of several informal and formal complaints.

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

The program continues to provide technical assistance to agencies, conduct trainings and workshops, and conduct monitoring visits to state agencies to ensure the effective implementation of their language access plans. A language access month was established and an annual conference is also held to provide agencies and the community with new information and promising practices, and to discuss important issues on language access.

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

Performance measures have to be modified - targets or outcomes are being lowered - in view of the reduction in force which laid off staff except the executive director and which makes it very difficult for the office to effectively meet its original objectives.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any.

1. There are no consequences to an agency that fails

to comply with the requirements of the language access law, making it difficult for the office to effectively implement the law.

2. There is a dearth of trained interpreters and translators in Hawaii which severely affects the implementation of language access plans and limits the provision of language services to LEP persons.
3. There is a lack of resources needed by agencies to provide language access services.

B. Program Change Recommendations to Remedy Problems

1. Develop an adequate pool of trained interpreters and translators through increased recruitment and training, and the establishment of a statewide language bank.
2. Agencies to give priority to language access and set aside financial resources for this purpose. Train bilingual staff of agencies in interpretation, language competency, and ethics.

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.

The major issue that will affect the office's implementation of its functions is the reduction of staff due to the reduction in force. Except for the Executive Director's function, the DLIR staff are performing the required functions. Clerical, IT and legal help are being extended by the Director's office. The office will be getting some help from a volunteer and a couple of student interns on a temporary basis. Enhanced use of technology is also being implemented to cover the major functions of the program specialists.

IV. Expenditures for Fiscal Year 2010

	Act 162/09 FY 2010	Collective * Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	5.00			5.00	5.00
Personal Services	\$ 283,066		(38,150)	\$ 244,916	\$ 244,916
Current Expenses	148,236			148,236	148,236
Equipment					
Motor Vehicles					
Total	<u>\$ 431,302</u>	<u>\$ -</u>	<u>\$ (38,150)</u>	<u>\$ 393,152</u>	<u>\$ 393,152</u>
Less:					
Pos. Count					
Special Fund					
Pos. Count					
Federal Fund					
Pos. Count					
Other Funds					
Pos. Count	5.00			5.00	5.00
Gen. Fund	\$ 431,302		(38,150)	\$ 393,152	\$ 393,152
* 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.

Furlough savings will not significantly change the measures of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	5.00	(4.00)	1.00
Personal Services	\$ 283,066	\$ (212,265)	\$ 70,801
Current Expenses	148,236		148,236
Equipment			
Motor Vehicles			
Total	\$ 431,302	\$ (212,265)	\$ 219,037
Less:			
Pos. Count			
Special Fund			
Pos. Count			
Federal Fund			
Pos. Count			
Other Funds			\$ -
Pos. Count	5.00	(4.00)	1.00
Gen. Fund	\$ 431,302	\$ (212,265)	\$ 219,037

A. Workload or Program Request

1. Description of request, reason for the request, and desired outcomes or objectives to be accomplished.
 - a. Abolish 4 filled positions due to layoffs.
 - b. Reductions due to furlough savings and adjustment to personal services.
2. Listing/description of positions requested, and funding requirements by cost category and source of funding.

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(118386) OLA Sr Legal Analyst, SRNA	A	(1.00)	0.00	(58,236)
(118387) OLA Research Analyst, SRNA	A	(1.00)	0.00	(47,832)
(118388) OLA Research Analyst, SRNA	A	(1.00)	0.00	(47,844)
(118513) OLA Clerk Typist III, SRNA	A	(1.00)	0.00	(27,756)
Other Personal Services				
Fringe Benefits				
Turnover Savings				

Subtotal Personal Service Costs		(4.00)	0.00	(181,668)
By MOF	A	(4.00)	0.00	(181,668)
	B	0.00	0.00	0
	N	0.00	0.00	0

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(7,199)
Administrative Adjustment	A			(23,398)
Fringe Benefits				
Turnover Savings				
Subtotal Personal Service Costs		0.00	0.00	(30,597)
By MOF	A	0.00	0.00	(30,597)
	B	0.00	0.00	0
	N	0.00	0.00	0

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.

Filled.

VI. Identify restrictions carried over from FY 2010 as well as additional restrictions due to Department of Budget and Finance's budget ceilings for FY 2011.

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

None.

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

OLA Senior Legal Analyst	General Fund	Filled
OLA Research Analyst	General Fund	Filled
OLA Research Analyst	General Fund	Filled
OLA Clerk Typist II	General Fund	Filled

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number: 020302

Program ID and Title: LBR 812, Labor and Industrial Relations Appeals Board

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

I. Introduction

A. Summary of Program Objectives

To assure equitable treatment of individuals through the prompt, just and inexpensive determination of appeals from decisions of the Director of Labor and Industrial Relations relating to Workers' Compensation and Boiler and Elevator Safety.

B. Description of Program Objectives

The Board's primary activity is to conduct contested case hearings pursuant to the Hawaii Administrative Procedures Act, Chapter 91, Hawaii Revised Statutes. Workers' compensation appeals from the Disability Compensation Division are considered *de novo*. *De novo* hearings are also conducted on appeals by employers from citations for violations and penalties issued by the Hawaii Occupational Safety and Health Division, as they relate to boiler and elevator safety, as well as appeals of other statutory matters administered by the Department of Labor and Industrial Relations. To accomplish its primary review mission for each appeal, the Board schedules at least one pre-hearing conference and a settlement conference prior to conducting a trial on the merits. Hearings on pretrial motions are also convened on an as-needed basis. Written decisions and orders are issued following trial or a hearing on a motion. The Board's work is evenly spread throughout the fiscal year.

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

The Board had a pending caseload of 878 cases at the start of FY 2008-2009. There were 635 new appeals filed in FY 2008-2009. The Board disposed of 599 cases in FY '08-'09. At the end of FY 2008-2009, the number of pending appeals reached 914.

In order to best resolve these cases, the Board, in FY 2008-2009, conducted 568 pre-hearing conferences, 714 settlement/status conferences, and 238 hearings on

motions. One hundred and four cases (104) went to a full hearing on the merits. The remainder of the cases was resolved by Board member intervention during the conferences or by other means.

There were no boiler and elevator safety appeals filed for the fiscal year.

- C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

In late 2008 and at the end of 2009, the Board's staff was reduced from 12 to 9 due to budget restrictions and layoff. Given the current understaffing, the Board is evaluating its program with an aim to streamline the appeals process. The Board strives to meet its objectives by continuing to work as best as it is able with the resources allocated.

II. Program Performance Results

- A. Discuss the performance results achieved by each Program in FY 2009.

The Board provides one service only, that is, resolving appeals of cases arising out of the workers' compensation (and the boiler and elevator safety laws). Therefore, program effectiveness is essentially measured by the program's ability to handle new appeals while reducing the number of pending matters.

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

The Board seeks to assure quality of work-life for workers by protecting their physical well-being and providing economic security when disabling personal injuries occurs.

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

Program effectiveness is measured by the average turn-around time from the receipt of appeals to resolution, and the percentage of Board decisions sustained after judicial review.

In FY 2008-2009, the average turn-around time for workers' compensation appeals was 18 months;

approximately 72% percent of the Board's decisions in FY 2008-2009 were sustained by the appellate courts.

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

In an effort to provide parties with the earliest possible trial date and options, the Board has been setting multiple cases for hearing per day. Every effort is being made by the Board to resolve these cases without trial. The Board has been conducting more settlement and status conferences to aggressively promote settlement of cases.

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

None.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any.

For FY 2007-2008, the average turn-around time from appeals received (other than as extended by party requests) to resolution was 15 months. For FY 2008-2009, the average turn-around time increased to 18 months. Part of this increase is attributable to the loss of two staff attorney positions at the end of 2008. The two attorneys were full-time decision writers for the Board.

Depending on the issues on appeal, it requires anywhere from one week to several weeks to draft one decision and order. After a draft is completed, each Board member reviews and edits the drafts. The review and revisions process may take several weeks because each draft requires multiple revisions to ensure quality for publication and possible appellate review.

Currently, the Board does not have any staff to draft decisions full-time.

The scheduling of trials is another area of concern. The typical trial lasts just over four hours. Where appropriate, parties may request that the Board reserve more than four hours for trial. Presently, on days other than Thursdays (which are reserved for motions and conferences), the Board schedules four trials per day on most days of the week expecting that at least

two of the four will settle. Two trials are double set for the morning calendar and the other two for the afternoon calendar. It is impossible for the Board to hold more than two trials per day.

With the imposition of 2 furlough days per month from October 2009, there are now less days to schedule trials.

Despite the Board's oppressive trial schedule, trials are presently being set 13 to 15 months from receipt of an appeal.

B. Program Change Recommendations to Remedy Problems

To reduce the time period from trial to issuance of a decision would not be possible without legal staff devoted to full-time decision writing. The Board recommends that the two attorney positions be restored once the State's fiscal condition improves.

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

1. Due to the number of appeals filed and reduced trial days, most cases are presently scheduled for trial by the Board more than a year after their receipt.

During the 2009 legislative session, the Board successfully obtained a statutory amendment to authorize appointment of a hearings officer to conduct hearings in selected cases on an expedited basis. The Board expects a significant reduction in the waiting period for trials in cases assigned to the hearings officer.

2. After a case is heard, a decision is issued as soon as practicable. Having lost two full-time decision writers from the Board's staff, the Board members, the Board's executive officer, the Board's hearings officer and the one remaining staff attorney have assumed writing duties on top of their regular workload.

Each hour that the Board expends in trial or in conference, it cannot work on decisions and orders. With Board members drafting decisions and orders, less time can be spent on settlement. Caseloads are reduced only by settlement or decisions and orders.

Currently, the Board is working to draft proposed

administrative rule changes aimed at streamlining the appeals process. The Board is also working on posting fill-able and printable forms online to assist self-represented claimants, with whom the Board and its staff expends a significant amount of time helping to navigate the appeals process. As always, the Board continues to aggressively pursue settlement of cases.

3. In addition to the reduction in professional staff, the 2009 RIF process resulted in the loss of a clerk stenographer with 22 years of specialized workers' compensation appeals board experience and reduced the Board's clerical staff from 3 to 2. The loss of clerical help will likely impact front desk service for walk-in customers, daily filing, and other clerical tasks.

The Board has implemented extensive cross-training and is working to consolidate functions and reassign duties to remaining staff to ensure sufficient coverage and maintain service.

IV. Expenditures for Fiscal Year 2010

	Act 162/09 FY 2010	Collective * Bargaining	Transfers Restriction	Available Resources
Pos. Count	10.00			12.00
Personal Services	\$ 701,071		(94,486)	\$ 606,585
Current Expenses	59,177			59,177
Equipment				
Motor Vehicles				
Total	\$ 760,248	\$ -	\$ (94,486)	\$ 665,762
Less:				
Pos. Count				
Special Fund				
Pos. Count				
Federal Fund				
Pos. Count				
Other Funds				
Pos. Count	10.00			10.00
Gen. Fund	760,248		(94,486)	665,762

* No Transfer In/Out

A. Explain all transfers within the Program ID 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.

The restriction of \$94,486 represents savings from furloughs. Because of the furloughs, there are less days to schedule trials.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	10.00	(1.00)	9.00
Personal Services	\$ 701,071	\$ (100,535)	\$ 600,536
Current Expenses	59,177		59,177
Equipment			
Motor Vehicles			
Total	\$ 760,248	\$ (100,535)	\$ 659,713
Less:			
Pos. Count			
Special Fund			
Pos. Count			
Federal Fund			
Pos. Count			
Other Funds			
Pos. Count	10.00	(1.00)	9.00
Gen. Fund	760,248	(100,535)	659,713

A. Workload or Program Request

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

- a. Abolish 1 filled position due to lay-off.
- b. Reductions due to furlough savings and adjustment to personal services.

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

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(039443) Clerk Steno III, SR11	A	(1.00)	0.00	(39,480)
Other Personal Services				
Fringe Benefits				
Turnover Savings				
Subtotal Personal Service Costs		(1.00)	0.00	(39,480)
By MOF	A	(1.00)	0.00	(39,480)
	B	0.00	0.00	0
	N	0.00	0.00	0

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(60,949)
Administrative Adjustment	A			(106)
Fringe Benefits				
Turnover Savings				
Subtotal Personal Service Costs		0.00	0.00	(61,055)
By MOF	A	0.00	0.00	(61,055)
	B	0.00	0.00	0
	N	0.00	0.00	0

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.

The one reduced position was a filled position.

VI. Identify restrictions carried over from FY 2010 as well as additional reductions due to the Department of Budget and Finance's budget ceilings for FY 2011.

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

See above discussion on the impact to program objectives due to the loss of two attorney positions in FY 2008-2009, the reduction-in-force ("RIF") of one clerical position at the end of 2009, and the imposition of furloughs from October 2009.

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

The two staff attorney positions that were abolished as of June 2009 were generally-funded positions that had been vacant from late 2008 because of the State hiring freeze that began after September 2008. The generally-funded clerical position that was RIF'd at the end of 2009 was a filled position.

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number:020303

Program ID and Title: LBR 871,
Employment Security Appeals Referees' Office

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

I. Introduction

A. Summary of Program Objectives

To provide due process to claimants and employers who file appeals from determinations issued by the Unemployment Insurance Division (UID) of the Department of Labor and Industrial Relations (DLIR).

B. Description of Program Objectives

ESARO is the appellate branch of the UI program, which was established to alleviate the economic hardship of unemployed individuals. This agency is the final administrative reviewing body for contested benefit and tax determinations rendered by the UID. ESARO hearing officers conduct quasi-judicial hearings which are followed by written decisions that affirm, reverse, or modify the appealed UI determination.

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

The UI appellate program intends to meet its objectives by:

- a. Securing adequate permanent full time staff, hearing officer and clerical support, to meet base workload demands;
- b. Secure adequate level of permanent per diem hearing officers to meet changes in workload levels;
- c. Providing appellants with a scheduled hearing within thirty days of appeal according to federal performance criteria; and
- d. Issuing a written decision within thirty days of hearing according to federal performance criteria.

II. Program Performance Results

A. Discuss the performance results achieved by each program in FY 2009.

The UI appeals program is evaluated by the U.S. Department of Labor (USDOL) for appeals promptness and quality. The USDOL criterion for promptness is measured by decisions issued at two levels: 60% within thirty days of appeal and 80% within forty-five days of appeal. There is also a third criterion of an average case age of 30 days or less. For quality of the hearing and decision based on the USDOL's thirty-two elements, the measurement is 80% of the evaluated cases, scoring 85 or better.

ESARO met 30- and 45-day promptness and quality standards, as well as the average case age, as measured at the end of FY 2009.

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

By achieving USDOL standards, benefits are paid when due, which promotes the basic UI program objective of providing economic security for Hawaii's unemployed population.

- 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 year.

To measure the effectiveness of the program in FY 2009, all federal performance criteria were met as measured as of June 30, 2009.

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

Recruitment is in process to fill one full time and one part-time intermittent office assistant positions, and to hire part-time appeals referees to accommodate the fluctuating workload.

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

The agency manager monitors weekly reports to ensure decisions for completed appeals are rendered and disposed in a timely manner (see "C" above), and reviews the status of each appeals referees' pending cases to offer assistance or adjustment as needed.

III. Problems and Issues

A. Discuss Problems and Issues Encountered if Any.

Although furlough days impact, to some degree, ESARO's effectiveness in meeting all program objectives, hiring additional part-time staff to assist full-time staff as needed with fluctuating workload has ameliorated any case backlog and allowed ESARO to meet federal performance criteria. Adequate staffing is crucial to be able to continue meeting federal standards.

B. Program Change Recommendations to Remedy Problems

None

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

None

IV. Expenditures for Fiscal Year 2010

	Act 162/09 FY 2010	Collective * Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	10.80			10.80	10.80
Personal Services	\$ 894,532		(71,108)	\$ 823,424	\$ 823,424
Current Expenses	60,000			60,000	60,000
Equipment					
Motor Vehicles					
Total	<u>\$ 954,532</u>	<u>\$ -</u>	<u>\$ (71,108)</u>	<u>\$ 883,424</u>	<u>\$ 883,424</u>
Less:					
Pos. Count					
Special Fund					
Pos. Count	10.80			10.80	10.80
Federal Fund	954,532		(71,108)	883,424	883,424
Pos. Count					
Other Funds					
Pos. Count					
Gen. Fund					
* 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.

Furlough savings will not significantly change the measures of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	10.80	(2.00)	8.80
Personal Services	\$ 894,532	\$ (264,981)	\$ 629,551
Current Expenses	60,000		60,000
Equipment			
Motor Vehicles			
Total	<u>\$ 954,532</u>	<u>\$ (264,981)</u>	<u>\$ 689,551</u>
Less:			
Pos. Count			
Special Fund			
Pos. Count	10.80	(2.00)	8.80
Federal Fund	954,532	(264,981)	689,551
Pos. Count			
Other Funds			
Pos. Count			
Gen. Fund			

A. Workload or Program Request

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

a. Abolish 2 vacant positions due to funding.

b. Reductions due to furlough savings and adjustments to personal services.

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

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(026207) Office Asst III, SR08	N	(1.00)	0.00	(25,668)
(027970) Office Asst III, SR08	N	(1.00)	0.00	(23,736)
Other Personal Services				
RIF Adjustments	N	0.00	0.00	4,368
Fringe Benefits	N			(16,681)
Turnover Savings				
Subtotal Personal Service Costs		(2.00)	0.00	(61,717)
By MOF	A	0.00	0.00	0
	B	0.00	0.00	0
	N	(2.00)	0.00	(61,717)

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	N			(47,951)
Administrative Adjustment	N			(137,552)
Fringe Benefits	N			(17,761)
Turnover Savings				
Subtotal Personal Service Costs		0.00	0.00	(203,264)
By MOF	A	0.00	0.00	0
	B	0.00	0.00	0
	N	0.00	0.00	(203,264)

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.

2 vacant positions.

VI. Identify restrictions carried over from FY 2010 as well as additional restrictions due to Department of Budget and Finance's budget ceilings for FY 2011.

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

None.

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

Two federally funded full-time office assistant II positions were eliminated, and one office assistant II position was adjusted to a part-time intermittent status.

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number:020401

Program ID and Title: LBR 901, Data Gathering, Research and Analysis

Page Reference in the Executive Budget Supplement, Vol I: none

I. Introduction

A. Summary of Program Objectives

To enhance line division program effectiveness and efficiency and contribute to general economic policy-making by gathering, analyzing and reporting workforce, employment, unemployment and other labor-related economic data as well as operations management information.

B. Description of Program Objectives

To plan, develop and conduct labor research and analysis; develop labor force estimates on employment and unemployment in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor; produce occupational wages and employment projections; and provide technical assistance and program specific management information to program divisions of the department.

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

To meet the objectives stated above, it is necessary to inform users of the information available, to identify users' information needs, and to expand and improve information processing and delivery by using current technology.

C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

Objectives of continuously improving products, services and processes will be met as services are provided to assist line divisions in their program

administration and initiatives. To be more efficient, software applications and hardware will continue to be upgraded. To be more responsive to users, Internet accessibility to data will be enhanced. The user-friendly system, the Hawaii Workforce Informer (HIWI), continues to provide information with the number of visitor sessions recorded at 172,221. Users were interested in career and occupational information, along with labor force data, and wage information in FY 2008-2009. The system links to the national labor exchange systems such as the JobCentral National Labor Exchange, Career One-Stop, America's Service Locator, and America's Career InfoNet (ACINet). In addition, Internet access to labor program related information through the Research and Statistics pages on the DLIR web site will continue to be provided. These pages were averaging more than 70,000 hits per month.

II. Program Performance Results

- A. Discuss the performance results achieved by each program in FY 2009.

Customer satisfaction continues to be high among users of data. An increasing number have accessed data through the internet websites. In addition numerous e-mail requests have been received via these websites.

Labor force and labor program data, analysis and projections were developed and provided to facilitate legislative and management decision-making. Information for state and federally mandated reports were collected and reports prepared on a timely basis. During furloughs, priority is given to meet due dates imposed by federally funded mandates. Some key statistical data generated by the office included monthly employment, unemployment and job statistics, occupational wage data, Chapter 104 state construction wage rate schedules, occupational injury and illness data, workers' compensation program data, and unemployment insurance program data.

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

The data produced, analyzed, and disseminated supports the departmental mission of economic security and physical well-being of workers by helping the line divisions administer their programs and provide services to workers and employers. The data also provides industrial and occupational planning and assessment information for policy-making and labor-management decisions.

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

Effectiveness of the Program is measured through the production of timely mandated reports and the degree of user satisfaction. During the past two years, all of the mandated reports were meeting their due dates. The degree of satisfaction measured through user surveys continues to be high (90%).

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

In the face of funding reductions, it took teamwork and prioritization of workload to meet mandated deliverables.

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

None.

III. Problems and Issues

- A. Discuss Problems and Issues Encountered If Any

Due to state spending restrictions and positions left vacant due to retirements, many requests for detailed demographic information regarding the labor market and localized labor force data were difficult to meet due to lack of staff resources.

- B. Program Change Recommendations to Remedy Problems

Funds are needed to develop county level data for occupational demands and wages.

- 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 2010

	Act 162/09 FY 2010	Collective * Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	35.00			35.00	35.00
Personal Services	\$ 2,495,979		(223,071)	\$ 2,272,908	\$ 2,272,908
Current Expenses	503,987			503,987	503,987
Equipment					
Motor Vehicles					
Total	\$ 2,999,966	\$ -	\$ (223,071)	\$ 2,776,895	\$ 2,776,895
Less:					
Pos. Count					
Special Fund					
Pos. Count	28.12			28.12	28.12
Federal Fund	2,553,114		(162,948)	\$ 2,390,166	\$ 2,390,166
Pos. Count					
Other Funds					
Pos. Count	6.88			6.88	6.88
Gen. Fund	\$ 446,852		(60,123)	\$ 386,729	\$ 386,729

* No Transfers In/Out

- A. Explain all transfers within the Program ID 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.

Furlough savings will not result in any significant changes to Measures of Effectiveness and Program Size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	35.00	(14.00)	21.00
Personal Services	\$ 2,495,979	\$ (1,035,892)	\$ 1,460,087
Current Expenses	503,987		503,987
Equipment			
Motor Vehicles			
Total	\$ 2,999,966	\$ (1,035,892)	\$ 1,964,074
Less:			
Pos. Count			
Special Fund			
Pos. Count	28.12	(11.50)	16.62
Federal Fund	2,553,114	(839,795)	1,713,319
Pos. Count			
Other Funds			
Pos. Count	6.88	(2.50)	4.38
Gen. Fund	\$ 446,852	\$ (196,097)	\$ 250,755

A. Workload or Program Request

1. Description of request, reason for the request, and desired outcomes/objectives to be accomplished.
 - a. Abolish 3 permanent positions due to lay-offs.
 - b. Abolish 11 vacant permanent positions due to funding.
 - c. Reduction due to furlough savings and adjustments to personal services.
2. Listing/description of positions requested, and funding requirements by cost category and source of funding.

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(007699) Research Stat. III, SR20	A	(1.00)	0.00	(55,500)
(022754) Research Stat. III, SR20	A	(1.00)	0.00	(55,500)
(023934) Research Stat. III, SR20	A	(0.50)	0.00	(23,706)
(023934) Research Stat. III, SR20	N	(0.50)	0.00	(23,706)
Other Personal Services				
Fringe Benefits	N			(8,781)
Turnover Savings				
Subtotal Personal Service Costs		(3.00)	0.00	(167,193)
By MOF				
	A	(2.50)	0.00	(134,706)
	B	0.00	0.00	0
	N	(0.50)	0.00	(32,487)

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(00196) Statistics Clerk I, SR10	N	(1.00)	0.00	(27,756)
(007698) Research Stat III, SR20	N	(1.00)	0.00	(42,132)
(008329) Office Asst III, SR08	N	(1.00)	0.00	(25,668)
(008346) Statistics Clerk I, SR10	N	(1.00)	0.00	(27,756)
(023181) Research Stat IV, SR22	N	(1.00)	0.00	(45,576)
(024495) Research Stat III, SR20	N	(1.00)	0.00	(42,132)
(025636) Research Stat III, SR20	N	(1.00)	0.00	(42,132)
(025676) Research Sta I, SR16	N	(1.00)	0.00	(36,024)
(026770) Research Stat III, SR20	N	(1.00)	0.00	(42,132)
(030022) Statistics Clerk I, SR10	N	(1.00)	0.00	(27,756)
(031304) Research Stat III, SR20	N	(1.00)	0.00	(42,132)
(008696) Office Asst IV, SR10	N	0.00	(1.00)	(27,755)
(024065) Research Stat III, SR20	N	0.00	(1.00)	(42,132)
(024793) Office Asst IV, SR10	N	0.00	(1.00)	(27,756)
(042730) Statistics Clerk I, SR10	N	0.00	(1.00)	(27,756)
(047008) Statistics Clerk I, SR10	A	0.00	(1.00)	0
Other Personal Services				
RIF Adjustment	N			14,256
Fringe Benefits	N			(189,770)
Turnover Savings				
Subtotal Personal Service Costs		(11.00)	(5.00)	(702,109)
By MOF				
	A	0.00	(1.00)	0
	B	0.00	0.00	0
	N	(11.00)	(4.00)	(702,109)

C. Personal Services (List all positions) Position Title, SR Other Personal Services	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Furlough Savings	A			(25,422)
Furlough Savings	N			(104,523)
Administrative Adjustment	A			(35,969)
Administrative Adjustment	N			(18,220)
Fringe Benefits	N			(38,715)
Turnover Savings not realized	N			56,259
Subtotal Personal Service Costs		0.00	0.00	(166,590)
By MOF	A	0.00	0.00	(61,391)
	B	0.00	0.00	0
	N	0.00	0.00	(105,199)

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.

3 filled and 11 vacant positions.

VI. Identify restrictions carried over from FY 2010 as well as additional restrictions due to Department of Budget and Finance's budget ceilings for FY 2011.

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

None.

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

None.

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number: 020402

Program ID and Title: LBR 902, General Administration

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

I. Introduction

A. Summary of Program Objectives

To enhance program effectiveness and efficiency by formulating policies, directing operations and personnel and providing other administrative and housekeeping services.

B. Description of Program Objectives

The activities in this program are performed in the Director's Office, Information Office, Administrative Services Office (ASO), Equal Employment Opportunity Officer, Personnel Office, and neighbor islands District Offices. It involves providing executive direction and administrative assistance to the department's divisions and programs.

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

To achieve the program objectives stated above, activities such as short and long-range planning, instituting policy changes, proposing State legislation, developing innovative and improved programs, preparing program and budget presentations, maintaining fiscal, accounting, purchasing, and personnel functions, providing (personnel) advisory services and position classification functions, and assuring equal opportunity employment and promoting affirmative action programs are all key activities.

C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

In order to ensure that the services we render assist and benefit our programs in the delivery of services they provide, we will evaluate and improve our work processes to benefit our customers, and provide training and workshops for DLIR programs throughout the year on proper procedures and processes to initiate required goods and services. The Administrative Services Office needs to procure new cost accounting and purchase order systems. All offices in General

Administration need to apply information technology to the fullest extent possible.

II. Program Performance Results

- A. Discuss the performance results achieved by each Program in FY 2009.

The performance measures in terms of processing efficiency have remained about the same. The improvement in the processing of payments for goods and services is attributable to the Purchasing Card (pCard) program. The Administrative Services Office (ASO) remains the Department's pCard administrator and provides training to the Department's divisions and offices as needed. The pCard Program allows all levels of employees, especially the front line employees who actually do the purchasing, to make small dollar purchases with the State's purchasing card from First Hawaiian Bank. This program enables businesses to receive payment within 3 days instead of 30 days. In 2009, the department pCard transactions per month and amount paid to businesses for goods and services remained about the same.

Besides established measures, program effectiveness is assessed by the satisfaction of customers, internal and external to the Department, who are served by offices in this program. The Administrative Services Office work teams continue to meet to evaluate and improve work processes to benefit our customers.

ASO continues to serve as the lead to ensure that DLIR maximizes the use of our Information Technology (IT) resources to the fullest extent possible to provide timely, reliable, and accessible services to the public. In 2009, the department's IT work requests remained about the same.

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

If effective services are provided to internal customers, DLIR programs will have access to necessary resources and support to carry out their program responsibilities and, in turn, the mission of the Department.

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

The program's performance has generally been measured through efficiency measures included as measures of effectiveness. As noted in item A. above, the level of performance remained constant in the past two years.

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

As part of the department's continuous improvement program, individual offices have developed Strategic Plans with objectives, implementing actions and measurable outcomes. As noted in item A above, the Administrative Services Office strategic plan has been completed, discussions with internal customers are on-going and internal workgroups have begun to implement changes to improve measurable outcomes.

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

None

III. Problems and Issues

- A. Discuss Problems and Issues Encountered, if any.

A decrease in state funds has made it more difficult to implement and administer support to the programs that are served.

Improving Fiscal and Financial Support

The current cost accounting system (CAS) utilized is outdated and more than thirty (30) years old. The CAS utilizes batch processing to generate monthly accounting reports that are program specific for the DLIR. The reports are utilized by the Federal programs within the department and contain the budget, current expenditures, cumulative expenditures, resources-on-order, and variances from the budget for each grant that is administered by the DLIR. The financial CAS reports are generated one month after the close of a month and or quarter and serves as the basis for reporting expenditures to various State and Federal agencies. The one month delay in the production of the expenditure reports hampers ASO ability to provide financial status of any program at any given period of time.

Information Technology Support

End-user work requests are given high priority in order for the programs to meet their daily operational needs. Due to staff shortages; however, there have been some delays in the completion of several IT projects. ASO is gathering information to address the training needs to support the different IT areas within the department. While training does not equate to additional staff we believe it will allow us to more quickly identify and resolve IT problems.

Improving Human Resources

With the "baby boomers" reaching retirement age, recruitment efforts in 2009 has been very challenging. As of June 30, 2009, our total employee count was 605.

Also, due to limited funding, the DLIR programs have been faced with delays in filling critical job vacancies.

The ongoing concern of finding and retaining productive professional-level and clerical-level employees continues to hamper several DLIR programs. In order to improve the Department's ability to recruit and retain employees, efforts to streamline the recruitment and selection processes will continue, as well as an increased focus in training to develop and upgrade the skills of our supervisors and line staff.

In 2009, transaction requests completed and position classification reviews received by the Personnel Office remained constant. While the numbers indicate the Personnel Office is able to reasonably complete requests despite the shortage in staff, the one area which has suffered greatly, is classification reviews.

Act 300 required the review of exempt positions annually to determine whether they should remain exempt or be converted to civil service status. Besides the classification review of exempt positions, requests for civil service position reviews have created a backlog.

Our current backlog include a higher percentage of complex cases that require more intense analysis and desk audits, thus requiring more time to complete reviews. The Personnel Office plans to review their staff job descriptions to determine the need for cross-training and the shifting of assignments to more effectively meet our customer needs.

We plan to continue our efforts to improve services by reviewing the performance measures of program effectiveness that were established for FY 2009. With more detailed tracking of grievances, personnel/classification/and training requests received, we hope to better assess our performance.

B. Program Change Recommendations to Remedy Problems

ASO successfully secured a contractor to deliver, install, and maintain a state of the art automated Cost Accounting System (CAS). DLIR's largest program, the Unemployment Insurance was brought on-line and the new CAS runs parallel with the current CAS. When the Conversion and implementation is successful, all of the DLIR programs will be brought on-line.

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 2010

	Act 162/09 FY 2010	Collective ± Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	60.52			60.52	60.52
Personal Svcs	\$ 3,654,136		(362,141)	\$ 3,291,995	\$ 3,291,995
Current Exp	954,148			954,148	954,148
Equipment					
Motor Vehicles					
Total	\$ 4,608,284	\$ -	\$ (362,141)	\$ 4,246,143	\$ 4,246,143
Less:					
Pos. Count					
Special Fund					
Pos. Count	35.48			35.48	35.48
Federal Fund	3,228,809		(187,418)	3,041,391	3,041,391
Pos. Count					
Other Funds					
Pos. Count	25.04			25.04	25.04
Gen. Fund	1,379,475	-	(174,723)	1,204,752	1,204,752
* 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 I.D.s and its Impact on the Program.

None

- C. Explain all Restrictions and its Impact on the Program.

Furlough savings will not result in any significant change to measures of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	59.52	(13.94)	45.58
Personal Services	\$ 3,559,205	\$ (858,994)	\$ 2,700,211
Current Expenses	954,148		954,148
Equipment			
Motor Vehicles			
Total	\$ 4,513,353	\$ (858,994)	\$ 3,654,359
Less:			
Pos. Count			
Special Fund			
Pos. Count	34.94	(7.88)	27.06
Federal Fund	3,201,896	(592,292)	2,609,604
Pos. Count			
Other Funds			
Pos. Count	24.58	(6.06)	18.52
Gen. Fund	1,311,457	(266,702)	1,044,755

- A. Workload or Program Request

1. Description of request, reason for the request, and desired outcomes or objectives to be accomplished.
 - a. Abolish 6 filled positions due to lay-offs.
 - b. Abolish 11.94 vacant positions due to funding.
 - c. Reduction due to furlough savings and adjustments to personal services.
2. Listing/description of positions requested, and funding requirements by cost category and source of funding.

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(010083) Office Asst IV, SR10	A	(1.00)	0.00	(42,684)
(017644) Office Asst IV, SR10	A	(1.00)	0.00	(27,756)
(023176) Info Tech Spec VI, SR26	A	(0.46)	0.00	(33,696)
(023176) Info Tech Spec VI, SR26	N	(0.54)	0.00	(33,696)
(027180) Secretary I, SR12	A	(0.22)	0.00	(7,133)
(027180) Secretary I, SR12	N	(0.78)	0.00	(25,291)
(117712) DPSA V, SR24	A	(0.46)	0.00	(23,604)
(117712) DPSA V, SR24	N	(0.54)	0.00	(27,708)
(117713) DPSA V, SR24	A	(0.46)	0.00	(23,604)
(117713) DPSA V, SR24	N	(0.54)	0.00	(27,708)
Other Personal Services				
Fringe Benefits	N			(42,375)
Turnover Savings not realized	A			51,872
Subtotal Personal Service Costs		(6.00)	0.00	(263,383)
By MOF	A	(3.60)	0.00	(106,605)
	B	0.00	0.00	0
	N	(2.40)	0.00	(156,778)

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(004083) Office Asst II, SR06	N	(0.20)	0.00	(4,738)
(008873) Prog Budget Analyst IV, SR22	N	(1.00)	0.00	(45,576)
(010026) Clerk Steno II, SR09	A	(1.00)	0.00	0
(021819) Office Asst IV, SR10	N	(1.00)	0.00	(27,756)
(031882) Account Clerk III, SR22	N	(0.20)	0.00	(5,720)
(047958) Info Tech Spec IV, SR22	N	(1.00)	0.00	(47,412)
(052820) Info Tech Spec IV, SR22	N	(1.00)	0.00	(45,576)
(100000) Private Secretary III, SR24	A	(1.00)	0.00	(54,012)
(113230) Office Asst III, SR08	N	(0.54)	0.00	(13,854)
(117711) DPSA IV, SR22	A	(0.46)	0.00	(20,965)
(117711) DPSA IV, SR22	N	(0.54)	0.00	(24,611)
(023134) Account Clerk II, SR08	N	0.00	(1.00)	(25,668)
(031914) Office Asst III, SR08	N	0.00	(1.00)	(25,668)
(052826) Accountant II, SR18	N	0.00	(1.00)	(38,988)
(054615) Account Clerk II, SR08	N	0.00	(1.00)	(25,668)
Other Personal Services				
RIF Adjustment	A			7,396
RIF Adjustment	N			16,808
Fringe Benefits	N			(116,464)
Turnover Savings				

C. Personal Services (List all positions) Position Title, SR Other Personal Services	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Furlough Savings	A			(92,516)
Furlough Savings	N			(143,460)
Administrative Adjustment	N			77,572
Fringe Benefits	N			(53,138)
Turnover Savings	N			114,403
Subtotal Personal Service Costs		0.00	0.00	(97,139)
By MOF				
	A	0.00	0.00	(92,516)
	B	0.00	0.00	0
	N	0.00	0.00	(4,623)
Subtotal Personal Service Costs		(7.94)	(4.00)	(498,472)
By MOF				
	A	(2.46)	0.00	(67,581)
	B	0.00	0.00	0
	N	(5.48)	(4.00)	(430,891)

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

None

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

6 filled positions and 11.94 vacant positions.

VI. Identify restrictions carried over from FY 2010 as well as additional restrictions due to Department of Budget and Finance's budget ceilings for FY 2011.

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

None

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

None

VII. Capital Improvement Request for Fiscal Year 2011

None

VIII. Proposed Lapses of Capital Improvement Program Projects

None

Program Structure Number: 020104

Program I.D. and Title: LBR 903, Office of Community Services

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

I. Introduction

A. Summary of Program Objectives

The primary program objective of the Office of Community Services (OCS) is to facilitate and enhance the development, delivery, and coordination of effective human service programs for persons in need, with emphasis on the economically disadvantaged, immigrants and refugees. The OCS is also responsible for providing advice and assistance to the agencies of the Executive Branch, the Legislature and other private and public organizations, regarding both the needs of its target populations and improvement of the efficiency of State services.

B. Description of Program Objectives

The OCS administers programs throughout the community using state, federal and special funds through grants and purchase of service contracts with private, non-profit agencies in the human services field. OCS' staff responsibilities include planning, research, monitoring and evaluation of service activities and contract management.

As a responsible funding agency with limited resources, the OCS: 1) Funds projects that solve problems and makes lasting impacts; 2) Makes important investments; and 3) Plants seed money for continued benefit. In keeping with national trends, we are seeding versus fully funding projects.

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

The OCS is standardizing its monitoring and evaluation procedures to improve the effectiveness of its contracts with service providers. The OCS is seeking greater coordination and collaboration among private service providers, and government service agencies to facilitate greater effectiveness in outcomes for Hawaii's low income persons, immigrants, and refugees.

Recent developments in this process include in-house

design and implementation of contract monitoring software, as well as periodic review of our monitoring template.

C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

The OCS intends to meet its objectives by performing its mandated functions as outlined in Chapter 371K, Hawaii Revised Statutes: 1) establishing goals and objectives relating to economically disadvantaged persons, immigrants and refugees; 2) studying the facts concerning the needs of its target groups; 3) reviewing legislation pertaining to programs within the purview of the office; 4) evaluating the availability, adequacy and accessibility of all services for its target group within the State; 5) assisting and coordinating the efforts of public and private agencies providing services which affect economically disadvantaged persons, immigrants and refugees; 6) maintaining contacts with local, state and federal officials and public and private agencies concerned with planning for its target group; and 7) encouraging and fostering local action on behalf of economically disadvantaged persons, immigrants and refugees.

In addition to our mandated responsibilities, OCS has researched several ARRA grant opportunities and other Federal programs available to the State. We have applied and will continue to apply for grants we feel will effectuate the purposes of our mission, while coordinating with other agencies to minimize duplication. The OCS has also sought out public/private partnerships as leverage to maximize State funds.

II. Program Performance Results

A. Discuss the performance results achieved by each Program in FY 2009.

For the preceding fiscal year, more than 12,715 unduplicated disadvantaged persons, immigrants and refugees were assisted in areas of employment, legal assistance, childcare and early education services, transportation services, youth services, food distribution services, energy assistance, and other services.

This variance in the actual number of persons served was due to the following: a) federally funded contracts now mandate tracking and reporting unduplicated number

of persons served; b) state funded contracts completed the transition to performance-based results, requiring documentation validating unduplicated persons obtaining and maintaining employment; c) staff implementing better monitoring techniques and follow-up; and d) program participants consisted of the state's hardest to employ.

More specifically in FY 2009, the OCS' Employment Core Service Programs assisted 1,902 individuals and placed 811 persons in employment.

Other OCS programs distributed 12,533,508 pounds of food to those in need, as well as opening 125 cases for immigrants, disabled, and disadvantaged through legal advocacy programs.

OCS programs also provided wrap-around services for Head Start locations statewide, ensuring high-level child care in a stable environment for low-income children and parents.

The OCS regularly monitors contracted agencies to measure program effectiveness. The mechanism for monitoring involves desk and on-site reviews of programs. In addition, the OCS focuses upon administering programs on a statewide basis to ensure equal access to services. Providers are required to collect program performance and fiscal data on client achievements and submit updated information either monthly or quarterly to the OCS. The contract monitoring system implemented by the OCS has improved intra-office communication and increased transparency, as well as assisted Program Specialists in accurate accounting of each contracted outcome.

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

Our programs primarily focus on eliminating barriers that inhibit the economic self-sufficiency of target groups. OCS programs help to remove barriers to employment, provide services that support and maintain self-sufficiency, and assist low income persons, immigrants and refugees to obtain jobs, remain independent and function well in society.

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

From the onset of the program contracting process, the OCS includes criteria in its Request for Proposals (RFPs) by which it monitors and evaluates the performance of Purchase of Service programs. Additionally, the OCS requires that service providers present and describe in detail a quality assurance and evaluation plan for proposed services, including the methodology to be employed.

The OCS has adopted and implemented Results Oriented Management and Accountability (ROMA) in many of its service contracts. ROMA is an outcome-oriented management framework that marries traditional management functions with a new focus on accountability. It focuses on outcomes of agency activities, as well as on the processes of operating programs and delivering services. Thus, by incorporating the use of results to the planning, management and operation of programs, and by linking such data to the management process, ROMA improves the ability to measure more comprehensively the effectiveness of the service programs. The OCS encourages results that focus on the actual progress of individuals and families towards self-sufficiency and the improvement of communities, and on the numbers of clients served.

Actual program effectiveness is measured through a formal documentation/verification process including on-site monitoring and required reporting to determine agreement compliance and performance accomplishments. The monitoring assessment is based on a review of various outcomes in areas such as service delivery and outreach. Service providers are also required to submit quarterly reports on progress toward stated goals of their POS contract.

The OCS has procured and is implementing a computerized client tracking system to facilitate statistical data collection and uniform reporting. With sufficient users, this data system may also provide an on-line client referral service.

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

The OCS has developed more comprehensive monitoring and evaluation plans and procedures, and has written and utilized the following: 1) OCS Contract Monitoring Plan, 2) OCS Program Review Instrument, 3) OCS Contract Technical Assistance Guidelines, and 4) draft OCS Contract Evaluation Procedures.

The OCS has also been training staff to improve monitoring capacity to determine contract compliance, detect program problems on a timely basis, and to seek improvements where needed. The monitoring process is also designed to obtain the data necessary to more consistently and better evaluate contract performance and programs.

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

The OCS has already completed the shift to outcome-oriented management and contracting.

In Fiscal Biennium 2006 - 2007, the OCS completed its transition phase and is now in the second biennium of performance-based contracting for its two largest state funded purchase-of-service employment programs. Under this system, payments to contracted service providers are tied directly to client achievement of pre-determined performance milestones. Performance-based contracting makes the State a "smarter shopper." The State gets what it pays for and shares responsibility more evenly with service providers. The contractor is now required to perform to contract standards, improving service efficiency. PBCs results in stronger, more immediate sanctions for nonperformance, strengthens competition, possibly lowers contract prices, and improves customer/tax payer satisfaction. OCS continually strives to increase the number of programs on this type of system.

In compliance with the State Procurement Office (SPO) and Chapter 103F, Hawaii Revised Statutes, the OCS lists, online at the SPO website starting with FY 2004 programs, outcomes for each contract. In keeping government transparent, the SPO requires that this information be made available to the public.

III. Problems and Issues

A. Discuss Problems and Issues Encountered, if any.

Services providers continue to report significant increases in clients from Compact of Free Association nations seeking employment and other assistance. In response, the OCS developed acculturation programs for those under the Compacts, giving them the tools they need to transition to life in Hawai'i while allowing them to rely on their own enterprise for success.

The alarming homeless problem continues to grow exponentially. Until policy is set at the State and County levels in a coordinated way, this challenge will continue to be immediate and urgent.

B. Program Change Recommendations to Remedy Problems

The OCS is continuously reviewing and improving program operations in collaboration with its service providers. We continue to streamline to increase efficiency and monitor to ensure maximum program benefit. The OCS has set priorities for future spending based on traditional services provided and on past performance.

To do this, the OCS needs to adopt a Managing for Results (MFR) culture within the constraints of the current staffing. MFR makes it possible to create an organizational culture where beliefs, behaviors, and language are focused, in a shared manner, on results for customers. This makes it possible for program implementers to talk to one another, to reconfirm their commitment to public service, to collaborate, and to improve results for customers.

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.

In FY 2009, the OCS continued to partner with the Department of Human Services (DHS) to access available federal funds as reimbursement for services provided to certain qualified individuals.

Making any change, including a shift to performance-based contracts, requires understanding from:

- Service Providers;
- Funding Sources (Legislators); and
- Administrators.

IV. Expenditures for Fiscal Year 2010

	Act 162/09 FY 2010	Collective * Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	5.00			5.00	5.00
Personal Svcs	\$ 1,328,331		(122,751)	\$ 1,205,580	\$ 1,205,580
Current Exp	17,985,185			17,985,185	17,985,185
Equipment					
Motor Veh					
Total	\$ 19,313,516	\$ -	\$ (122,751)	\$ 19,190,765	\$ 19,190,765
Less:					
Pos. Count					
Special Fund					
Pos. Count	2.00			2.00	2.00
Federal Fund	5,894,307		(53,658)	5,840,649	5,840,649
Pos. Count					
Other Funds	10,700,284		-	10,700,284	10,700,284
Pos. Count	3.00			3.00	3.00
Gen. Fund	2,718,925		(69,093)	2,649,832	2,649,832
* 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 I.D.s and its Impact on the Program.

None.

C. Explain all Restrictions and its Impact on the Program.

Furlough savings will not significantly change the measures of effectiveness and program size.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count	5.00	(1.00)	4.00
Personal Services	\$ 1,187,671	\$ (222,193)	\$ 965,478
Current Expenses	8,778,419		8,778,419
Equipment			
Motor Vehicles			
Total	\$ 9,966,090	\$ (222,193)	\$ 9,743,897
Less:			
Pos. Count			
Special Fund			
Pos. Count	2.00		2.00
Federal Fund	5,894,307	(31,450)	5,862,857
Pos. Count			
Other Funds	1,352,858		1,352,858
Pos. Count	3.00	(1.00)	2.00
Gen. Fund	2,718,925	(190,743)	2,528,182

A. Workload or Program Request

1. Description of request, reason for the request, and the desired outcomes or objectives to be accomplished.
 - a. Abolish 3 filled positions due to lay-offs.
 - b. Reductions due to furlough savings and adjustment to personal services.
2. Listing/description of positions requested, and funding requirements by cost category and source of funding.

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(100488) OCS Prog Adm & Eval Adm, SRNA	A	(1.00)	0.00	(63,816)
(100383) OCS Acct Clerk, SRNA	A	0.00	(1.00)	(38,928)
(100538) OCS Prog Spec, SRNA	A	0.00	(1.00)	(55,000)
Other Personal Services				
Fringe Benefits				
Turnover Savings not realized	A			8,968
Subtotal Personal Service Costs		(1.00)	(2.00)	(148,776)

By MOF	A	(1.00)	(2.00)	(148,776)
	B	0.00	0.00	0
	N	0.00	0.00	0

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(13,451)
Furlough Savings	N			(19,187)
Administrative Adjustment	A			(28,516)
Administrative Adjustment	N			(21,647)
Fringe Benefits	N			(7,107)
Turnover Savings not realized	N			16,491
Subtotal Personal Service Costs		0.00	0.00	(73,417)
By MOF	A	0.00	0.00	(41,967)
	B	0.00	0.00	0
	N	0.00	0.00	(31,450)

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

None.

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

3 filled positions.

VI. Identify restrictions carried over from FY 2010 as well as additional restrictions due to Department of Budget and Finance budget ceilings for FY 2011.

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

None.

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

None.

VII. Capital Improvement Request for Fiscal Year 2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.

Program Structure Number: 020303

Program ID and Title: LBR 905, Hawaii Career (Kokua)
Information Delivery System

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

I. Introduction

A. Summary of Program Objectives

To develop, deliver, and maintain a comprehensive and localized career and educational information delivery system for career decision making and career planning purposes for Hawaii's students and workers.

B. Description of Program Objectives

To plan, develop, implement and maintain a standards-compliant comprehensive statewide career information delivery system for the State of Hawaii, Career Kokua:

- Develops career information comprised of occupational, industry, educational, financial aid, job search, and related information for career development. The career information must be accurate, current, developmentally appropriate, relevant, specific, unbiased, and understandable.
- Develops career information products and services that are useful, and delivered in such a manner that users will be able to access, use, or navigate the components.
- Provides support, training, technical assistance, and communications with users to ensure that the needs and concerns of the end users using the component(s) are being met.
- Provides process component standards that apply to common information tools that facilitate the use of career information in career development.
- Provides assessments that include measures of personal attributes, traits, interests, skills, work values, and other factors that relate to career decision-making.

- Provides component search and sorting processes to help individuals find career opportunities and options in systematic ways.
 - Provides career planning and management processes to help users with discovery, reflection, and documentation for career and educational/training plans.
 - Adheres to national content component information standards.
 - Adheres to integration standards so that integrated products and services meaningfully relate to or link career information content and processes using relationship frameworks that have integrity, quality, and transparency.
 - Provides integrated components that are consistent with career development theory in their design and facilitate career development in their application.
 - Uses equipment and technology that is reliable, widely available, cost effective, and appropriate for a wide variety of users.
 - Uses an interface design that is sufficiently intuitive and attractive to enable and motivate a variety of users to explore options, make decisions, and create career and educational plans. The comprehensive system is designed to allow people to use it independently.
 - Is demonstrably effective with and accessible to people of varying ability, experience, and backgrounds.
 - Provides mechanisms that localize key information or present information in a localized context.
- C. Explain how the Program intends to meet its objectives in the upcoming supplemental year.

The Hawaii Career Information Delivery System (HCIDS) aka Career Kokua provides a comprehensive computerized system of local career and related educational information for the career planning and career decision making needs of students and job seekers in the state of Hawaii. It will meet its objectives by:

1. Developing and maintaining up-to-date and localized career, occupational, and related educational information.
2. Collecting and analyzing current information and developing it into usable formats for schools, career development organizations, and counseling agencies.
3. Consulting with, training, and supporting schools and user agencies on the use and integration of career information in counseling and instructional programs.
4. Developing and managing computerized delivery systems.

II. Program Performance Results

A. Discuss the performance results achieved by each Program in FY 2009.

1. Over 80% of users were satisfied with Career Kokua, its career exploration tools, and the assistance provided for decision making.
2. There were over 90,700 hits on the Career Kokua website.
3. In addition to 15 Career Kokua workshops conducted statewide in 2009, Career Kokua conducted or participated in several user support and community outreach events such as career fairs, conferences, and presentations.

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

Results indicate user satisfaction with Career Kokua as a career exploration tool. The results also show positive measures for desirability of the program and provide evidence that Career Kokua provides the information users want. Ease of use, usefulness of the program, and assistance with career decision making are also positively rated. Actual results exceeding projected measures of effectiveness demonstrate that Career Kokua and the DLIR are providing a worthwhile program that helps Hawaii's students and workers to meet the department's goals of economic well-being and economic security.

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

The effectiveness of the program is measured through a random sampling of User Surveys, Site Coordinator Surveys, computer statistical packages, and the number of community outreach and user support services provided. In the most recent survey of users, 90% of user survey respondents were satisfied with Career Kokua as a career exploration tool. Desirability of the program was also rated, at 90%, with 93% of survey respondents saying that they "liked using Career Kokua" and 91% agreeing that Career Kokua provided the information they wanted. Ease of use of the program was also rated very highly at 93% while 92% agreed that Career Kokua is a worthwhile program. Eighty-seven percent (87%) of the survey respondents rated Career Kokua as useful, exceeding the projected measure of 85%. The actual percentage for Assistance with Career Decision Making, at 89%, was well above the projected measure of 80%.

The User Survey results confirmed that Career Kokua is easy to use, is a useful tool, provides the information that users want, and provides assistance with various aspects of career decision making.

There are over 200 user sites utilizing Career Kokua serving over 200,000 users in Hawaii. These user sites subscribed to Career Kokua's publications and to the various Career Kokua computer software programs including Internet CK. During FY2009 there were over 90,700 hits on the Career Kokua web site.

During the last year, Career Kokua conducted 15 training workshops for over 100 teachers, counselors, and other career development personnel in the State. At the annual Hawaii Career and College Fair, Career Kokua provides direct career assessment services and information to students, teachers, counselors, parents and adults planning career changes or continuing education.

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

None.

- E. Identify all modifications to your program's

performance measures and discuss the rationale for these modifications.

None.

III. Problems and Issues

A. Discuss Problems and Issues Encountered If Any.

None.

B. Program Change Recommendations to Remedy Problems

None.

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.

Due to budget restrictions and reduction in staffing, the bookprint of the publications and the development of micro-computer software have been discontinued. Remaining staff will maintain and support the internet delivery system and databases.

IV. Expenditures for Fiscal Year 2010

	Act 162/09 FY 2010	Collective * Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count				-	-
Personal Services	\$ 497,606		(57,691)	\$ 439,915	\$ 439,915
Current Expenses	25,929			25,929	25,929
Equipment					
Motor Vehicles					
Total	\$ 523,535	\$ -	\$ (57,691)	\$ 465,844	\$ 465,844
Less:					
Pos. Count					
Special Fund					
Pos. Count					
Federal Fund	169,552		(13,478)	156,074	156,074
Pos. Count					
Other Funds					
Pos. Count					
Gen. Fund	\$ 353,983		(44,213)	309,770	\$ 309,770
* 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.

Due to budget restrictions and reduction in staffing, the bookprint of the publications and the development of micro-computer software have been discontinued. Training and user site support will be prioritized conducted on an as needed basis. Remaining staff will maintain and support the internet delivery system and databases.

V. Supplemental Budget Request for Fiscal Year 2011

	Act 162/09 FY2011	Budget Adjustment	Supplemental Budget FY2011
Pos. Count			
Personal Services	\$ 497,606	\$ (136,620)	\$ 360,986
Current Expenses	25,929		25,929
Equipment			
Motor Vehicles			
Total	\$ 523,535	\$ (136,620)	\$ 386,915
Less:			
Pos. Count			
Special Fund			
Pos. Count			
Federal Fund	169,552	31,980	201,532
Pos. Count			
Other Funds			
Pos. Count			
Gen. Fund	\$ 353,983	\$ (168,600)	\$ 185,383

A. Workload or Program Request

1. Description of request, reason for the

request, and desired outcomes or objectives to be accomplished.

- a. Abolish 4.00 temporary state funded positions due to lay-offs.
- b. Reduction for furlough savings and federal fund adjustment to personal services.

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

A. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
(119197) CID Account Info Clerk, SR09	A	0.00	(1.00)	(36,516)
(119211) CIDS Support Assoc, SR12	A	0.00	(1.00)	(46,176)
(119276) Computer Svc Spec, SR22	A	0.00	(1.00)	(55,500)
(119279) Sr. Career Info Analyst, SRNA	A	0.00	(1.00)	(67,488)
Other Personal Services				
Fringe Benefits				
Turnover Savings not realized	A			53,294
Subtotal Personal Service Costs		0.00	(4.00)	(152,386)
By MOF	A	0.00	(4.00)	(152,386)
	B	0.00	0.00	0
	N	0.00	0.00	0

B. Personal Services (List all positions) Position Title, SR	MOF	FY 11 Request		
		FTE (P)	FTE (T)	(\$)
Other Personal Services				
Furlough Savings	A			(16,214)
Furlough Savings	N			(14,954)
Administrative Adjustment	N			52,473
Fringe Benefits	N			(5,539)
Turnover Savings				
Subtotal Personal Service Costs		0.00	0.00	15,766
By MOF	A	0.00	0.00	(16,214)
	B	0.00	0.00	0
	N	0.00	0.00	31,980

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.

4 temporary positions were filled.

- VI. Identify restrictions carried over from FY 2010 as well as additional restrictions due to Department of Budget and Finance's budget ceilings for FY 2011.

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

None.

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

None.

- VII. Capital Improvement Request for Fiscal Year 2011

None.

- VIII. Proposed Lapses of Capital Improvement Program Projects

None.

**FY 11 SUPPLEMENTAL BUDGET
PRELIMINARY OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

III. OPERATING COST DETAILS

	MOF	FY 10 Request			FY 11 Request			FY 12	FY 13	FY 14	FY 15
		FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
A. Personal Services (List all positions)											
Position Title, SR											
Other Personal Services											
Furlough Savings	A			(16,214)			(16,214)	0	0	0	0
Furlough Savings	N			(14,954)			(14,954)	0	0	0	0
Administrative Adjustment	N			52,473			52,473	53	53	53	53
Fringe Benefits	N			(5,539)			(5,539)	0	0	0	0
Turnover Savings											
Subtotal Personal Service Costs		0.00	0.00	15,766	0.00	0.00	15,766	53	53	53	53
By MOF	A	0.00	0.00	(16,214)	0.00	0.00	(16,214)	0	0	0	0
	B	0.00	0.00	0	0.00	0.00	0	0	0	0	0
	N	0.00	0.00	31,980	0.00	0.00	31,980	53	53	53	53
B. Other Current Expenses (List by line item)											
Subtotal Other Current Expenses				0			0	0	0	0	0
By MOF	A			0			0	0	0	0	0
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
C. Equipment (List by line item)											
Subtotal Equipment				0			0	0	0	0	0
By MOF	A			0			0	0	0	0	0
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
L. Current Lease Payments (Note each lease)											
Subtotal Current Lease Payments				0			0	0	0	0	0
By MOF	A			0			0	0	0	0	0

**FY 11 SUPPLEMENTAL BUDGET
PRELIMINARY OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

	B		0			0	0	0	0	0
	N		0			0	0	0	0	0
M. Motor Vehicles (List Vehicles)										
Subtotal Motor Vehicles			0			0	0	0	0	0
By MOF	A		0			0	0	0	0	0
	B		0			0	0	0	0	0
	N		0			0	0	0	0	0
TOTAL REQUEST		0.00	0.00	15,766	0.00	0.00	15,766	53	53	53

**FY 11 SUPPLEMENTAL BUDGET
PRELIMINARY OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

IV. DESCRIPTION OF REQUEST / IMPACT OF REDUCTIONS

24-day furlough savings and administrative adjustment.

V. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

N/A

VI. IMPACT ON FACILITY REQUIREMENTS (R&M, CIP)

N/A

VII. EXTERNAL CONFORMANCE REQUIREMENTS

N/A

VIII. REQUIRED LEGISLATION (Please specify appropriate statutes; i.e., HRS)

N/A

IX. OTHER COMMENTS

N/A

**FY 11 SUPPLEMENTAL BUDGET
DEPARTMENT SUMMARY OF PRELIMINARY OPERATING BUDGET ADJUSTMENT REQUESTS
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

MOF	FY 10 (Display Purposes Only)			FY 11					
	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount			
Appropriations by MOF	A	227.72	17.46	15,801,051	227.26	17.46	15,733,033		
	B	8.00	39.50	391,536,386	8.00	39.50	391,536,386		
	N	433.10	136.19	82,222,399	432.56	136.19	82,195,486		
	R								
	S								
	T								
	U	-	58.00	4,859,105	-	58.00	4,859,105		
	V	-	2.00	168,247,471	-	-	152,858		
	W	-	0.50	50,000	-	0.50	50,000		
	X								
APPROPRIATION TOTAL				668.82	253.65	662,716,412	667.82	251.65	494,526,868

Req Cat	B&F Code	Prog ID/Org	Description	MOF	FY 10 (Display Purposes Only)			FY 11		
					FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
ADJUSTMENTS:										
AP		LBR 111/PB	Abolish filled position	A	(1.00)	-	(54,589)	(1.00)	-	(54,589)
AP		LBR 111/PB	Abolish vacant position	A	(1.10)	-	(22,707)	(1.10)	-	(22,707)
AP		LBR 135/IA	Abolish filled position	A	(2.00)	-	(49,375)	(2.00)	-	(49,375)
AP		LBR 143/EA	Abolish filled position	A	(6.00)	-	(278,604)	(6.00)	-	(278,604)
AP		LBR 143/EA	Abolish vacant position	A	(1.50)	-	(60,737)	(1.50)	-	(60,737)
AP		LBR 143/EB	Abolish vacant position	A	(2.00)	-	(84,996)	(2.00)	-	(84,996)
AP		LBR 152/CA	Abolish filled position	A	(3.00)	-	(135,873)	(3.00)	-	(135,873)
AP		LBR 152/CA	Abolish vacant position	A	(1.00)	-	(18,767)	(1.00)	-	(18,767)
AP		LBR 153/RA	Abolish filled position	A	(3.50)	-	(38,933)	(3.50)	-	(38,933)
AP		LBR 153/RA	Abolish vacant position	A	(1.00)	-	-	(1.00)	-	-
OLC		LBR 161/KA	Turnover savings not realized	A	-	-	16,822	-	-	16,822
AP		LBR 183/DA	Abolish filled position	A	(18.00)	-	(273,379)	(18.00)	-	(273,379)
AP		LBR 316/SA	Abolish filled position	A	(4.00)	-	(181,668)	(4.00)	-	(181,668)
AP		LBR 812/HA	Abolish filled position	A	(1.00)	-	(39,480)	(1.00)	-	(39,480)
AP		LBR 901/GA	Abolish filled position	A	(2.50)	-	(134,706)	(2.50)	-	(134,706)
AP		LBR 901/GA	Abolish vacant position	A	-	(1.00)	-	-	(1.00)	-
AP		LBR 902/AA	Abolish filled position	A	(3.60)	-	(106,605)	(3.60)	-	(106,605)
AP		LBR 902/AA	Abolish vacant position	A	(2.46)	-	(67,581)	(2.46)	-	(67,581)
AP		LBR 903/NA	Abolish filled position	A	(1.00)	(2.00)	(148,776)	(1.00)	(2.00)	(148,776)
AP		LBR 905/GB	Abolish filled position	A	-	(4.00)	(152,386)	-	(4.00)	(152,386)
AP		LBR 111/PA	Abolish vacant position	B	-	(8.00)	(474,531)	-	(8.00)	(474,531)
AP		LBR 111/PB	Abolish vacant position	B	-	(3.00)	(173,589)	-	(3.00)	(173,589)
AP		LBR 111/PA	Abolish vacant position	N	(29.00)	(61.15)	(4,331,167)	(29.00)	(61.15)	(4,331,167)
AP		LBR 111/PB	Abolish vacant position	N	(1.40)	(1.00)	(108,149)	(1.40)	(1.00)	(108,149)
AP		LBR 135/IA	Abolish vacant position	N	-	(2.00)	(132,775)	-	(2.00)	(132,775)
AP		LBR 143/EA	Abolish filled position	N	(6.00)	-	(381,799)	(6.00)	-	(381,799)
AP		LBR 143/EA	Abolish vacant position	N	(10.00)	-	(573,617)	(10.00)	-	(573,617)

Req Cat	B&F Code	Prog ID/Org	Description	MOF	FY 10 (Display Purposes Only)			FY 11		
					FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
AP		LBR 153/RA	Abolish filled position	N	(0.50)	-	(17,431)	(0.50)	-	(17,431)
AP		LBR 153/RA	Abolish vacant position	N	(1.00)	(1.00)	(45,231)	(1.00)	(1.00)	(45,231)
AP		LBR 171/LA	Abolish vacant position	N	(3.00)	-	(139,875)	(3.00)	-	(139,875)
AP		LBR 871/LB	Abolish vacant position	N	(2.00)	-	(61,717)	(2.00)	-	(61,717)
AP		LBR 901/GA	Abolish filled position	N	(0.50)	-	(32,487)	(0.50)	-	(32,487)
AP		LBR 901/GA	Abolish vacant position	N	(11.00)	(4.00)	(702,109)	(11.00)	(4.00)	(702,109)
AP		LBR 902/AA	Abolish filled position	N	(2.40)	-	(156,778)	(2.40)	-	(156,778)
AP		LBR 902/AA	Abolish vacant position	N	(5.48)	(4.00)	(430,891)	(5.48)	(4.00)	(430,891)
AP		LBR 111/PA	Abolish vacant position	U	-	(27.00)	(1,340,309)	-	(27.00)	(1,340,309)
O		LBR 111/PB	Furlough, Admin, Turnover	A			(1,361)			(1,361)
O		LBR 135/IA	Furlough, Admin, Turnover	A			(7,842)			(7,842)
O		LBR 143/EA	Furlough, Admin, Turnover	A			(48,799)			(48,799)
O		LBR 143/EB	Furlough, Admin, Turnover	A			(46,830)			(46,830)
O		LBR 152/CA	Furlough, Admin, Turnover	A			(94,031)			(94,031)
O		LBR 153/RA	Furlough, Admin, Turnover	A			(93,255)			(93,255)
O		LBR 161/KA	Furlough, Admin, Turnover	A			(47,381)			(47,381)
O		LBR 183/DA	Furlough, Admin, Turnover	A			(402,326)			(402,326)
O		LBR 316/SA	Furlough, Admin, Turnover	A			(30,597)			(30,597)
O		LBR 812/HA	Furlough, Admin, Turnover	A			(61,055)			(61,055)
O		LBR 901/GA	Furlough, Admin, Turnover	A			(61,391)			(61,391)
O		LBR 902/AA	Furlough, Admin, Turnover	A			(92,516)			(92,516)
O		LBR 903/NA	Furlough, Admin, Turnover	A			(41,967)			(41,967)
O		LBR 905/GB	Furlough, Admin, Turnover	A			(16,214)			(16,214)
O		LBR 111/PA	Furlough, Admin, Turnover	B			18,282			18,282
O		LBR 111/PB	Furlough, Admin, Turnover	B			(4,355)			(4,355)
O		LBR 171/LA	Furlough, Admin, Turnover	B			164,660			164,660
O		LBR 183/DA	Furlough, Admin, Turnover	B			68,052			68,052
O		LBR111/PA	Change in MOF	B	-	(4.50)	(259,820)	-	(4.50)	(259,820)
O		LBR 111/PA	Furlough, Admin, Turnover	N			(691,061)			(691,061)
O		LBR 111/PB	Furlough, Admin, Turnover	N			(142,541)			(142,541)
O		LBR 135/IA	Furlough, Admin, Turnover	N			22,473			22,473
O		LBR 143/EA	Furlough, Admin, Turnover	N			(69,032)			(69,032)
O		LBR 153/RA	Furlough, Admin, Turnover	N			(37,777)			(37,777)
O		LBR 171/LA	Furlough, Admin, Turnover	N			(974,199)			(974,199)
O		LBR 871/LB	Furlough, Admin, Turnover	N			(203,264)			(203,264)
O		LBR 901/GA	Furlough, Admin, Turnover	N			(105,199)			(105,199)
O		LBR 902/AA	Furlough, Admin, Turnover	N			(4,623)			(4,623)
O		LBR 903/NA	Furlough, Admin, Turnover	N			(31,450)			(31,450)
O		LBR 905/GB	Furlough, Admin, Turnover	N			31,980			31,980
O		LBR111/PA	Change in MOF	N	-	10.50	606,246	-	10.50	606,246
O		LBR111/PB	Change in MOF	N	-	5.00	293,408	-	5.00	293,408
O		LBR111/PA	Transfer-out	N	-	(3.00)	(105,526)	-	(3.00)	(105,526)
O		LBR111/PB	Transfer-in	N	-	3.00	105,526	-	3.00	105,526
O		LBR171/LA	Workload Increase	N	36.00	-	1,383,402	36.00	-	1,383,402
O		LBR171/LA	Staff Overtime	N	-	-	974,199	-	-	974,199
O		LBR 111/PA	Furlough, Admin, Turnover	U			(210,837)			(210,837)
O		LBR111/PA	Change in MOF	U	-	(11.00)	(639,834)	-	(11.00)	(639,834)

TOTAL ADJUSTMENTS

(90.94)	(118.15)	(11,791,650)	(90.94)	(118.15)	(11,791,650)
---------	----------	--------------	---------	----------	--------------

By MOF

General	A	(54.66)	(7.00)	(2,877,905)	(54.66)	(7.00)	(2,877,905)
---------	---	---------	--------	-------------	---------	--------	-------------

Req Cat	B&F Code	Prog ID/Org	Description	MOF	FY 10 (Display Purposes Only)			FY 11		
					FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
			Special	B	-	(15.50)	(661,301)	-	(15.50)	(661,301)
			Federal	N	(36.28)	(57.65)	(6,061,464)	(36.28)	(57.65)	(6,061,464)
			Private	R	-	-	-	-	-	-
			County	S	-	-	-	-	-	-
			Trust	T	-	-	-	-	-	-
			Inter-departmental Transfer	U	-	(38.00)	(2,190,980)	-	(38.00)	(2,190,980)
			Fed Stimulus	V	-	-	-	-	-	-
			Revolving	W	-	-	-	-	-	-
			Other	X	-	-	-	-	-	-

Req Cat	B&F Code	Prog ID/Org	Description	MOF	FY 10 (Display Purposes Only)			FY 11		
					FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount

GRAND TOTAL = APPROPRIATION + ADJUSTMENTS:					577.88	135.50	650,924,762	576.88	133.50	482,735,218
---	--	--	--	--	--------	--------	-------------	--------	--------	-------------

By MOF

General	A	173.06	10.46	12,923,146	172.60	10.46	12,855,128
Special	B	8.00	24.00	390,875,085	8.00	24.00	390,875,085
Federal	N	396.82	78.54	76,160,935	396.28	78.54	76,134,022
Private	R	-	-	-	-	-	-
County	S	-	-	-	-	-	-
Trust	T	-	-	-	-	-	-
Inter-departmental Transfer	U	-	20.00	2,668,125	-	20.00	2,668,125
Fed Stimulus	V	-	2.00	168,247,471	-	-	152,858
Revolving	W	-	0.50	50,000	-	0.50	50,000
Other	X	-	-	-	-	-	-

Request Category Legend:	
AP	Abolish Position FY 10 & FY 11
APB	Abolish Position FY 11
OLC	Other Labor Cost Adjustments
OA	Other Cost Adjustment to Meet 13.85%
OR	Other Reductions
O	Other