

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



LEONARD HOSHIGO
DIRECTOR

LOIS IYOMASA
DEPUTY DIRECTOR

DEPT. COMM. NO. 321

**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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January 7, 2019

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

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, HI 96813

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

For your information and consideration, I am transmitting two (2) copies of the Department of Labor and Industrial Relations (DLIR) Status of the Boiler and Elevator Revolving Fund for the fiscal year ending June 30, 2018, as required by section 397-13, Hawaii Revised Statutes (HRS).

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

Sincerely,

Leonard Hoshigo
Director

Enclosure

BOILER AND ELEVATOR SPECIAL FUND REPORT
TO THE 2019 LEGISLATURE



State of Hawaii
Department of Labor and Industrial Relations

December 2018

STATE OF HAWAII
DAVID Y. IGE, Governor

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
LEONARD HOSHIJO, Director
LOIS IYOMASA, Deputy Director

OCCUPATIONAL SAFETY AND HEALTH DIVISION
BOILER AND ELEVATOR BRANCH
Norman Ahu, Administrator
Julius Dacanay, Branch Manager

I. INTRODUCTION

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

II. PURPOSE

Act 103 (SLH, 2012) established the boiler and elevator special fund, changed the means of financing to special funding, and provided a mechanism for self-sustainability for the Boiler and Elevator Branch (Branch) of the Occupational Safety and Health Division (HIOSH). In passing Act 103, the Legislature recognized that the boiler and elevator inspection program staffing and budget had suffered from across-the-board cuts and neglect that had rendered it ineffective and a hindrance to economic revitalization, and most importantly, a threat to public safety.

Act 103's self-sustainability mechanism operates by assessing fees, which supports the operations of the Branch. Act 103's self-sustainability mechanism also provides a means for the program to hire and retain qualified personnel and carry out the inspection and permitting functions related to public safety and economic revitalization.

Act 103 has been codified in the Hawaii Revised States (HRS) as a new section §397-13 (**Boiler and elevator special fund; establishment; purposes.**), and amendments to §397-5 (**Fees.**) and 397-8 (**Violations and penalties**).

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

III. PROGRAM RESULTS

The Branch amended the Hawaii Administrative Rules (HAR) for the Elevator Section in 2014 and 2016. A new revision that includes mostly housekeeping changes and a modest increase in the fees is in the final stages and is expected to become effective on January 1, 2019. The Boiler Section is undertaking a major revision of its HAR that is expected to become effective in mid-2019.

DLIR continues to work with the Hawaii Information Consortium (HIC) to integrate a new information technology system into the operations of the Elevator Section for staff, permit and license holders, and the public to make operations more efficient and transparent.

Act 103 also provided for ten additional positions including a branch manager, up to the equivalent of six full-time elevator inspectors, one boiler inspector and two office assistants. Act 103 increased the total number of inspectors in the Branch from eleven to eighteen (four boiler, fourteen elevator), including two supervisors. Twenty-one of the Branch's twenty-two positions were filled during the fall of 2018. The program performed 5,814 elevator inspections (of approximately 7,000 items) and performed or accepted 6,117 boiler inspections during FY2017-18.

IV. **Budget**

The department deposited \$100,000 into the general fund pursuant to Act 103 during the fiscal year, bringing the total to \$700,000 of the \$1,000,000 general fund loan paid back. DLIR has an additional four years to return the seed moneys to the general fund.

Fiscal Year 2017-2018

Beginning Balance		570,620
Revenues	Fees, Interest	2,229,752
Expenditures	Incl. Loan Repayment	(2,214,114)
Loan Repayment		(100,000)
Balance 6/30/17		586,258

