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SCOTT T. MURAKAMI
DIRECTOR

DEPT. COMM. NO. 28
ANNE E. PERREIRA-EUSTAQUIO
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STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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December 26, 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) Annual Report for the fiscal year ending June 30, 2019, as required by Act 100, Session Laws of Hawaii 1999.

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,

A handwritten signature in black ink that reads "Scott T. Murakami".

Scott T. Murakami
Director

Enclosure



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS



ANNUAL REPORT Fiscal Year 2018 - 2019

<http://labor.hawaii.gov>



The Employment Benefit & Rights line of business protects the economic security, physical, economic and social well-being of workers and supports good labor-management relations. This includes developing and disseminating labor market information and assisting job seekers, workers and employers to facilitate workforce development.

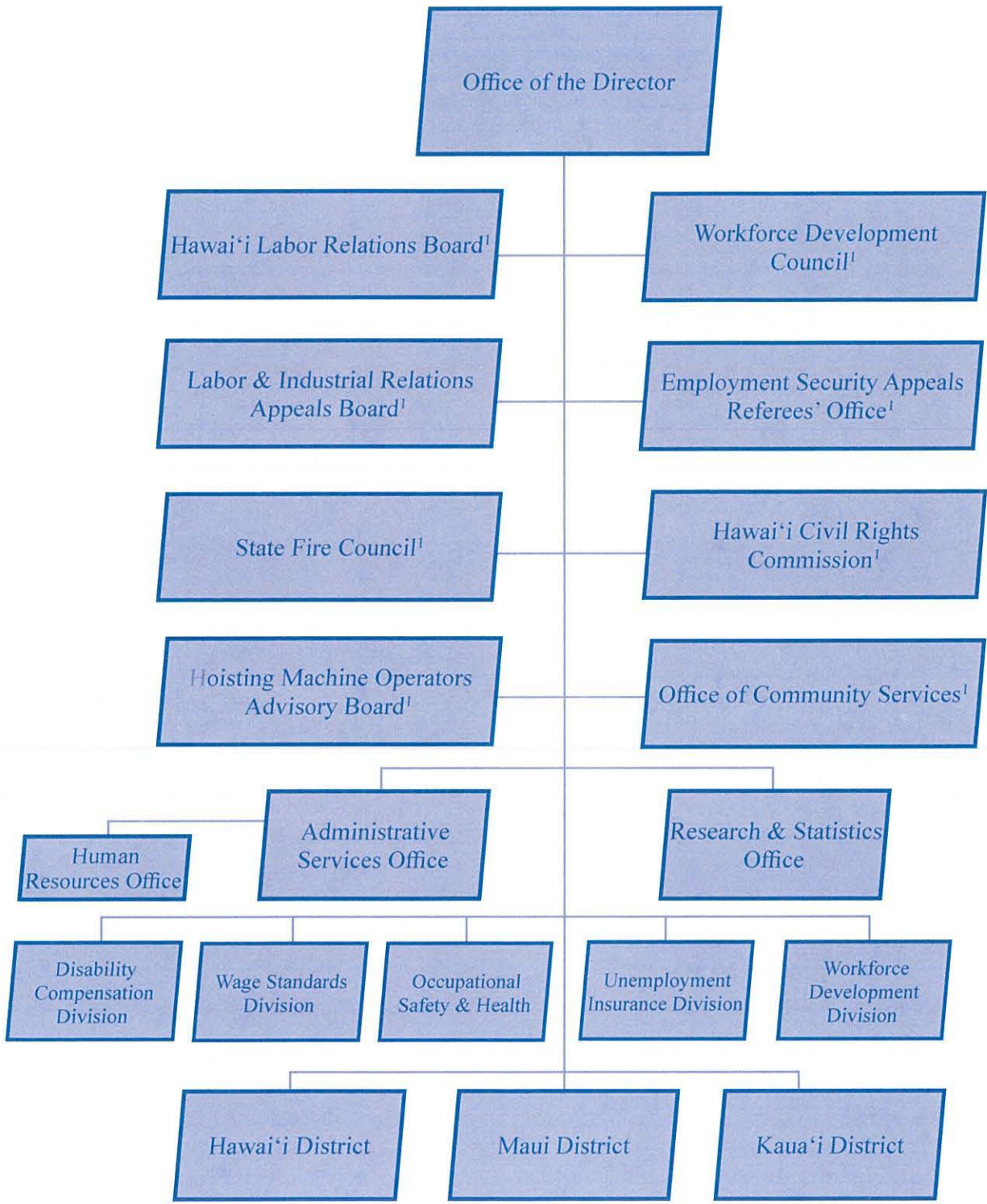
Equal Opportunity Employer/Program
Auxiliary aids and services are available upon request to individuals with disabilities.
TTY/TDD Dial 711 then ask for (808) 586-8866

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STATE OF HAWAI'I

DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS
ORGANIZATION CHART



¹For administrative purposes only

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Aloha,

I hope you find that the Department of Labor and Industrial Relations' 2018-2019 Annual Report helpful in understanding the Department's goals to provide economic security and improve the quality of life for the people of Hawai'i.

Over the past year, the Department's programs worked towards securing, enhancing, and modernizing public services. The Hawai'i Occupational Safety and Health updated its Boiler administrative rules to increase safety and fees to cover administrative costs. The Workforce Development Division expanded and diversified apprenticeship programs to address the needs of the workforce. The Unemployment Insurance Division developed a self-service system that allows employers to securely managed their unemployment insurance tax and benefits account directly as well as launched a fraud detection application that enables employees to investigate and address fraudulent activity faster. In addition, the modernization projects of Disability Compensation Division and Unemployment Insurance Division are continuing and will ensure more accessible service to all those that are involved in the implementation of our laws.

This annual report provides further details the work of all the Department's programs over the past year.

As always, we express gratitude to our many partners in all levels of government, businesses, labor organizations, and community for their assistance and support in effecting the laws that the Department is responsible for administering.

The Department remains committed to working towards its goal of providing economic security and improving the quality of life for the people of Hawai'i in this upcoming legislative session and the sessions to come.

Sincerely,

SCOTT T. MURAKAMI
Director

Workforce Development Division

The Workforce Development Division (WDD)

- Plans, coordinates and implements a statewide, customer-driven workforce development system with partner agencies.
- Delivers employment and training services to job applicants, workers and industries.
- Services include a referral and placement service that links qualified job seekers with employers at no cost to the public.
- Partners include but are not limited to the DOE Adult Education; DHS Division of Vocational Rehabilitation (DVR); Community Colleges, State Workforce Development Council, Counties, business associations, labor organizations, community-based organizations, and other agencies.

Partner Agencies

HireNet Hawai'i is an electronic job board and database at



www.hirenethawaii.com. HireNet Hawai'i is sponsored by WDD and the Workforce Development Council to connect employers and jobseekers and all American Job Centers Hawai'i throughout the islands. 3,532 participants who utilized HireNet Hawai'i received individualized services during the period of July 1, 2018 to June 30, 2019. HireNet Hawai'i is accessible to jobseekers and employers at no cost. Those with internet access and a computer can self-register and benefit from online services, while those who need individualized service can contact their nearest American Job Center Hawai'i.

WDD with the collaboration of Research and Statistics, Workforce Development Council, Administrative Services Office and Information Technology Office developed a Request for Proposal for a Management Information and Case Management System. Current MIS contract with current contractor ends on June 30, 2020. The RFP requested for proposals for developing, installing and maintaining and automated Management Information System (MIS) and database for the American Job Centers in Hawai'i employment and training programs.

The RFP also identified integrating Research and Statistics Hawai'i Workforce Infonet (HIWI) website and Green Jobs Portal within the MIS system for cost savings and seamless integration of related labor market information. An Eligible Training Provider module was also identified within the RFP to meet the WIOA requirements.

After comprehensive committee evaluation, the Notice of Award was posted on November 14, 2019 to Geographic Solutions, Inc. WDD looks forward to continuing our partnership with Geographic Solutions, Inc. in providing our job seekers, employers, staff and partner agencies with a user-friendly integrated virtual one-stop system for the State of Hawai'i.

Summer Youth Employment Program

The Summer Youth Employment Program (SYEP) is a joint collaboration between the DVR and the Department of Labor and Industrial Relations (DLIR), WDD to provide eligible youth with paid work-experience both in summer. The program commenced statewide in Hilo, Kona, Lāna'i, Maui, Moloka'i, and O'ahu in June 2019 and concluded in August 2019.

Youth referred by the DVR were placed in real job experiences with State agencies that taught the candidates basic and necessary work skills which in turn boosted their confidence and enthusiasm to apply and compete for jobs after graduation. In a study conducted by the National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR), researchers analyzed data from 3,289 youth with disabilities who had participated in a vocational training and transitioning program between 2005 and 2010 and found that only 16% had prior work experience before they started the program, were 38% more likely to get a job than the students without work experience, and they earned about \$19 more per week on average.

Work experience for youth with disabilities is more prevalent today as it offers opportunities and avenues for gainful employment after high school. This year the Summer Youth Program successfully placed 113

youths with various state agencies for a duration of 6-8 weeks. Youths earned an hourly wage rate of \$10.85.

Trade Adjustment Act (TAA)

The Trade Adjustment Assistance (TAA) Program is a federal entitlement program that assists U.S. workers who lost their job as a result of foreign trade. The program provides adversely affected workers with opportunities to obtain the skills, credentials, resources, and support necessary to become reemployed. Former workers of HC&S Sugar Company on Maui were a primary target group. DLIR continued to assist these and other TAA participants to acquire the vocational skills necessary to transition to new careers.

Disability Employment Initiative Round VIII

As with DEI Round VI, WDD in collaboration with the University of Hawai‘i, Center on Disability Studies (UHCDS), and DVR, was awarded \$2.25 in funding from the Disability Employment Initiative Round VIII. This grant, entitled “Hawai‘i Youth at Work!” focuses on employment and postsecondary implementation of Career Technical Education (CTE) strategies for transition age youth (ages 14-24) with disabilities.

Funding has been used to strengthen the partnerships with the American Job Centers (AJC) in all counties of the State of Hawai‘i and other disability-serving agencies to increase the number of youths with disabilities entering career pathways. WDD has contracted with the City and County of Honolulu/ Work Hawai‘i Youth Services section to operate DEI Round VIII in their AJC. To date 20 youth with disabilities have entered training under WIOA Title I Youth program, 1 youth has been able to secure employment, and 8 transitioning youths with disability are or have received work experience under the WIOA Title I Youth Program.

Workforce Investment Opportunity Act (WIOA) Job Training Services

Through the WIOA, WDD was a service provider for the Counties’ Adult and Dislocated Worker population on Maui and Kaua‘i. Low-income adults and former workers who were laid off or terminated and unlikely to return to their previous occupations were served.

Services to Military Veterans

In FY 19, over 200 veterans with significant barriers to employment, including veterans with disabilities, were provided with career counseling and job search assistance. WDD staff who were veterans themselves worked closely with organizations such as the Veterans Administration and federally funded programs serving homeless veterans or other veterans in need. Extensive outreach also was conducted with businesses to promote hiring of veterans.



Volunteer Internship Program

The Volunteer Internship Program (VIP) is a voluntary program that allows Hawai‘i jobseekers, as well as individuals receiving unemployment insurance (UI), to choose and pair with industry employers to gain workforce training. Candidates of the VIP program are given the opportunity to intern from 16-32 hours per week for a 4-8 week period. Participants who successfully complete the unpaid internship receive a certificate of job skills acquired and consideration for future employment. For Fiscal Year 2019, 76 individuals were placed in the Hawai‘i Volunteer Internship Program.

WDD

Apprenticeship Programs

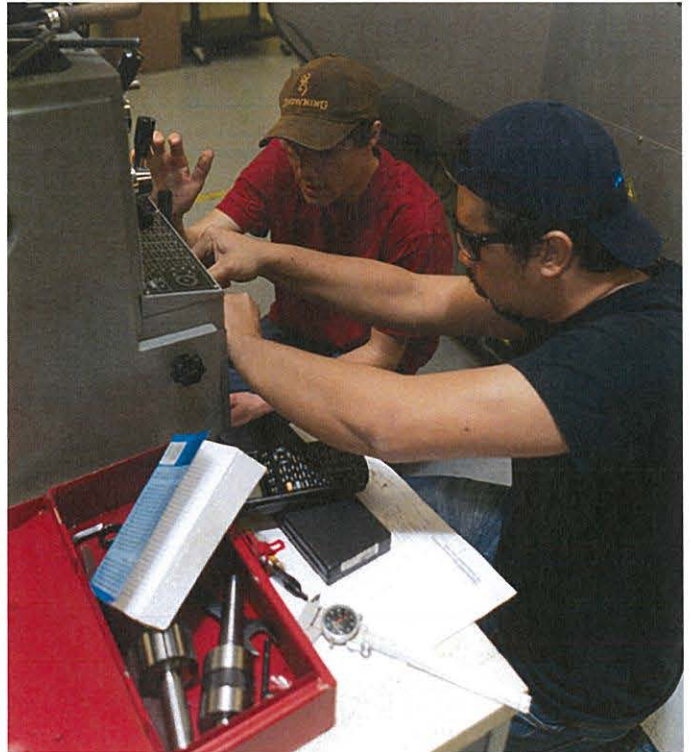
Apprenticeship is a structured training program that combines on-the-job learning and related training instruction. Apprenticeship has been associated with construction trades but has expanded to non-traditional occupations including Healthcare and Culinary. There are currently more than 60 registered apprenticeship programs in different occupations with over 6,000 registered apprentices. For FY 2019, 1726 new apprentices were registered with the different apprenticeship programs and 632 apprentices completed apprenticeship. Apprentices who completed the program were issued certificates of completion that conferred them journeyworker status.

American Apprenticeship Initiative (AAI)

DLIR WDD was awarded \$2.9 million in federal funds under the American Apprenticeship Initiative grant to establish new apprenticeship programs in Information Technology to meet the growing demand for IT workers. The grant was modified to include Healthcare, Cook, Construction Inspector, and Mechatronics (Food Manufacturing) occupations. Key partners under the grant included Honolulu Community College, Pacific Center for Advance Technology and Training; City and County of Honolulu; and Dev League, Inc., a private IT training provider. There are 17 registered apprenticeship programs that included Queen's Health Systems, Brightstar Care of Honolulu, Dev League, Inc., eWorld Enterprise Solutions, Inc., Finance Factors. Also participating as intermediary sponsors are Honolulu Community College and Hawai'i Technology Development Corporation.

Apprenticeship USA State Expansion Grant

A total of \$2.3 million in federal funds for both Round 1 and Round 2 was awarded to DLIR WDD to support apprenticeship strategies and expand apprenticeship programs in non-traditional occupations. The grant began in November 2016 and ends October 2020. There are 22 registered apprenticeship programs and 459 apprentices under the grant. Sixty (64) pre-apprentices participated in pre-apprenticeship programs to prepare them enter apprenticeship. A key partner under the grant is Kapi'olani Community



College (KCC) which is training provider for the related training instruction component of program. KCC is registered sponsor of Healthcare and Culinary Apprenticeship Programs and is also intermediary for other programs to help sponsors and participating employers carry out their responsibilities.

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain target groups who have consistently faced significant barriers to employment. The target groups included Veterans, Temporary Assistance for Needy Families (TANF) Recipients, Food Stamp (SNAP) Recipients, Vocational Rehabilitation Referred Individuals, Ex-Felons, Supplemental Security Income Recipients, and Long-Term Unemployment Recipient. Employers earn a WOTC credit equal to 25% or 40% of a new employee's first-year wages, up to the maximum for the target group to which the employee belongs. For FY 2019, a total of 581 certification of eligibility were approved.

Employment and Training Fund (ETF)

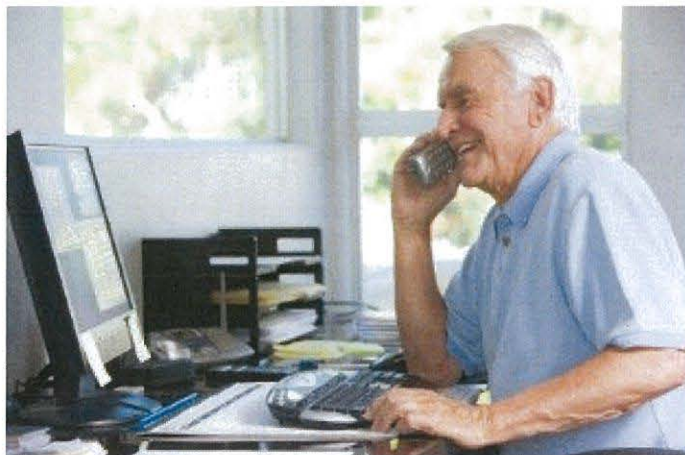
In FY 2019, 20 training vendors were successfully awarded as a result of a Request for Proposal that was conducted to solicit training vendors in a variety of course in areas such as customer service, computer applications, food safety and leadership training. To date, approximately 78,155 individuals have been trained. Details are provided in a separate ETF Report.

Partnership with Department of Human Services

Through a partnership agreement with the State Department of Human Services, WDD staff provided job development on all counties for individuals who received benefits through the Temporary Assistance to Needy Families (TANF). On counties of Hawai‘i, Maui, and Kaua‘i, WDD also provided job readiness workshops for participants to prepare them for work. Through a similar agreement with the Department of Human Services, WDD staff provided employment and training assistance for individuals receiving Supplemental Nutrition Assistance Program (SNAP) benefits on Hawai‘i and Kaua‘i Counties.

Senior Community Service Employment Program (SCSEP)

The SCSEP assisted unemployed, low-income persons, age 55 and older, with poor employment prospects, to engage in part-time community service training activities to help them develop skills and experiences for transition into unsubsidized jobs.



Reemployment Services and Eligibility Assessment (RESEA)

Since 2008, WDD has been providing group and individual skills assessment, labor market information, and referrals to jobs and training for UI claimants, except those employed part-time or those referred by union halls. In the past, the RESEA reduced the average UI duration by 0.7 week, producing a net savings of nearly \$2.5 million to the UI Trust Fund. The success of this program led to the program becoming mandatory for all new UI claimants effective October 1, 2015. Similar services are provided as in the past, with an emphasis on more individualized, in-depth services to each UI claimant.

Sweet Success Stories from Maui

After 134 years in business, the last sugar plantation in the State of Hawai‘i announced the closure of its sugar operations by the end of 2016. The following are a few stories of the adversely affected workers that benefited from the TAA training opportunities to transition from a Sad Sugar Story to a new Sweet Success Story.

DAMIEN “Mr. D.” CARBONEL:

Mr. “D” was one of five generations that worked at the State’s last sugar plantation, where he worked for over 39 years. He felt at a loss with the ending of his livelihood as an Industrial Machinist and had to face the demands of today’s job market. He couldn’t find suitable work on the island of Maui, particularly with his learning disability. After several counseling sessions and encouragement from the local office of Workforce Development Division, he decided to pursue a college degree in preparation for a new career. TAA was able to cover his college expenses and secure the necessary equipment and tools to assist him through his studies and graduated with an Applied Associates of Science degree in Construction Technology.

He was placed in a State job as an Airport Operation Maintenance worker, making more than his previous job. Working at the small commuter airport, Mr. “D” continues to use the technology and writing skills

WDD

to maintain and repair the facility. He states that gaining and retaining his new job would not have been possible if it weren't for the TAA training he received. He insisted that his sweet success story include appreciation for his college Disability Services Counselor, the TAA Counselor and WDD Secretary, for their "positive influence" that pushed him through challenging times and for believing in him that success was possible.

Last month, a fast-moving brush fire threatened the area near his workplace. Planes left in a hurry right before the evacuation was announced. He explained that he couldn't just abandon the airport, had to contact his supervisors and took the Maintenance lead in shutting down the airport facility. His quick thinking and previous experience with sugar cane burning operations, in coordination with Security and local Fire Department, helped save the Kapalua West Maui Airport.

KERRY KAMALII & MANASIS "MANNY" ADZUARA:

Kerry and Manny were similarly devastated as adversely affected workers when the sugar plantation announced its closure. How would they support their young families? Although they knew they would benefit from a college degree in the long run, they needed to find suitable employment as soon as possible. They were placed in the State's Volunteer Internship Program for three weeks in a modified position to give them a preview of the new job prior to employment in the OJT program. Valley Isle Produce has retained them beyond the successful completion of the OJT program and are very pleased with their work performance and work ethics.

Kerry was a Farm Supervisor adversely affected by the closure and wanted to find a supervisory position but had difficulties in finding a suitable job with his specialized work experience in sugar planting operations and education level. He wanted to remain in Maui to support his wife and young children. After reviewing his many TAA options, he decided to participate in the State's VIP program, then the TAA On-the-Job training program. He received

thorough and progressive training for his new job as an Operations Utility Supervisor and has received a pay increase after the successful completion of his TAA OJT training, with a higher salary than his former job. His training has continued in many phases of the operations and has since been able to cover supervisory roles in various areas, such as Receiving, Warehouse, Inventory, Security and Maintenance Repair/Mechanics Departments. He is very happy with his new job and credits the training he received.

Manny was an immigrant who worked for almost 28 years with the sugar plantation and worked his way up to a Crew Chief. He decided that a college degree would take too long and needed to find a suitable job to support his family. He completed the VIP program and transitioned into the TAA OJT program being hired as a CDL A Sales Route Driver. He had to learn basic sales and customer service skills in addition to his driving. He understood the importance of being the "face that represents the service" to distribute fresh produce and multiple products. He had to learn the details of the various sales routes in and out of traffic, in multiple locations around the island. He was trained to maneuver safely through the narrow streets of old retail areas with low overhangs, from small mom and pop retailers, to restaurants, to luxury hotels all over the island. Not only did Manny learn the details of his job but gained confidence in himself and brings home a better wage from his new career.



Workforce Development Council

The Workforce Development Council (WDC) administers and implements the Federal Workforce Innovation and Opportunity Act of 2014 (WIOA) for Hawai'i. WDC is a State board comprised of 41 members, of whom the majority are private business sector members appointed by the Governor.

On behalf of the Governor, WDC works with partner agencies to implement a statewide comprehensive workforce development system that caters to job-seekers and businesses. Under WIOA, WDC's core partners are Adult Education in the Department of Education, Division of Vocational Rehabilitation in the Department of Human Services, and Wagner-Peyser, administered by the Workforce Development Division.

WDC also administers WIOA Title I funds that are allocated to the Workforce Development Boards (WDBs) on O'ahu, Kaua'i, Maui and Hawai'i Island. WDBs work through American Job Centers to deliver direct services in career development, employment and training to jobseekers with barriers to employment; help low-wage workers upgrade their skills; and provide resources to support businesses, including assistance with finding qualified workers. When a business experiences downsizing or a closure, WDC coordinates statewide rapid response services to assist workers who may be facing company downsizing or closure.

In addition, WDC manages the HireNet system, the statewide electronic job board, which links qualified job seekers with employers at no cost to the public. HireNet also supports case management and generates performance and utilization reports. In Program Year 2018, 10,722 residents used HireNet. An additional 3,397 individuals registered for basic career services as Title III Wagner-Peyser participants, and another 778 youth and adults received individualized career services as Title I program participants. In total, nearly 15,000 people benefitted from the virtual one-stop career development resource. In addition, 535 businesses sought to set-up HireNet accounts during this program year. Currently, 7,711 businesses have enabled accounts on HireNet.

WIOA Performance Measures

Hawaii's Program Year (PY) 2018 performance measures improved compared to the previous program year. The Adult program had exceeded performance goals in all measures except for employment within six months of exiting the program. The percentage of adult participants who held employment within 12 months of exiting the program surpassed the target of 63.9% to an actual rate of 66.7%. The percentage of adult participants who earned a credential surpassed the target of 51% to an actual rate of 62.5%. Targets for two performance indicators would have been met if one additional participant in the Dislocated Worker and Youth programs had earned a credential. These two targets were missed by one percentage point. The Youth program had met the goal for employment, education, or training within six months of exiting the program. The Youth program, however, remained weak in employment, education, or training within 12 months of exiting the program. Employment rates fell short of meeting targets in the Dislocated Worker program. Median earnings performed well for the Adult and Dislocated Worker programs, where adult participants earned \$5,367 in median wages and dislocated worker participants earned \$7,963 in median wages.

Federal and State Workforce Investment in 2018

Workforce development amounted to more than \$101 million. Of this total amount, the State of Hawai'i provided 56.6% of the funds and the U.S. federal government provided the remainder at 43.4%. The State of Hawai'i Department of Labor and Industrial Relations (DLIR) received the most federal funds with \$14.6 million. The State of Hawai'i Department of Human Resources, various non-profit organizations, the State of Hawai'i Department of Defense, and the State of Hawai'i Department of Education were the next organizations to receive significant amounts of federal funds in ranked order. While the University of Hawai'i received only 2.5% of federal funds, the University of Hawai'i received the most state funding at 31.2% with \$31.5 million. The State of Hawai'i Department of Human Resources and the State of Hawai'i Department of Education received significant shares of state funding.

Federal workforce investment dollars benefit youth and adult jobseekers and workers, particularly those who are at risk of not achieving a successful career. Those with barriers to employment or who are laid off are provided priority access to program resources and support services. Target populations include adults with disabilities or those receiving social services, adults in correctional facilities, workers who are laid off due to foreign trade, low-income unemployed seniors, and those about to exhaust unemployment insurance benefits. Among young people, federal workforce development dollars target high school dropouts, as well as low-income youth who are basic skills deficient, English language learners, or in need of help completing their education or securing work. Businesses can benefit from the provision of timely labor market information, and the development of a high-quality workforce for in-demand occupations and industries in Hawai'i's tight labor market. Link to full-color brochure and interactive graphs of funding data:

<http://labor.hawaii.gov/wdc/workforce-development-funding/>

Statewide Rapid Response Services

Statewide rapid response activity for dislocated workers is supported by American Job Centers (AJCs) located on O'ahu, Maui, Kaua'i and Hawai'i Island. Local area AJC rapid response teams (Team) and WDC collaborate to plan and conduct rapid response activities that help dislocated workers return to work as quickly as possible following layoff or job loss.

O'ahu Rapid Response Activity

The DLIR and WDC received 24 Worker Adjustment and Retraining Notification (WARN) letters from O'ahu businesses between July 1, 2018 and June 30, 2019. The WDC followed up on 18 news reports and/or rumors of struggling businesses. The O'ahu AJC rapid response Team conducted five support sessions that served a total of 216 individuals. Four of those individuals later visited the AJC for follow up services. The WDC and Oahu rapid response Team also worked with four businesses that only wanted printed AJC flyers and information about filing an unemployment claim.

Hawai'i County Rapid Response

Between July 1, 2018 and June 30, 2019, the DLIR and WDC received five WARN letters from Hawai'i County businesses. During this period, the Hawai'i County AJC provided one rapid response session in Hilo and one in Kona. A total of 90 people participated in those two sessions.

Kaua'i Rapid Response

The DLIR and WDC received one WARN letter from Kaua'i businesses for this time period. The Kaua'i AJC conducted one rapid response session for a total of 25 people. Three individuals were referred to WIOA and six received Reemployment Services and Eligibility Assessment (RESEA) program services.

Maui Rapid Response

The DLIR and WDC received four WARN letters from Maui businesses during this period. The Maui WDD office provided rapid response assistance to five workers from one company. The dislocated workers traveled to the Maui AJC to receive their assistance. The WDC referred two individual inquiries about WARN violations to the WDD for enforcement.

National Emergency Disaster Dislocated Worker Grants

The island of Kaua'i experienced a severe rainstorm in April 2018 and Hawai'i Island experienced a volcanic eruption in May 2018. The Federal Emergency Management Agency (FEMA) declared both events national disasters, which allowed the state of Hawai'i to apply for disaster assistance. The WDC applied for, and was awarded, two US Department of Labor (USDOL) Disaster Dislocated Worker Grants (DWG) to help impacted communities recover through workforce assistance. The Statewide Rapid Response Coordinator administers the Disaster DWGs. The \$500,000 award for Kaua'i and the \$3.5 million award for Hawai'i Island covers temporary employment wages and support services for grant participant through June 2020. After participants have worked their permitted hours, they can seek the continued assistance of services provided by the AJCs to secure further employment.

In late 2018, the WDC and local area AJC rapid response teams conducted multiple information

and recruiting sessions on both Kauaʻi and Hawaiʻi Island. During those sessions, AJC teams determined individual and worksite eligibility for grant participation. AJC staff helped individual applicants register on HireNet Hawaii and co-enroll participants in all WIOA support programs for which they are eligible.

Kauaʻi Severe Storms (April 2018)

Between April and May 2018, the WDC and Kauaʻi AJC participated in four community-sponsored events that focused on island wide disaster recovery assistance in Kōloa, Anahola, Hanalei, and Lihūʻe. Later in the year, the WDC and Kauaʻi AJC held two DWG information and recruiting sessions on the north shore in Hanalei. In October 2018, the WDC gave radio interviews on KKCR Kauaʻi Community Radio and Hawaiʻi Public Radio.

Between April 2018 and June 2019, north shore Kauaʻi businesses and residents struggled to rebuild their lives and recover damaged island infrastructure, including 12 landslides that closed the Kūhiʻo Highway just past Hanalei. For more than a year, tourism was prohibited beyond Hanalei and residential ingress and egress to the area were restricted to three scheduled convoys per day. When Kūhiʻo Highway reopened in June 2019, area residents were able to travel freely between their homes and the rest of the island, and north shore tourism returned.

Between October 2018 and May 2019, there were three active disaster recovery worksites and six workers on Kauaʻi. To date, two recovery worksites remain registered. The National Tropical Botanical Garden Limahuli Preserve temporarily employs workers to repair infrastructure damage and to maintain integrity of the established plant collections. Makana O Kauaʻi, a SCUBA-based debris collection project removes storm debris from nearshore waters and coral reefs. The humanitarian recovery project, Meaʻai on Wheels, provided meals to impacted elderly, frail and sick isolated north shore residents through May 2019. The project wrapped up following announcement of the Kūhiʻo Highway reopening to the public, and loss of matching county operating funds.

Kīlauea Eruption (May 2018)

Following the May 2018 eruption of Kīlauea Volcano on Hawaiʻi Island, the WDC applied for and received a second USDOL Disaster DWG award. With support from the Hawaiʻi County Research Office, the WDC and Hawaiʻi Island AJC conducted three East Hawaiʻi information and recruiting sessions in June 2018. To date, two businesses and nine workers participate in the Hawaiʻi Island DWG. At the University of Hawaiʻi Hilo College of Tropical Agriculture and Human Resources (CTAHR) Waiākea Station, an agriculture technician is working to recover the local agriculture industry through pest and disease research, and healthy starter root stocks. At Hawaiian Sanctuary, workers are recovering the demonstration farm, which offers free subsistence agriculture classes and serves as a community gathering place. The WDC contracted a staffing agency on each island to manage payroll services and to match eligible dislocated workers with approved worksites.

Increasing Knowledge On Hawaiʻi’s Workforce: Community Research

The Underserved Populations in Hawaiʻi

The WDC completed a report on the underserved population in Hawaiʻi and shared it with the local boards, AJCs, WIOA partners, and WDC members. The report looks at the underserved by age, gender, and geographic breakdowns to give the local boards and AJCs better insight into the types of underserved job seekers there are in each county, and where these underserved job seekers might be. Underserved populations include veterans, racial minorities, those with disabilities, and those with low levels of income or literacy. The report also included labor force participation and unemployment rates. The data primarily came from the American Community Survey 5-Year Estimates (2012-2016).

Links:

- <https://labor.hawaii.gov/wdc/files/2018/12/Hawaii-Underserved-Population-Research-7.25.18.pdf>
- <https://labor.hawaii.gov/wdc/files/2018/12/PPT-Underserved-Data-from-Wayne-Liou-7.13.18.pdf>

“Hawai‘i Laborshed: Who Stays, Leaves, and Comes”

Another completed research project examines the workforce flow from residence to place of work through interactive tables and maps. The study uses publicly available workforce flow data from the Longitudinal Employer-Household Dynamics, Origin-Destination Employment Statistics data set for 2015 from the U.S. Census Bureau. This information can provide local workforce boards and AJCs a better understanding of where to conduct outreach to its client base, whether it be outreach to workers at residences or places of work, or outreach to employers. In addition, employers can use this information to make informed decisions on relocation or expansion. Finally, planners, economic developers, and policy makers can evaluate whether worker and employer needs are being met with regard to infrastructure and economic development policies.

Links:

Map that shows flow (note that if a drilldown is selected, the bottom map with the flow lines won't display):

https://public.tableau.com/shared/477DM44BT?:display_count=yes

Table that includes percentages:

https://public.tableau.com/views/Laborshed1_1/Sheet2?:embed=y&:display_count=yes

Workforce Research Initiative: Disconnected Youth

Hawai‘i has the 17th highest disconnected youth population as a percentage of young adults in the nation, behind the southern and Appalachian states and Alaska. Disconnected youth, also known as unattached youth, are young adults who are disconnected from society by not being attached to an educational institution or a job. Approximately 14.5% of people aged 16-24 in Hawai‘i are neither in school nor at work, compared to the national average of 13%. A major reason for such a high rate of disconnected youth is the low rate of school attendance.

Links:

- <https://labor.hawaii.gov/wdc/files/2019/06/Disconnected-Youth-Executive-Summary-2.0.pdf>
- <https://labor.hawaii.gov/wdc/files/2019/06/Disconnected-Youth-Online.pdf>

Understanding The On-Demand Workforce

The National Governor's Association (NGA) has initiated a pilot program to study the on-demand workforce. Hawai‘i was one of seven states selected to participate along with Connecticut, Pennsylvania, Maryland, New Jersey, Alaska and Colorado on the State Collaborative Consortium to Understand and Support the On-Demand Workforce. The goal is for these States to work together to research the on-demand (gig economy) workforce, develop policies for their respective States, and provide the foundation for national policy. There is little extant data in the area of on-demand workers, who are irregularly scheduled workers. The kick off meeting was held on September 27 - 28, 2018 in Denver, Colorado.

The project is divided into two phases: (1) research for data and finding out about these types of workers; and (2) policy development to help support the economic security of on-demand workers. WDC is the lead agency for Hawai‘i's team and in-state partners include the Research and Statistics Division of the Department of Labor and Industrial Relations; the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism; the Data eXchange Project and Hawai‘i P-20 Partnerships for Education; and the University of Hawaii Community Colleges. Due to the large number of people working in the construction and tourism industry, WDC plans to focus on construction workers, freelancers and independent contractors in the construction and tourism industry, and the full-time irregularly scheduled shift-workers that are prevalent in the services and accommodations sector. The pilot program continues through March 2020.



Hawai'i Occupational Safety and Health

The Hawai'i Occupational Safety and Health Division (HIOSH) ensures compliance with two laws:

- Chapter 396, HRS, The Hawai'i Occupational Safety and Health Law, which states that every employee in the State should have safe and healthful working conditions; and
- Chapter 397, HRS, The Hawai'i Boiler and Elevator Safety Law, which mandates the safe operation and use of boilers, and pressure systems; elevators, lifts, kindred equipment, and amusement rides.

Occupational Safety and Health (OSH) Program (chapter 396, HRS) staff engages in the following activities, with the goal of encouraging voluntary compliance with the law and administrative rules:

- The HIOSH enforcement staff conducts programmed inspections of high hazard workplaces, and responds to accidents, complaints, and referrals. VPP evaluations are done to identify and recognize exemplary employers.
- HIOSH consultants conduct workplace audits to improve employers' safety and health management systems in response to requests from employers. This service is free and confidential. SHARP evaluations are done to identify and recognize small employers with effective safety and health programs.
- Certifications are issued to qualified individuals in the following areas: explosives and pyrotechnics; certified safety and health professionals; and hoisting machine operators.

Promulgation of OSHA Standards

HIOSH is required to adopt "as effective as" administrative rules within 6 months of OSHA's adoption. These safety and health standards state what employers must do to ensure safe and healthful workplaces for their employees.

HIOSH receives 50% federal funding for the compliance program and 90% federal funding for the on-site consultation program. OSHA does not permit federal funds to be used for the certification programs that are 100% state funded, with the exception of the hoisting machine operators'

certification that is 100% special funded. The U.S. Occupational Safety and Health Administration (OSHA) provides oversight of the program, requiring benchmark staffing levels as well as performance and timeliness criteria for mandated activities.

The Boiler and Elevator (BE) Inspection Branch staff (chapter 397, HRS) staff conducts the following activities with the goal of public safety through voluntary compliance with the law and administrative rules:

- Inspections of equipment at specific intervals to assure its safe operation and use. Equipment determined to be satisfactory are issued permits to operate.
- Investigations of accidents and some complaints.
- Review of installation and alteration plans to ensure that the equipment is being constructed/installed/altered in accordance with safety codes. A permit to install/alter is issued to initiate the construction work.
- Certifications are issued to special boiler inspectors to enable them to perform third party inspections of boilers and pressure systems.
- Reviews and audits of companies authorized by the National Board of Boiler and Pressure Vessel Inspectors to enable Hawai'i companies to perform necessary repairs and alterations to critical equipment in the State.

HIOSH successfully met 90% of its Fiscal Year 2019 Federal grant objectives, and received approval of its Fiscal Year 2020 Federal grants. The Boiler/Elevator Branch has made considerable progress in filling all of its 13 elevator inspector positions that have been difficult to fill for several years.

Hoisting Machine Operators Advisory Board

The Hoisting Machine Operators Advisory Board (HMOAB) operates as an ‘attached agency’ within the State Department of Labor and Industrial Relations and is administered through the Hawai‘i Occupational Safety and Health Division. Since 1998, HMOAB has been charged with assuring construction crane operators across the Islands operate hoisting machines in a safe and lawful manner on behalf of the citizens of Hawai‘i.

Annual Summary

Fiscal year, 2018-2019, was a year of examining the future of the Hawai‘i Hoisting Machine Operators Advisory Board after the US Occupational Safety and Health Administration adopted final rules on crane operator certification.

The OSHA final rules on crane operator certification were published on November 7, 2018. Evaluation and documentation requirements became effective on February 7, 2019. The State of Hawai‘i can adopt the rules or enact stronger rules than that required by OSHA.

The fiscal year was a period of planning for the future of the Hoisting Machine Operators Advisory Board after the Federal Occupational Safety and Health Administration (OSHA) adopted new rules on crane operator certification doing construction work. The new rules could make the requirement of a Hawai‘i certification redundant. The Board considered two options: 1) do away with the requirement to have a Hawai‘i crane certification or 2) go beyond the Federal OSHA requirements or expand HMOAB certification for crane operators in general industry and utilities. The proposed OSHA rules do not apply to cranes in general industry and utilities.

The Board collected data that shows a significant number of crane accidents occur in general industry. According to data compiled by Haag Engineering, general industry accounts for about 37 percent of crane accidents and construction accounts for 49 percent. Proper training and certification of crane operators in this industry have the potential of reducing accidents and risk to the general public. Utility companies and tree trimming companies often operate in riskier situations with uneven and unstable

grounds, unpredictable loads, and proximity to road traffic.

To educate and inform the public, the Board approved an advertising campaign to run in the “Honolulu Star Advertiser” in March 25-30, 2019. The advertisements advised employers that crane operators doing construction work are required to be certified in the State of Hawai‘i.

On May 14, 2019 the HMOAB sponsored a vendor’s table at the 2019 Hawai‘i OSHA Workshop in the Pomaikai Ballroom at Dole Cannery in Honolulu. The workshop is sponsored by the Hawai‘i Chapter of the American Society of Safety Engineers. Board Member Doc Bailey presented one of the breakout sessions on crane operator certifications which was well received and attended.

During this fiscal year, a total of 146 certifications were issued for Hawai‘i crane operators. This consisted of 60 new applicants and 86 renewals. Online applications increased from 44 to 48, as more applicants use the online application feature of the HMOAB website, which was put in place in December 2016.

Advisory Board

- **Tristan Aldeguer** serves as Chairperson of the Hoisting Machine Operators Advisory Board. Mr. Aldeguer is employed by Hawaiian Dredging Construction Company as a Health, Safety and Environment Manager and provides various safety consulting services and training. Along with his career in construction safety management, Mr. Aldeguer has spent sixteen years in the occupational safety and health field in Hawai‘i. Mr. Aldeguer term runs until June 30, 2020.
- **Don “Doc” Bailey** has over 30 years of experience in the crane industry. He is the C.E.O and President of “Doc Bailey Cranes & Equipment Inc.” which he founded in 1986. The company specializes in Crane Rentals, Crane Repair, Crane & Winch Sales, Hi-Rail, and Specialized Construction Equipment. Doc Bailey expanded the business from Hawai‘i to

California in 1995. Mr. Bailey’s term on the Board runs until June 30, 2021.

- **Angela A. Chinen** is an instructor with the Joint Apprenticeship Committee of Operating Engineers Local Union #3. Ms. Chinen has thirty-four years of construction industry experience and is a certified member of both HMOAB and the National Commission for the Certification of Crane Operators (NCCCO). Ms. Chinen’s term on the Board runs until June 30, 2022.
- **Richard E. Lentes III** was responsible for training programs and more than fifty overhead and mobile company cranes for Hawthorne CAT in Waipahu. Mr. Lentes is a qualified mobile crane inspector and an experienced safety/health manager, following a successful career in the U.S. Navy. Mr. Lentes also serves as Vice-Chairperson of the Board and his term runs until June 30, 2020.
- **John P. Mihlbauer, Jr.** is president of All Ship & Cargo Surveys, Ltd. and is registered as a licensed Mechanical Engineer in Hawai‘i and California. Mr. Mihlbauer serves on the ASME B30.8 and ASME B30.24 sub-committees. Mr. Mihlbauer retired after 29 years in Federal Service as a Mechanical Engineer with the US Navy and the US Army Corps of Engineers. Mr. Mihlbauer’s term runs until June 30, 2022.
- **Melvin Chang** works in the HMOAB office as its executive assistant since June 2016. Mr. Chang comes to the HMOAB after working 31 years for the International Longshore and Warehouse Union Local 142 as their education and communications director.

Agency Funding

The HMOAB revolving fund supports the process of investigation, verification and certification of new and renewing hoisting machine operators in the State of Hawai‘i. The fund is generated from user fees and covers personnel and operating expenses of the Hoisting Machine Operators Advisory Board. The funds also cover the cost of preparing and disseminating information about the certification process, public outreach programs, and the costs associated with the annual reporting of the agency’s activities. The Hoisting Machine Operators Advisory

Board and its office is supported solely by user fees and operates without expense to the taxpayers of the State of Hawai‘i.

Current Funding Summary

As all funds are self-generating, the Hoisting Machine Operators Advisory Board projects annual income of approximately \$30,000 per fiscal year and about \$28,000 in expenses. This income over expenses has allowed the Special Fund to grow slightly to \$343,467.01.

The following table shows the revenues and income for the past three Fiscal Years. Income comes from application fees and interest income. Expenses include only personnel costs and the usual office operating expenses.

	2016-17	2017-18	2018-19
Beginning Cash	\$342,529	\$330,650	\$341,239
Revenues	\$32,293	\$35,575	\$29,826
Expenses	\$44,171	\$24,896	\$27,595
Ending Cash	\$330,650	\$341,239	\$343,467

Certifications Summary

Since the inception of the agency, the Hoisting Machine Operators Advisory Board has certified over one thousand crane operators statewide. During Fiscal Year 2018-2019, the agency certified 60 new operators and renewed 86 current operators for a total of 359 current HMOAB crane operators statewide.

	2015-16	2016-17	2017-18	2018-19
New Applicants	62	68	72	60
Renewals	42	52	81	86
Total Members	369	376	382	359
Response/48 Hours	95%	95%	95%	95%

History, Purpose and Administrative Governance

The Hoisting Machine Operators Advisory Board was established by the Hawai‘i State Legislature under Act 165 in 1998. The Hoisting Machine Operators Advisory Board operates as an attached agency of the State of Hawai‘i Department of Labor and Industrial Relations.

HMOAB

The Board certifies operators of all construction crane and tower machines having a lifting capacity of one ton or more in the state. This power comes from definitions in Section 12-50-2 of the Hawai'i Administrative Rules (HAR). Under Sections 19 and 20 of the State Occupational Safety and Health Law and Chapter 396 of HAR, the Hoisting Machine Operators Advisory Board requires all operators using equipment covered by the American Society of Mechanical Engineers (ASME) B30.5 (mobile and locomotive cranes) to be medically qualified, pass written and practical training examinations, and possess practical experience in order to safely operate hoisting machines in the State. These requirements ensure a minimum competency level of operators, assure employers that potential workers comply with relevant state and federal standards, and provide safeguards for the public that buildings are constructed and maintained using best available practices. Enforcement is covered in section 12-110-50 of the Hawai'i Administrative Rules.

Prospective and renewing hoisting machine operators are required to submit an application for certification (found online at HMOAB.hawaii.gov), a current

digital photograph of their head and shoulders, and pay the requisite fee of one hundred dollars (\$100) per year of desired State certification (up to the balance of their national certification but shall not exceed five years). New applicants must also pay a one-time, non-refundable application fee of fifty dollars (\$50). Replacement or reissued cards are supplied to current operators without cost.

Currently, HMOAB operates with a five-member advisory board, made up of representatives from organized labor and construction management firms, and are appointed by the Governor for four-year, staggered terms, and approved by the State Senate. Between meetings of the Board of Trustees, administrative and financial business for the agency are completed by an Executive Assistant, who serves at the direction of the Board.

For Further Contact

The Hoisting Machine Operators Advisory Board can be reached by calling (808) 586-8146 or emailing the office at HMOAB@Hawaii.gov. The Board meets publicly on the second Wednesday every other month (except December) in Room #114 at 1:30 p.m.



Wage Standards Division



The Wage Standards Division (“Division”) protects Hawai‘i’s workers by administering and enforcing six different labor laws related to wages in the Hawai‘i Revised Statutes (HRS). The laws operate to keep young workers safe in the workplace ([Child Labor Law, Chapter 390, HRS](#)); ensure employees are paid their wages due ([Wage and Hour Law, Chapter 387, HRS; Payment of Wages and Other Compensation Law, Chapter 388, HRS; Wages and Hours of Employees on Public Works Law, Chapter 104, HRS](#)), and provide job protection when family members need care ([Hawai‘i Family Leave Law, Chapter 398, HRS](#)) or an employee is discharged or discriminated against because of a lie detector test, a workers’ compensation injury, or taking an on-site drug screening ([Employment Practices Law, Part II – Lie Detector Test and Part III – Unlawful Suspension or Discharge](#)).

Significant Events

The Division entered into a [Memorandum of Understanding](#) with the United States Department of Labor, Wage and Hour Division, on May 14, 2019.

The partnership will allow parties to more effectively and efficiently communicate and cooperate on areas of common interest, including sharing training materials, conducting joint investigations, and sharing information of investigations as appropriate.

In addition to Chapter 104, HRS, workshops, the Division began conducting, “*Comply or Penalize*” workshops, which are open to the general public, although it is designed primarily for employers. The “*Comply or Penalize*” workshops include an explanation of the requirements of the following laws (which is the “Comply” part of the workshop); and the consequences for non-compliance (which is the “or Penalize” part of the workshop):

- Chapter 388, HRS, Payment of Wages and Other Compensation Law
- Chapter 387, HRS, Wage and Hour Law

In August 2018, representatives from the Division attended the Interstate Labor Standards Association's National Conference in Long Beach, California. At the conference, the Division obtained information regarding statutes in other states that can be incorporated into statutes and rules that are enforced by the Division; considerations for the consultation phase for building a new data-tracking system; and online collecting and accounting with respect to back wages and penalties.



Activities

The Compliance Branch resolved 401 cases this fiscal year. This included issuing 9 *Notifications of Violation* to contractors on public works projects who violated the prevailing wage law under Chapter 104, HRS, and ordered \$30,811.64 in Chapter 104, HRS penalties to be paid to the State General Fund.

The Compliance Branch also issued 81 *Orders of Wage Payment Violation* to employers in violation of Chapter 388, HRS. Penalties for employees and the *Labor Law Enforcement Special Fund*, totaled \$105,131.94.

The Compliance Branch identified \$221,230.13 in back wages found due for 328 workers.

The Hearings Branch disposed of 53 unlawful termination claims and resolved 2 *Orders of Wage Payment Violation* appeals.

The Intake and Certification Branch processed 432 complaints.

The Intake and Certification Branch conducted 5 *Chapter 104 Workshops*, 3 *Comply or Penalize* workshops, and made 2 presentations.

The number of child labor permits issued was 11,363.

Variances and addendums required for productions like "Hawaii Five-O", "Magnum P.I.", and other films and television commercials that included minors under age 16 working outside the hours permitted by law totaled 86.

All outreach to the child labor audience of working minors, parents, and employers of minors was accomplished via the Division's Facebook page [Hawaii Teens at Work](#).



The Division documented responses to 5,245 inquiries and used the blog [Inside Wage Standards Division and DLIR](#) as a resource to supplement education and outreach. Activity on the website and audience on social media has increased each year.

Hawai‘i Civil Rights Commission

The State of Hawai‘i has a strong commitment to the protection of civil rights. Article I, Section 5 of the Hawai‘i Constitution provides that “no person shall be denied the enjoyment of civil rights or be discriminated against in the exercise thereof because of race, religion, sex or ancestry.” The legislature gave meaning to this commitment by creating the Hawai‘i Civil Rights Commission (HCRC), through enactment of Act 219 in 1988 and Acts 386 and 387 in 1989.

The HCRC was organized in 1990 and officially opened its doors in January 1991. The HCRC enforces state laws prohibiting discrimination in employment (H.R.S. chapter 378, Part I), housing (H.R.S. chapter 515); public accommodations (H.R.S. chapter 489), and access to state and state-funded services (H.R.S. §368-1.5). The HCRC receives, investigates, conciliates, and adjudicates complaints of discrimination. The HCRC has five (5) uncompensated volunteer Commissioners. They are appointed by the Governor, with the consent of the Senate, based on their knowledge and experience in civil rights matters and commitment to preserve the civil rights of all individuals.

By law the Commission may hold hearings and make inquiries, as it deems necessary, and has the authority to administer oaths and affirmations, conduct depositions, compel the attendance of parties and witnesses and the production of documents by the issuance of subpoenas, examine parties and witnesses under oath, require answers to interrogatories, and delegate these powers to any member of the commission or any person appointed by the commission for the performance of its functions.

Furthermore, the law authorizes the Commission to enforce the State’s anti-discrimination statutes or any of its orders, conciliation agreements, or predetermination settlements by commencing civil action in circuit court; by issuing “right to sue” authority to complainants; or by ordering appropriate legal and equitable relief or affirmative action when violations are found.

The law also authorizes the Commission to appoint an executive director, deputy executive director, hearings examiners, investigators and other necessary support personnel, as well as attorneys to represent the commission in litigation.



Hawai'i Labor Relations Board

Composition of the Hawai'i Labor Relations Board (HLRB or Board)

The HLRB is comprised of three Board Members appointed by the Governor, and confirmed by the Senate, to six-year terms of office. The Board members function as administrative law judges.

The Goal of the HLRB

The Board seeks to provide just, fair, and timely resolution of the issues brought before it, consistent with public policy to provide for collective bargaining in the public and private sectors, and to assure employee health and safety in the workplace.

Missions of the Board

The HLRB is charged with the implementation and administration of:

- HRS Chapter 89, a law implementing the right of public employees to organize for the purpose of collective bargaining.
- HRS Chapter 377, the Hawai'i Employment Relations Act, which provides for certification of unions and collective bargaining in the private sector where the National Labor Relations Board has declined jurisdiction, particularly in the agricultural sector.

Case Statistics: The following represents the cases filed and pending before the HLRB in FY2019:

Type of Case	Old Cases as of 6/30/2018	Old Cases Closed in FY18	New Cases (Cases Opened in FY19)	New Cases Closed in FY19	Pending Cases End of FY19
CHAPTER 377					
Unfair Labor Practice Against Union - (CU)	0	0	1	1	0
Unfair Labor Practice Against Employer - (CE)	0	0	13	1	12
CHAPTER 89					
Prohibited Practice Against Employer – CE	51	27	30	2	27
Prohibited Practice Against Union – CU	10	1	20	5	18
Prohibited Practice Against Employee - CEE	0	0	0	0	0
Impasse – I	1	0	7	0	8
Declaratory Ruling - DR	5	4	0	0	1
Unit Clarification – RA	0	0	1	1	0
MISCELLANEOUS					
TOTAL 89/377 CASES	67	32	72	10	66
CHAPTER 396 (HIOSH)					
Contested Citation	11	10	33	17	10
Discrimination	1	1	2	0	1
Miscellaneous					
TOTAL 396 (HIOSH) CASES	12	11	35	17	11
TOTAL OF CASES FILED	79	43	107	27	77

In addition, the HLRB acts on appeals under:

- HRS Chapter 396, the Hawai'i Occupational Safety and Health Law, from citations issued by the Director of the Department of Labor and Industrial Relations through the Hawai'i Occupational Safety and Health Division (HIOSH.)

The Board fulfills its statutory missions through making determinations, judgments, and providing resolution in matters related to:

- The certification of unions as exclusive representatives for bargaining units created through HRS Chapter 89 and by elections under HRS Chapter 377.
- The placement of individuals into appropriate bargaining units under HRS Chapter 89 and Chapter 377.
- Impasses in negotiations under HRS Chapter 89 and by elections under HRS Chapter 377.
- Prohibited Practice charges filed by unions, employers, and individual bargaining unit members under HRS Chapter 89 and Unfair Labor Practice charges filed under HRS Chapter 377.
- Requests for Declaratory Rulings made under Chapters 89 and 377, and any other statute over which the Board has jurisdiction.
- Appeals of citations and penalties issued through HIOSH to employers and employees.

Objectives and Challenges of the HLRB in FY2019

- In 2013, the Board offered a free electronic filing service through File and ServeXpress (FSX) for public labor cases and expanded it to include HIOSH cases in 2014. At the end of FY2016, ninety-five percent (95%) of all the parties appearing before the Board were utilizing FSX. Since electronic filing is the most efficient method of handling cases, the Board plans either through statutory or administrative rule to require all cases filed under HRS Chapters 89 and 377 and appeals under HRS Chapter 396 be managed using the electronic filing system. With mandatory

Judiciary Information Management System (JIMS) requirements for all District and Circuit Court Civil filings in October 2019, the Board expects to soon have one-hundred percent (100%) of all parties, represented by counsel, voluntarily using the FSX free electronic filing service.

- Pursuant to HRS Chapter 91, the Board received approval of the administrative rules for the “card check” method of certifying union representation under HRS Chapter 377 after holding public meetings on all islands. On October 27, 2017, the “card check” rules were posted on the Board’s website. As of June 30, 2019, no party has used the “card check” rules pursuant to HRS 377.
- The Board will continue to work on issuance of decisions and orders, which have been filed in previous fiscal years, while addressing in a timely fashion new cases and appeals filed in FY2019. In FY 2017, the old-cases (those older than 12 years) were reduced to 96 cases, and by the close of FY 2018, there were 70 old cases on its docket. At close of FY 2019, less than 20 old-cases remain open. The Board continues to make significant strides in addressing the backlog by vigorous oversight of pending cases and through status conferences and other procedural devices.
- The Board sought to complete and obtain approval of its procedural rules in 2019 but pending HRS Chapters 89 and 377 cases, numerous merit hearings, and strict statutory timelines forced the temporary deviation from that goal. The



HLRB

Board will finalize and complete the drafting of new procedural rules governing cases under HRS Chapters 89, 377 and 396, and seek public comment and approval in 2020. The present rules were last amended in 1981.

- In FY 2018, the Board began using FreeConfenceCall.org to record all its proceedings in lieu of a court reporter. Although a court reporter may be the best practice for creating the official record of proceedings, present funding levels are insufficient for that and the Board would need a specific legislative appropriation. The present FreeConfenceCall.org web-based service, however, is cost effective and provides good audio recordings available 24/7 over the Internet. Its reliability, however, may be a challenge on the Neighbor Islands and in rural settings.
- The Board has updated and continues to update most of its forms to make them consistent with its electronic filing and electronic service protocol. These new online forms were converted to fillable pdf forms which are more user friendly for Self-Represented Litigants (“SRLs”). The Board will continue to improve and refine the forms pursuant to the feedback and needs of the parties and Board.
- Since 2018, the Board began to hold hearings on the Neighbor Islands to comply with HRS 89-5(j)

“whenever it is more cost efficient in consideration of the parties and witnesses involved” and in an effort to promote just and fair consideration of Prohibited Practice and Unfair Labor Practice charges when they occur outside of the island of Oahu. This same policy has also been applied to Discrimination/Whistleblower complaints under HRS 396. This advances the parties’ rights to due process, removes a financial burden on access, especially to those self-represented litigants. In 2018, the Legislature provided additional funds for this purpose and the Board has used it for Neighbor Island hearings.

- In 2016, the Board experienced Chapter 396, Hawai’i Occupational Safety and Health Division (HIOSH) cases where non-government parties were of limited English proficiency and needed translation and interpretation services to meet due process rights. This required the Board to hire written and oral translators that were expenses not budgeted in the Board’s budget. In FY 2018, the Board adopted its policy of providing limited English proficient and self-represented parties translation and interpretation services at no costs. In 2018, the Legislature provided additional funds to ensure that limited English proficient speakers had access to interpretive and translation services. In 2019, the Board has expanded this free service to litigants in Chapter 89/377 Prohibited Practices Complaints.



Unemployment Insurance Division

The Unemployment Insurance (UI) program provides temporary partial wage replacement to eligible workers and stabilizes the economy during recessions. Administrative costs to operate the UI program are funded 100% by federal (FUTA) taxes paid by employers. UI benefits paid to eligible jobless persons are paid by state unemployment taxes assessed on businesses.

While the UI system is administered under state statutes, the US Department of Labor regulates conformity with federal laws and oversees compliance with performance standards for state to be certified to receive federal grants to operate the UI system and to qualify for FUTA tax offsets.

Eligibility for jobless benefits is contingent upon meeting specific legal requirements under Chapter 383, Hawai'i Revised Statutes, including involuntary unemployment, workforce attachment and ability to/availability for work. For Calendar Year (CY) 2019, individuals can collect up to a maximum of \$630 per week for 26 weeks. Nearly 100% of all applications and weekly certifications are processed through an online filing system, which provides flexibility, security and convenience for claimants. Access to the web-based system is possible by computers or mobile devices. UI payments are transmitted through direct deposits to claimant bank accounts.

Improved customer service and program integrity continue to be UI priorities that influence changes to business models to meet clients' expectations. Upgrades to UI automated functions and development of innovative processes, made possible through special federal supplemental grants, have increased program efficiency and effectiveness.

Major future and ongoing automation projects in 2019 include:

- Employer Online Web Application online access for employers to query their accounts, to register as new employers, to file quarterly wage reports, to pay VJ contributions, and to receive credit refunds launched in February 2019.
- Limited English Proficiency (LEP) - enhancement of the web claim filing system to provide Chinese translations for LEP individuals launched in June 2019. As the department compiles data on Limited English Proficiency (LEP) populations served and determined Cantonese as the most widely used foreign language. In line with the department's ongoing policy to provide meaningful access to its customers, the claimant web application was enhanced to offer Simplified Chinese to this population.
- Fraud Detection application – a software solution which improves the integrity of the UI program and prevents improper payments from the UI trust fund.

At the end of 2018, the balance of the Hawai'i UI trust fund was \$557,817,392. In CY 2018, 67,987 initial claims and 388,038 weekly certifications were filed. The unemployment rate was an average of 2.4% for 2018, the same rate as for 2017.



Disability Compensation Division

The Disability Compensation Division (DCD) administers the Workers' Compensation (WC) law, the Temporary Disability Insurance (TDI) law, and the Prepaid Health Care (PHC) law. All employers with one or more employees, whether working full-time or part-time, are directly affected.

The purpose of the Workers' Compensation law is to provide wage loss compensation and medical care to those employees who suffer work-related injuries. Workers' Compensation is an employer paid insurance program that provides economic relief for employees injured on the job. WC benefits include medical and hospital expenses, lost wages, permanent disability disfigurement, and vocational rehabilitation.

Temporary Disability Insurance benefits partially replace wages lost when an employee is unable to work because of an off-the-job sickness or injury, if the employee meets the qualifying conditions of the law. TDI is an employer provided insurance that supplies partial wage loss benefits to employees who suffer off-the-job injuries or illnesses.

The PHC law requires that employers provide employees adequate medical coverage for non-work-related illness or injury, if employees meet the qualifying conditions of the law. Coverage includes hospitalization, surgery, physician office visits,

diagnostic tests, and maternity benefits. Hawai'i is the only state to adopt a prepaid health care law and continues to be a leader in providing universal health care coverage.

The DCD's mission is to provide economic security and stability for Hawai'i's workforce through education, enforcement, and adjudication of the WC, TDI, and PHC laws. Its primary objectives include ensuring efficient processing of claims; timely provision of medical services and payment of benefits to injured workers; employer compliance with WC, TDI, and PHC insurance coverage requirements; and monitoring health plans to ensure employees are provided with the benefits that are required under the PHC law.

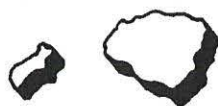
DCD plans, directs, and coordinates statewide activities relating to interpretation, implementation and administration of WC, TDI and PHC laws, rules, regulations, policies and procedures. The division's staff of 100 employees is organized into three (3) program offices (WC, TDI/PHC, and Program Support) and five (5) operational branches (Plans, Enforcement, WC Claims, Hearings, and Vocational Rehabilitation). The main office is in Honolulu with district offices on the Neighbor islands (Wailuku-Maui, Kealahou-Hawai'i, Hilo-Hawai'i, and Lihou'e-Kaua'i).



HIGHLIGHTS 2018

STATE OF HAWAI'I

REPORTED CASES: 21,388
PROCESSED CASES: 44,043
PROCESSED CASES WITH COST: 31,020
TOTAL COST: \$358,433,308
COST PER CASE: \$11,555
MEDICAL COST: \$160,729,185
DAYS LOST: 1,269,164
REPORTED FATALITIES: 33



Kaua'i County

Reported Cases: 1,317
 Processed Cases: 2,548
 Processed Cases with Cost: 1,777
 Total Cost: \$15,541,567
 Cost Per Case: \$8,746
 Medical Cost: \$6,745,852
 Days Lost: 55,259
 Reported Fatality: 2



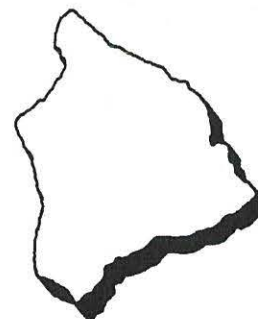
Maui County

Reported Cases: 2,948
 Processed Cases: 5,495
 Processed Cases with Cost: 3,964
 Total Cost: \$43,133,390
 Cost Per Case: \$10,881
 Medical Cost: \$20,855,667
 Days Lost: 118,613
 Reported Fatality: 3



O'ahu

Reported Cases: 14,716
 Processed Cases: 30,508
 Processed Cases with Cost: 21,272
 Total Cost: \$250,211,287
 Cost Per Case: \$11,762
 Medical Cost: \$110,159,209
 Days Lost: 892,603
 Reported Fatality: 20



Hawai'i County

Reported Cases: 2,407
 Processed Cases: 5,492
 Processed Cases with Cost: 4,007
 Total Cost: \$49,547,064
 Cost Per Case: \$12,365
 Medical Cost: \$22,968,456
 Days Lost: 202,689
 Reported Fatality: 8

Note: Cost may not add due to rounding.

Labor and Industrial Relations Appeals Board

The Labor & Industrial Relations Appeals Board (LIRAB) is a quasi-judicial agency that is attached to the Department of Labor & Industrial Relations (DLIR) for administrative and budgetary purposes only. LIRAB adjudicates appeals from decisions rendered by the Director of Labor & Industrial Relations (Director) via the Disability Compensation Division relating to workers' compensation matters (Chapter 386, Hawai'i Revised Statutes) and decisions rendered by the Director relating to the Boiler and Elevator Safety Law (Chapter 397, Hawai'i Revised Statutes). Proceedings before LIRAB are subject to Chapter 91 of the Hawai'i Administrative Procedures Act and other applicable administrative rules and laws.

Program Objective

LIRAB's program objective is to provide prompt, just and efficient adjudication of appeals from decisions of the Director of Labor & Industrial Relations relating to Workers' Compensation and Boiler and Elevator Safety.

LIRAB Members

LIRAB is comprised of one Chairperson and two Board Members appointed by the Governor of the State of Hawai'i and confirmed by the Hawai'i State Senate for 10-year terms. The Chairperson is required by law to be an attorney licensed to practice in all Hawai'i courts.

LIRAB Staff

The three-member Board is supported by a staff of 8: Executive Officer, Hearings Officer, two Staff Attorneys, Researcher, Chief Clerk, Secretary, and Office Assistant.



LIRAB Activities for FY 2019

Workers' Compensation Cases	
New LIRAB appeals received in FY 2019	291
Cases disposed of or closed by settlement, dismissal, Decision and Order, or other means in FY 2019	348
Cases pending as of June 30, 2019	377
Pre-hearing conferences (initial, settlement and status conferences) held in FY 2019	717
Motions/Orders to Show Cause /Oral Arguments heard in FY 2019	168
Trials held in FY 2019	68
Percentage of appeals resolved within 15 months of receipt in FY 2019	72%
Percentage of appellate court appeals upheld in FY 2019	100%
Number of cases awaiting written decision and order in FY 2019	53
Boiler & Elevator Safety Cases	
Cases pending as of June 2019	0
New appeals filed during FY 2019	0

LIRAB FY 2019 Highlights

- LIRAB continues to successfully implement and maintain its electronic document management system to scan and index paper case files on appeal as part of its goal to move to a digitized and paperless office.
- LIRAB is partnering with DLIR-Disability Compensation Division to develop and implement a multi-year and multi-phase modernization project to automate the State's workers' compensation system.
- LIRAB's budget request was approved by the 2018-19 legislature for a second staff attorney position. LIRAB is in the process of recruitment for this position. The additional legal position should help LIRAB settle more cases, facilitate the appeals process involving self-represented litigants, and decrease the wait time for written decisions.

Employment Security Appeals Referees Office

The Employment Security Appeals Referees' Office's ("ESARO") principal function is to provide an independent review of Unemployment Insurance ("UI") Division determinations through an administrative appeals process, and plays an integral role in promoting the overall UI program objective of alleviating financial hardship for qualified unemployed individuals and stabilizing the economy during recessionary periods.

Hearing officers, also referred to as appeals referees, conduct an appeal hearing and issue written decisions based on all relevant evidence presented during an appeal. The administrative appeals process provides individuals and employers with an opportunity to fully develop and articulate their position regarding a UI Division determination, and thereafter to promptly receive a detailed explanation about the outcome. Individuals or employers have the ability to either request a reopening/reconsideration by ESARO, and/or to seek judicial appeal by the state circuit courts thereafter.

In addition to the chief appeals officer/administrator who also conducts hearings, ESARO is currently staffed by two full-time hearing officers, three per diem hearing officers (limited to no more than nine work days per month), one secretary, and one full-time office assistant. Each hearing officer is typically scheduled for 25 to 26 hearings per week, or its daily equivalent.

2019 Challenges and Highlights

ESARO has federally-monitored performance standards. Specifically, ESARO must issue at least 60% of its decisions within 30 days from the appeal request date, and 80% within 45 days. The average case age of all pending cases (ones in which a decision has not yet been rendered) must be less than 30 days.

In the fiscal year ending June 30, 2019, ESARO had an average completion rate of 71% in 30 days and 90% in 45 days; and an estimated average case age of 35 days. During this period, ESARO issued 4,009 decisions, or an average of approximately 334

decisions per month. The same statistics for the prior year are provided below for comparison.

	FY2019	FY2018
30-day completion rate	71%	83%
45-day completion rate	90%	93%
Average case age	35	26.5
Total appeals filed	3635	3761
Total appeal decisions	4009	4014

Despite the low unemployment rate, ESARO's workload has remained steady, as shown above. Additionally, these numbers do not include appeals resulting from Disaster Unemployment Assistance (DUA) appeals from Guam and the Marianas Islands—for which Hawai'i is tasked by the USDOL to conduct appeal hearings—nor such DUA appeals from within the State of Hawai'i. Despite ongoing high workloads for the relatively few personnel, ESARO continued to meet its federal target for completion. This year, however, ESARO was unable to maintain its average case age to under 30 days. We are confident, however, in the implementation of our current plan to reduce the average case age back to under 30 days by the end of the 2020 calendar year.

Our estimated workload for the upcoming fiscal year is 4100 new appeals, in anticipation of possible increases in unemployment levels. If fully staffed and funded, ESARO does not anticipate any difficulties in meeting federal performance standards. ESARO, however, faces the same challenges as outlined by the Unemployment Insurance Division, with whom we share the budgeted federal funds.

The online appeals system, launched in December 2013, continues to grow in usage, with approximately 85% of our customers using the system in some form. The online appeal system gives customers real-time access without having to physically check a mailbox or post office box from any location. Paper filing is still available, however, to those with technical or access challenges. Although ESARO will again look for supplemental federal monies to upgrade the existing system, it is again unlikely such funds will be made available.

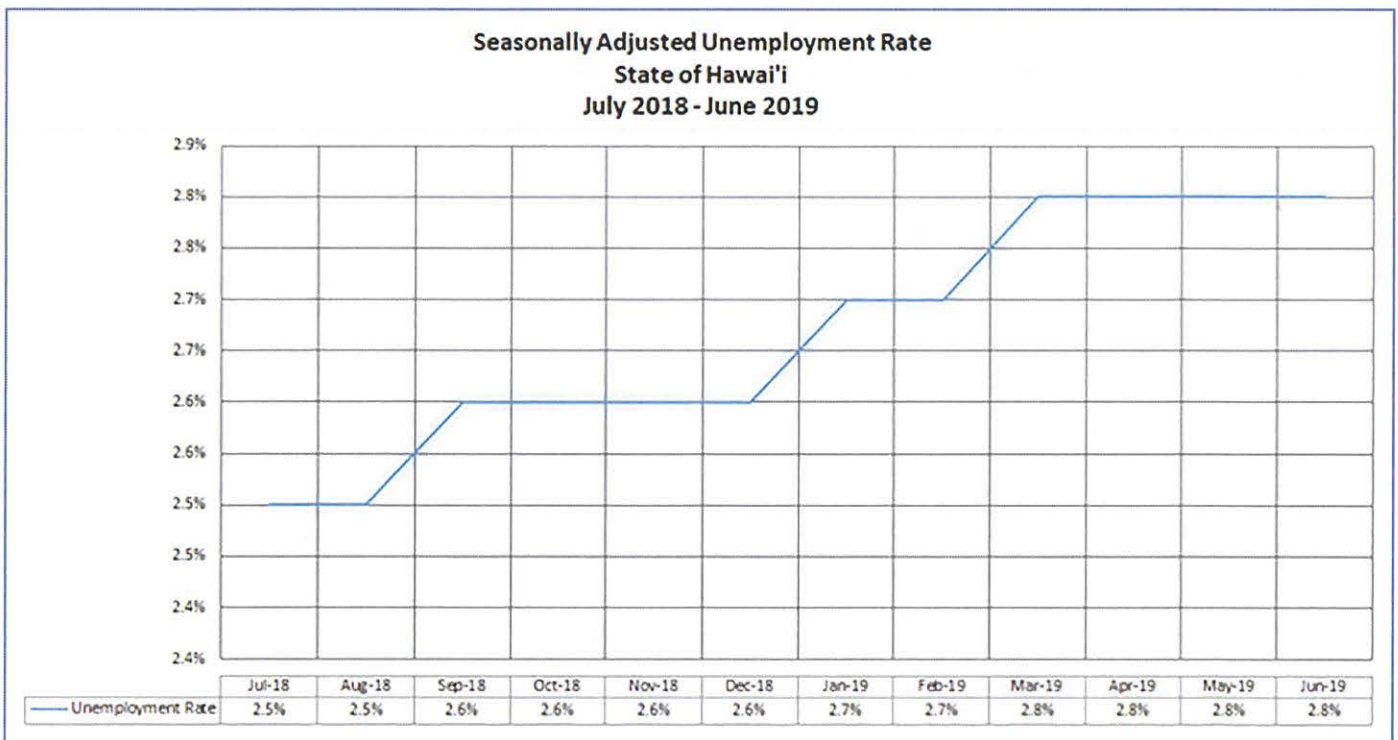
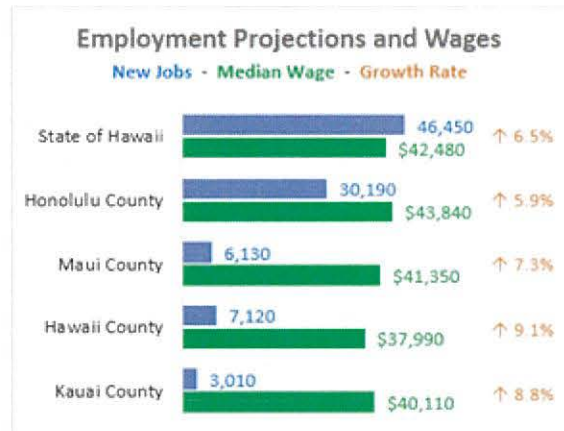
Research and Statistics Office

The Research and Statistics (R&S) Office conducts labor research and analysis; develops labor force estimates on employment and unemployment in cooperation with the Bureau of Labor Statistics (BLS) and the Employment and Training Administration of the U.S. DOL; and provides technical assistance and management data to the DLIR's divisions. R&S supports the DLIR in carrying out its mission by providing labor market and labor-related information that helps with research, business planning, job search, and career decisions.

The Labor Force Research staff develops, analyzes, and disseminates information on the labor force, unemployment, employment, industry wages, job counts, and hours and earnings as required by contractual agreement with the BLS. They keep everyone up to date on the latest employment figures and the State's unemployment rate. These statistics are available for download from Hawai'i Workforce Infonet at www.hiwi.org.

The Labor Market Research (LMR) section forecasted 1.6 percent statewide job growth for the 2-year period beginning in 1st Quarter 2018 to 1st Quarter 2020. For the long-term 10-year time period, County projections for 2016-2026 were developed and Statewide projections were revised.

The Occupational Employment Statistics (OES) program generated occupational employment and wage data for 2018 at the state and county levels.



New this year are lists featuring the “Best Job Opportunities” for the State and Counties, which incorporate high job openings, fast growth, and high wage. The annual “Labor Market Dynamics” was published for 2018. All reports can be found on the Hawai‘i Workforce Infonet website, www.hiwi.org.

Career Kokua, the Hawai‘i Career Information Delivery System, <https://careerkokua.hawaii.gov>, provides up-to-date localized career and related training information to Hawai‘i’s schools and workforce development agencies. During 2018 - 2019 the most accessed information files were the Local Occupations information followed by the Programs of Study and Training information, and information about local postsecondary schools.

The occupations with the most hits during 2018-2019 were

- Accountants & Auditors 
- Actors
- Registered Nurses 
- Automobile Mechanics 
- Civil Engineers 
- Nursing Assistants  
- Nurse Practitioners 
- Chefs & Dinner Cooks 
- Graphic Designers 
- Marine Biologists 

( =Green Job  =Bright Outlook)

The Operations Management Information (OMI) staff provides research and statistical services required by State and Federal laws and supports the core programs administered by the DLIR’s line divisions, the U.S.DOL, and federal contracts. For the Unemployment Insurance (UI) Division, OMI produces federally-mandated UI statistical reports, the UI annual trust fund financing report, the UI Fact Book, Characteristics of the Insured Unemployed in Hawai‘i, and the UI trust fund projections; and conducts the UI data validation program. For the Disability Compensation Division, OMI calculates the Special Compensation Fund Levy and publishes the Workers’ Compensation Data Book. OMI staff also reviews union contracts and publishes the Wage Rate Schedule (Chapter 104, HRS).

For the Hawai‘i Occupational Safety and Health Division (HIOSH), the OMI staff conducts the Annual State and County Government Survey and produces quarterly building permits samples and information for their planning reports. The OMI staff also conducts the Survey of Occupational Injuries and Illnesses (SOII) and provides data and characteristics of Hawai‘i work-related fatalities for the Census of Fatal Occupational Injuries (CFOI) program. In addition, the OMI staff supports the DLIR with statistics required by law such as the Employment of State Residents on Construction Procurement Contracts (Chapter 103B, HRS) and the State Average Monthly Wage (Chapter 421C, HRS), as well as Limited English Proficiency data.

These OMI reports and publications may be accessed on the DLIR’s web site at <http://labor.hawaii.gov/rs/>.

 For information on the Wage Rate Schedule, Unemployment Statistics, Workers’ Compensation, Occupational Injuries, Illnesses and Fatalities, go to <http://labor.hawaii.gov/rs/>

 For career assessments and information on local careers, and related educational and training programs and schools, go to <https://careerkokua.hawaii.gov>

 For information on the Labor Market, Labor Force, Employment, and Wages, go to www.hiwi.org

 For information on green jobs, go to www.greenjobshawaii.org

 For information on green employers and occupations they employ, go to <https://lmi.chawaii.gov/green>

Office of Community Services

The Office of Community Services (OCS) was established by Act 305 (SLH, 1985) to facilitate the development, delivery, and coordination of human service programs to assist low-income individuals and families, refugees, and immigrants so they can live healthier lives and achieve greater economic self-sufficiency.

Administratively attached to DLIR, OCS has been working diligently to become a model for grant administration in the State of Hawai'i. OCS' goal is to improve the effectiveness and efficiency of administering grants by using sound fiscal management, maximizing the utilization of grant funds, improving contract and on-site monitoring, and improving overall contract performance.

OCS administers many of the Chapter 42F (HRS) Grants-in-Aid (GIA) appropriated by the Hawai'i State Legislature to non-profit agencies for which DLIR is the expending agency. In 2019, the Legislature appropriated \$16,682,000 to OCS for a total of 72 grants, of which \$15,671,000 was for capital improvement projects and \$1,011,000 was for operating grants. In addition, OCS manages another 56 grants from prior years that total a little over \$20 million, giving OCS a current management portfolio of more than \$36 million.

OCS also administers a state-funded employment services program that helps Hawai'i's low-income individuals and legal permanent residents gain employment skills, find and retain jobs. The total appropriation in FY19 was \$1.3 million.

In FY19, OCS also administered eight recurring federal grant programs through contracts with non-profits totaling nearly \$5.6 million. The following were the federal programs administered by OCS during the fiscal year:

Community Services Block Grants (CSBG) support Hawai'i's four Community Action Agencies (Honolulu Community Action Program, Inc., Hawai'i County Economic Opportunity Council, Maui Economic Opportunity, Inc., and Kaua'i Economic Opportunity, Inc.) with funding to underwrite a broad array of services that range from job training



and job placement to Head Start, housing assistance, transportation services, and financial literacy. FFY 2019 grant award: \$3,731,721.

The **Emergency Food Assistance Program (TEFAP)** provides shelf-stable and frozen foods such as canned vegetables and various meat and poultry products to supplement the diets of low-income individuals at no cost. TEFAP is by far our largest food program, serving an estimated weekly average of 14,836 people through funding from the U. S. Department of Agriculture (USDA)'s Food and Nutrition Service (FNS) branch. FFY 2019 grant award included \$290,420 in administrative funding, \$60,000 in Trade Mitigation administrative funding, and \$946,067 TEFAP food commodity budget.



Commodity Supplemental Food Program (CSFP) provides one box per month of pre-selected canned and packaged foods to each of 3,801 low-income seniors through the USDA's FNS branch. A typical box contains a cross-section of foods, including canned fruits and vegetables; dry goods such as flour, rice, and cereals; and beverages such as fruit juices and milk. FFY 2019 grant award: \$297,524.

Seniors Farmers' Market Nutrition Program (SFMNP)

In FFY 2019, this USDA FNS program provided about 9,000 low-income seniors with food coupons to purchase locally grown fruits and vegetables from farmers, farmers' markets and other outlets. FFY 2019 grant award: \$495,148.

Legal Advocacy, Outreach, and Referral Services to Protect the Rights of Children and Their Families

Two programs that collectively serve approximately 2,500 children under this grant funded by the U. S. Department of Health and Human Services (DHHS) provide legal services to children in low-income households to address myriad issues ranging from family violence, abuse, and neglect, to child support and access to education and social safety-net services. FFY 2019 grant award: \$137,500 and \$121,000.

Weatherization Assistance Program (WAP)

provides funding from the U. S. Department of Energy for energy conservation education and the installation of weatherization measures to low-income households to reduce their energy costs. Among the weatherization measures approved for installation under this grant are solar water heaters, hybrid heat pumps, refrigerator replacements, and low-flow faucet aerators and showerheads.

FFY 2019 grant award: \$233,658.

Low-Income Home Energy Assistance Program (LIHEAP)

funding through Hawai'i's State Department of Human Services is used in conjunction with WAP funding to install energy-saving appliances or measures to reduce household energy costs. The OCS portion of LIHEAP FFY 2019 grant: \$501,095. Total weatherization funding (WAP and LIHEAP): \$734,753.



Refugee and Entrant Assistance Program provides refugees, asylees, and human trafficking victims with two types of services under this formula grant from the U. S. Department of Health and Human Services, Office of Refugee Resettlement: (1) Social services for employment and other social services for up to five years after arrival into the U.S.; and (2) Cash and medical assistance for up to eight months from arrival into the U.S.

FFY 2019 grant award: (1) \$75,000 and (2) \$8,373.

Comprehensive Services for Human Trafficking Victims provides culturally appropriate services to victims of sex and/or labor trafficking identified or living in Honolulu. This is a three-year grant award from U. S. Department of Justice, Office for Victims of Crime, and has been extended for one additional fiscal year.

FFY 2015-2019: \$584,000.

State Fire Council

The SFC is administratively attached to the State of Hawai'i's (State) Department of Labor and Industrial Relations and comprised of the four county Fire Chiefs. The SFC's primary mission is to develop a comprehensive fire service emergency management network for the protection of life, property, and environment throughout the State. The SFC is responsible for adopting a state fire code, applying and administering federal fire-related grants, and administering a Reduced Ignition Propensity Cigarette (RIPC) Program. The SFC may establish qualifications for testing and certifying individuals who perform maintenance and testing of portable fire extinguishers, fire protection systems, and fire alarm systems. They may also advise and assist the county fire departments where appropriate and prescribe standard procedures and forms related to inspections, investigations, and fire reporting. It also advises the Governor and legislature on issues relating to fire prevention and protection, life safety, and any other function or activity for which the various county fire departments are responsible.

The National Fire Protection Association (NFPA) 1 Fire Code, 2012 Edition

The State Fire Code Investigative Committee, which is comprised of one member from each county fire department and an NFPA representative, completed its review and amendments to the NFPA 1 Fire Code, 2012 Edition. The 2012 amendment package was forwarded to the State Attorney General for review. The Legislative Reference Bureau completed its review of the standard and ramseyer versions of the amendments to the NFPA 1 Fire Code, 2012 Edition. The State Fire Code, in union with the county fire codes, comprehensively addresses minimum requirements for the protection of life and property to mitigate and prevent the disastrous effects of fire, explosion, and hazardous materials incidents. The next steps in the amendment process include:

1. Completion of the Deputy Attorney General's review.
2. An open comment period for stakeholders.
3. Creating the Small Business Impact Statement.
4. Obtaining the Small Business Regulatory Review Board's approval.

5. Requesting the Governor to conduct a public hearing.
6. Conducting a public hearing.
7. Generating a Small Business Rulemaking checklist following a public hearing.
8. Requesting the Governor to approve the State Fire Code.

The SFC has been a voting member of the State Building Code Council (SBCC) since its inception in 2007. Its 11 voluntary members are comprised of county, State, and private stakeholders who review and approve a comprehensive set of national model building codes and standards for design and construction in the State. These approved codes are used as the basis for the county building codes. The State Department of Accounting and General Services, to which the SBCC is administratively attached, is authorized to adopt the approved State building codes as administrative rules.

The SBCC's investigative committees continued their review of the provisions for the International Building, International Residential Codes, Uniform Plumbing Code (UPC), International Energy Conservation Code, International Existing Building Code 2018 editions. One of the investigative committees completed its review of the International Swimming Pool and Spa Code 2018 edition, and provisions will be included in the IBC amendment package.

The SBCC requested the State Plumbing Code investigative committee review and submit recommendations to incorporate specific provisions that are more cost-effective as amendments to the UPC 2018 edition.

The SFC continues its support of the SBCC by attending monthly meetings, providing draft agenda/minutes, advising on producing uniform statewide building code amendments for county adoption, and creating administrative rules for the state fire code.

RIPC Program

The SFC administers the RIPC Program. After the passage of Act 218, 2008 Hawai'i Legislative Session, Hawai'i became the 36th state, along with the District

of Columbia, to require only RIPC's be sold in the State effective September 30, 2009. By the end of 2011, all 50 states and the District of Columbia had passed RIPC laws. The purpose of this law is to reduce the number of accidental fires involving smoking-related materials and decrease the number of injuries and fatalities. A total of 748 brand/styles of cigarettes are approved for sale in the State. Retail inspections reveal that closer to 250 of those brand/styles are actually being sold in retail outlets. Work in progress included administrative rules, enforcement procedures, independent compliance testing guidelines, fire investigation statistical analysis, and "roll your own" compliance issues.

The SFC is awaiting draft RIPC administrative rules that were forwarded to the Deputy Attorney General in December 2018 and January 2019 for review.

On July 17, 2019, Nat's Rich Smooth Taste brand/style cigarettes failed (75% failure rate) an RIPC test conducted by Essentra Scientific Services. An additional 20 samples (800 cigarettes) of Nat's Rich Smooth Taste cigarettes were purchased and sent to

the Global Laboratory Services (GLS) to conduct additional testing. On August 8, 2019, all Nat's Rich Smooth Taste samples sent to the GLS failed RIPC testing. We are currently awaiting the results of this testing. A third test sample was received by Essentra Scientific Services on August 22, 2019 (purchased from Hawai'i Island). Among the four brand/styles in this sample, Nat's Rich Smooth Taste and Rich Taste failed while Nat's Mellow Taste and Nat's Menthol passed. A letter was sent to Nat Sherman LLC informing them of these test failures and the need to remove these brand/style cigarettes from sale in Hawai'i. Still more Nat's samples will be purchased during upcoming inspections on the islands of Maui, Moloka'i, and Lāna'i in the month of December.

See Table 1 for an overview of RIPC Statistics during fiscal years (FY) 2010 to 2014.

See Table 2 for an overview of RIPC Statistics during FYs 2015 to 2019

See Tables 3, 4, and 5 for a three-year (2019-2021) proposed annual income/expense estimate approved by the SFC Chair.

Table 1: RIPC Statistics (FY 2010 to 2014)

		FY2011	FY2012	FY2013	FY2013
Beginning Balance	0	\$367,500	\$401,625	\$503,625	\$664,500
RIPC Specialist Salary	\$0	\$0	\$0	\$0	\$16,221
Office Expenses	\$0	\$0	\$0	\$0	\$0
Public Outreach	0	0	0	0	0
Outreach Expenses	\$0	\$0	\$0	\$0	\$0
Honolulu Inspections	0	0	0	0	0
Outer Island Inspections	0	0	0	\$0	0
Honolulu/Outer Islands/ Mainland Travel Costs	\$0	\$0	\$0	\$0	\$0
Cigarette Samples Purchased for Testing	0	0	0	0	0
Cigarette Purchasing, Shipping, and Testing Costs	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$367,500	\$401,625	\$503,625	\$648,279
Plus Fees Collected	\$367,500	\$34,125	\$102,000	\$160,875	\$33,750
Ending Balance	\$367,500	\$401,625	\$503,625	\$664,500	\$682,029

Table 2: RIPC Statistics (FY 2015 to 2019)

	FY2015	FY2016	FY2017	FY2018	FY2019
Beginning Balance	\$682,029	\$727,287	\$740,361	\$631,725	\$781,539
RIPC Specialist Salary	\$28,215	\$29,277	\$34,505	\$39,926	\$41,356
Office Expenses	\$1,111	\$3,676	\$1,799	\$4,569	\$3,019
Public Outreach	0	0	0	0	0
Outreach Expenses	\$0	\$230	\$0	\$0	\$1,032
Honolulu Inspections/Outreach	19	505	525	141	1087
Outer Island Inspections	0	148	281	54	0
Honolulu/Outer Islands/ Mainland Travel Costs	\$0	\$3,011	\$10,205	\$4,793	\$773
Cigarette Samples Purchased for Testing	70	218	172	92	198
Cigarette Purchasing, Shipping, and Testing Costs	\$27,041	\$86,857	\$105,627	\$34,523	\$60,104
Subtotal	\$625,662	\$604,236	\$588,225	\$547,914	\$675,255
Plus Fees Collected	\$101,625	\$136,125	\$43,500	\$233,625	\$80,625
Ending Balance	\$727,287	\$740,361	\$631,725	\$781,539	\$755,880

Table 3: Current RIPC Statistics FY 2020

	Jan-March	April-June	July-Sept	Oct-Dec	Totals
Beginning Balance	\$0	\$0	\$752,989	\$0	
RIPC Specialist Salary	\$0	\$0	\$6,993	\$0	
Office Expenses	\$0	\$0	\$316	\$0	
Public Outreach	0	0	97	0	
Outreach Expenses	\$0	\$0	\$0	\$0	
Honolulu Inspections	0	0	37	0	
Outer Island Inspections	0	0	65	0	
Honolulu/Outer Islands/ Mainland Travel Costs	\$0	\$0	\$1,840	\$0	
Cigarette Samples Purchased for Testing	0	0	60	40	
Cigarette Purchasing, Shipping, and Testing Costs	\$0	\$0	\$14,653	\$0	
Subtotal	\$0	\$0	\$729,187	\$0	
Plus Fees Collected	\$0	\$0	\$19,875	\$0	
Ending Balance	\$0	\$0	\$749,062	\$0	

Table 4: 2020 RIPC Annual Expense Estimate

	Jan-March	April-June	July-Sept	Oct-Dec	Totals
Beginning Balance					\$673,579
RIPC Specialist Salary	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Office Expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Outreach Expenses	\$0	\$0	\$1,000	\$0	\$1,000
Honolulu Inspections	165	165	165	165	660
Outer Island Inspections	0	0	70	70	140
Honolulu/Outer Islands/ Mainland Travel Costs	\$0	\$0	\$2,000	\$2,000	\$4,000
Cigarette Samples Purchased for Testing	40	40	40	40	160
Cigarette Purchasing, Shipping, and Testing Costs	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000
Subtotal					\$544,579
Plus Fees Collected					\$167,000
Ending Balance					\$711,579

Table 5: 2021 RIPC Annual Expense Estimates

	Jan-March	April-June	July-Sept	Oct-Dec	Totals
Beginning Balance					\$711,579
RIPC Specialist Salary	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Office Expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Outreach Expenses	\$0	\$0	\$1,000	\$0	\$1,000
Honolulu Inspections	165	165	165	165	660
Outer Island Inspections	0	0	0	0	0
Honolulu/Outer Islands/ Mainland Travel Costs	\$0	\$0	\$8,500	\$0	\$8,500
Cigarette Samples Purchased for Testing	40	40	40	40	160
Cigarette Purchasing, Shipping, and Testing Costs	\$18,960	\$20,000	\$20,000	\$20,000	\$78,960
Subtotal					\$579,119
Plus Fees Collected					\$155,000
Ending Balance					\$734,119

SFC

The SFC supported and submitted testimony during the 2019 Legislative Session on bills relating to:

- the adoption process of the state fire code;
- use of the RIPC Program special fund to support SFC administrative costs
- removal of the restriction prohibiting counties from requiring residential fire sprinklers in new or existing one- and two-family dwellings;
- a residential fire sprinkler tax credit;
- fireworks housekeeping;
- increasing pyrotechnic display permit fees; and prohibiting the statewide use of consumer fireworks on three designated holidays.

The SFC also submitted a resolution that would bring stakeholders together to evaluate the residential fire sprinklers costs in each county. Finally, the SFC submitted a bill to specify the allowable fire protection systems certifications that an individual may obtain.

The SFC's legislative lobbying efforts resulted in the passage of Senate Concurrent Resolution (SCR) 3, which established a task force to study the issue of residential sprinkler costs in new one- and two-family dwellings. The SFC has been coordinating monthly meetings and assignments among task force members with the goal of completing and publishing the study before the start of the 2020 State Legislative Session as required by SCR 3.

The SFC coordinated statewide fire service training courses in Residential Sprinkler Plan Review; Creating Environments for Professional Growth; Strategy and Tactics for Initial (Fire) Company Operations; Frameworks to Success; Perspectives in Thinking; and Emergency Medical Services (EMS) Functions in Incident Command Systems.

The SFC worked on revising its strategic plan to focus on core projects which are achievable with its present staff. In addition to its statutory responsibilities, they include coordinating mutual aid agreements, promoting statewide fire and life safety education, collecting and analyzing data, and developing fire service professional. The SFC explored potential processes to analyze Hawai'i fire incident data from the National Fire Incident Reporting System.

The SFC reviewed EMS certification and recertification of fire personnel. Involved agencies include the State EMS, the Department of Commerce and Consumer Affairs, and various Emergency Medical Technician certification levels. There is a need to have emergency medical responders possess some type of State license in order for the State to have oversight in keeping the public safe.

SFC staff processed numerous inquiries on the administrative rules regarding licensing of individuals for inspection, testing, and maintenance of fire protection systems (FPS). To date, 49 FPS applications have been submitted and 44 were recommended for approval to the Honolulu Fire Department. The SFC is collaborating with the county Fire Prevention Bureaus on implementing and approving procedures. Counties must also incorporate license fees in their respective county fire codes.

The SFC meets quarterly to fulfill its statutory duties and responsibilities.



DLIR Directory

Administration

Director's Office	586-8844
Deputy Director's Office	586-8852
Administrative Services Office	586-8888
Human Resources Office	586-9048
Information Line	586-8842
Website	http://labor.hawaii.gov
Email	dlir.director@hawaii.gov

District Offices

Hilo	974-6464
Kona	322-4808
Maui	243-5322
Kaua'i	274-3351

Disability Compensation Division

Workers' Compensation Facilitator	586-9161
Medical Fee Schedule (WC)	586-9161
Vocational Rehabilitation (WC)	586-9178
Prepaid Health Care	586-9188
Temporary Disability Insurance (TDI)	586-9188
Email	dlir.workcomp@hawaii.gov dlir.tempdisabilityins@hawaii.gov dlir.prepaidhealthcare@hawaii.gov

Employment Security Appeals Referees' Office

Honolulu	586-8930
Molokai/Lāna'i	1 (800) 468-4644, ext. 6-8930
Kaua'i	274-3141, ext. 6-8930
Maui	984-2400, ext. 6-8930
Hawai'i	974-4000, ext. 6-8930
Email	dlir.esaro@hawaii.gov

Hawai'i Civil Rights Commission

Phone	586-8636
Email	dlir.hcrc.infor@hawaii.gov

Hawai'i Labor Relations Board

(Public Sector Collective Bargaining)	586-8610
Email	dlir.laborboard@hawaii.gov

Hawai'i Occupational Safety & Health

General Phone	586-9116
Accident Reporting Line	586-9102
Complaints	586-9092
Consultation & Training	586-9100
Occupational Health	586-9090
Occupational Safety	586-9110
Explosive Permits	586-9110
Boiler/Elevator	586-9141
Email	dlir.hiosh@hawaii.gov dlir.hiosh.complaints@hawaii.gov dlir.hiosh.ct@hawaii.gov (Consultation/Training) dlir.hiosh.boiler@hawaii.gov (Boiler) dlir.hiosh.elevator@hawaii.gov (Elevator)

Labor & Industrial Relations Appeals Board

Tel	586-8600
Email	dlir.appealsboard@hawaii.gov

Office of Community Services

(Refugees, Immigrants, Economically Disadvantaged) Tel	586-8675
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Research & Statistics Office

Tel	586-8999
Email	dlir.research@hawaii.gov
Websites	www.hiwi.org http://labor.hawaii.gov/rs https://careerkokua.hawaii.gov www.greenjobshawaii.org

State Fire Council

Tel	723-7101
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Unemployment Insurance Division

Tel	586-9070
File a Claim Online	https://huiclaims.hawaii.gov
Claims & Benefits:	
O'ahu	586-8970
Hilo	974-4086
Kona	322-4822
Maui and Moloka'i	984-8400
Kaua'i	274-3043
Employer Services:	
O'ahu	586-8926
Hilo	974-4095
Kona	974-4095
Maui and Moloka'i	984-8410
Kaua'i	274-3025

Wage Standards Division

Tel	586-8777
Email	dlir.wages@hawaii.gov

Workforce Development Council

Tel	586-8630
Email	dlir.workforce.council@hawaii.gov
Website	hirenethawaii.com

American Job Centers

Hawai'i	935-6527
Kaua'i	274-3059
Maui	270-5777
O'ahu	768-5700

Workforce Development Division

General Tel	586-8877
Apprenticeship	586-8877
Employment & Training Fund	586-8877
American Job Centers	
Hawai'i	935-6527
Kaua'i	274-3059
Maui	270-5777
O'ahu	768-5700
Moloka'i	553-1755
Kaua'i	274-3056



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Online at <http://labor.hawaii.gov>