



The Department of Labor and Industrial Relations' Accomplishments and Initiatives to Improve the Lives of Hawaii's Working Families

(The Lingle-Aiona Administration 2003-2006)

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We are pleased to provide a summary of the Department of Labor and Industrial Relations' accomplishments during the past four years under the leadership of Governor Linda Lingle. One of our Department's primary responsibilities is to "increase the economic well-being" of Hawaii's workforce. In 2003, we set a new course to achieve this goal by being more business-friendly, while ensuring the rights of the working families are protected. We pledged to remove ill-conceived and heavy-handed practices that stifle business; share information openly with the public on how we interpret our laws and regulations; be more efficient in providing answers, rendering decisions, and processing claims; and significantly increase our educational and compliance assistance programs from expanding the information on our website to forming formal partnerships. We also pledged to be at the forefront to ensure workers in the State are able to enjoy the benefits of our vibrant and growing economy.

Through the hard work and dedication of our Department's 600 employees, we have been able to implement our vision. The following highlights the accomplishments and initiatives our employees have undertaken during the past four years to improve the lives of Hawaii's working families.

Ensuring Hawaii's Employees Receive the Rights and Benefits they are Entitled.



1. **Streamlined the Workers' Compensation Hearings Process.** Improved the efficiency of DLIR's workers' compensation hearings process to ensure that injured workers and employers promptly receive their "day in court". Previously, the workers' compensation hearings process moved at a sluggish pace, often taking six to eight months to hold a hearing to resolve a dispute, often to the detriment of the injured worker. Today, workers' compensation hearings are scheduled less than 80-days from a party's request to resolve a dispute.



2. **Led Efforts to Reform Hawaii's Workers' Compensation System.** Through proposed legislation and administrative rules, introduced concepts to reform Hawaii's workers' compensation system to ensure injured workers receive quality medical care and disputes are resolved in a timelier manner. These reform concepts include: relying on evidence-based medicine to treat injured workers; implementing an alternative dispute resolution process; establishing a physician network of qualified and proven healthcare providers; and involving both employees and employers in the decision making process for the treatment and rehabilitation of injured workers. These proposals would improve the workers' compensation system to allow workers to promptly return to work to earn their full salary, rather than suffer the economic hardship from being out of work. Although the legislature rejected any efforts to reform the system, the workers' compensation community, including physicians and unions, gradually accepted these concepts and has voluntarily incorporated them in their practice. In fact, the International Brotherhood of Electrical Workers (IBEW) and several of their signatory contractors incorporated these major reform concepts in a collective bargaining agreement they recently signed and approved by the DLIR in August of 2006.





- 3. Ensured Injured Workers Receive a Fair Hearing.** Brought the National Judiciary College to Hawaii to train all of our workers' compensation hearings officers to improve their skills in conducting fair, impartial and efficient hearings, and issuing clear and concise decisions. This is the same college that trains many of Hawaii's appointed judges.



- 4. Improved the Efficiency of the Hawaii Civil Rights Commission.** It generally took approximately two to three years for the Hawaii Civil Rights Commission (HCRC) to investigate complaints of employment discrimination. In 2003, DLIR stressed the need to improve the efficiency of the complaints investigation process, and led the efforts by appointing Commissioners who made this goal a priority. By implementing new performance measures and a system of accountability, HCRC has significantly reduced its backlog of old cases. More importantly, investigations of discrimination complaints are being completed within one year. Today, only 2.5% of the current cases are more than two years old, compared to nearly 20% in 2002.



- 5. Exceeded National Standards in Processing Unemployment Insurance Claims.** For the past several years, DLIR exceeded the U.S. Department of Labor's expectations in processing unemployment insurance claims, ensuring that unemployed workers receive their unemployment insurance benefits in a timely manner.



- 6. Ensured Employees Receive Required Medical Benefits.** Implemented compliance assistance and enforcement program to ensure that employees are receiving the required medical benefits. Rather than solely relying on complaints from employees, in 2005, DLIR implemented an Administrative Initiative to conduct random compliance visits to employers. To date, this initiative, which was applauded by the Hawaii Uninsured Project, produced 467 visits to employers, and ensured coverage for at least 108 eligible employees who were not previously provided with health insurance.



- 7. Required Businesses to Post Comprehensive Labor Law Poster to Inform Employees of their Rights.** In the past, employers were required to display more than a dozen labor law flyers, announcements, and notices often confusing employees of their rights in the workplace. In 2005, DLIR took fifteen posters and flyers containing labor law information and consolidated them into **one** comprehensive poster, clearly explaining to employees their rights under Hawaii's laws regarding workers' compensation, temporary disability, family leave, pre-paid health care, occupational safety and health, anti-discrimination, minimum wage, unemployment insurance and other laws. Over 50,000 of these posters were distributed to employers who found this free publication a welcomed item to have and display.



- 8. Improved DLIR's Educational and Outreach Programs.** Provided employer education workshops on a monthly basis, as well as upon request by employer organizations, to educate employers on Hawaii's Workers' Compensation, Temporary Disability Insurance and Pre-paid Health Care laws. Each year, approximately 150 to 175 employers attend these workshops to learn about Hawaii's labor and employment laws, and who will likely ensure that their employees receive the required benefits.



- 9. Implemented Strong, Effective and Fair Enforcement of Construction Prevailing Wage Laws.** In the past, DLIR solely relied on complaints from employees or their union representatives to initiate investigations of alleged violations of Chapter 104, commonly referred to as the "Little Davis Bacon". This law provides construction workers on state and county government projects the right to receive prevailing wages. In January 2005, DLIR, through an Administrative Initiative, began conducting random visits to construction companies of government projects to ensure that their construction workers were paid prevailing wages. In the first fiscal year of the initiative (July 1, 2005 - June 30, 2006) the DLIR conducted 119 random compliance investigations. This project also served as an effective deterrent to contractors violating the law, evidenced by a decrease of 43% in complaints filed.



10. **HUI Express.** In 2005, DLIR launched the HUI Express, allowing employers to file their unemployment insurance quarterly wage reports online through DLIR's website. In 2006, this system was improved to allow employers to pay their unemployment insurance taxes online. This online filing system is already being used by at least 5,000 employers. By making it easier for employers to comply with our unemployment laws, DLIR ensures the solvency of the Unemployment Trust Fund for the approximate 20,150 unemployed individuals who rely on receiving their unemployment benefits during their critical time of need.



11. **New and Expanded DLIR's Website.** Overhauled and redesigned the department's website, significantly increasing transparency in government by making the laws and rules that DLIR enforces easily accessible, sharing openly with the public on how DLIR interprets Hawaii's labor laws and rules, the department's policies, current initiatives and goals. The website is informative, easy-to-use, and exemplifies the Administration's "open for business" philosophy, which helped encourage more businesses to create jobs for Hawaii's working families. Since December 2002, Hawaii's economy has created over 52,000 jobs.

Fueling the Needs of Hawaii's 21st Century Economy



1. **Launched HireNet Hawaii.** To help Hawaii's employers and jobseekers meet employment demands in the state's competitive labor market, DLIR unveiled a \$2.1 million state-of-the-art internet job matching system. Jobseekers and employers can use HireNet Hawaii to access a wide array of employment-related services including job searches, resume development, skills matching, job market information, job postings, and candidate searches. With a search engine that "spiders" company and government websites, newspaper postings, and corporate job boards for employment opportunities in Hawaii, job seekers now have access to the largest job bank in the State of Hawaii at no cost. This is the ideal website for former Hawaii residents or *Kama'aina* looking for job opportunities in Hawaii so that they can return home for employment. This innovative system was funded entirely by federal funds.



2. **Established Certified Nurse Aides Project for Hawaii Long Term Care Services.** Sought and received a \$1.9 million congressional appropriation to launch a pilot program to increase the state's capacity to provide long term care for Hawaii's elderly population. In addition to learning the skills of Certified Nurse Aides (CNA), participants also learn how to become caregivers in the community and in-home settings, integrating western and cultural teachings of Hawaii's predominantly Polynesian and Asian population. The curriculum also includes an overview of the business and regulatory aspects of owning and operating a community-based care home. Established in 2005 with training centers on Oahu, Big Island, Maui, Kauai, Molo-kai and Lanai, this program is a collaborative effort between the DLIR, State Department of Health and State Department of Human Services. At least 280 people will participate in the two-year pilot program, which could become a national model for workforce development in the health care industry, to address the increasing needs of our nation's aging population.



3. **Pre-apprenticeship Construction Project.** In 2004, initiated a successful pre-apprenticeship program to assist Hawaii residents obtain jobs in the construction industry. To be accepted in a construction apprenticeship program, applicants must generally pass a pre-apprenticeship exam. The Pre-apprenticeship Construction Project assists applicants in preparing for the entrance exam by providing remedial and refresher courses on the math skills necessary to pass the exam. Established in 2004, this program has provided many Hawaii residents with the opportunity to benefit from the well-paying jobs offered by our flourishing construction industry. As a result of this program, the passing rate for the entrance exams increased from 50% to 72% for the plumbers' apprenticeship program, and from 54% to 90% for the carpenters' apprenticeship program.



4. **Acquired \$948,902 to Assist Displaced Workers.** Obtained national emergency grants totaling nearly one million dollars to assist displaced workers on the Big Island and Maui. These funds were used to provide job training and employment services to ILWU workers displaced from the sale of the Hawaii Naniloa Resort and renovation of the Kapalua Bay Hotels. Federal funds were also secured to assist displaced workers from the Penncro and Associates, Hotel King Kamehameha, and the Hokulia Resort.



5. **Highlighted and Promoted Construction Related Jobs.** To heighten the public awareness of the career opportunities available in Hawaii's booming construction industry, DLIR sponsored and coordinated Construction Career Expos on Oahu and the neighbor islands. The construction expos, which drew over 4,500 high school students and adults, provided information and exposed potential applicants to the promising and lucrative jobs in the construction trades.



6. **Established Innovative Program to Assist Unemployed Workers in Hilo and Molokai.** Hawaii was one of the few states chosen by U.S. Department of Labor to implement a federal pilot program, where eligible unemployed workers may receive an additional \$3,000 for job training, educational supplies, transportation, child care and other costs associated with job placement. This program is now available to residents in Hilo and on Molokai to alleviate the hardship of unemployment by removing barriers to employment.



7. **Facilitated Helmets to Hard Hats.** Facilitated the establishment of the Hawaii office for Helmets to Hardhats, a program that assists military veterans, National Guard and Reserve personnel transition to civilian life by finding careers in Hawaii's construction industry. On May 30, 2005, on U.S.S. Missouri in Pearl Harbor, Governor Linda Lingle and several construction trade unions, including the Hawaii Building & Construction Trades Council, AFL-CIO, and Apprenticeship Training Coordinators Association of Hawaii, AFL-CIO, signed an agreement to memorialize their commitment to facilitating the re-entry of returning service men and women into civilian construction careers, while ensuring that Hawaii has a highly skilled and experienced construction workforce.



8. **Funded the Hawaii Construction Academy.** Governor Lingle appropriated \$5.5 million to the University of Hawaii Community Colleges to expand the construction academy, a program designed to teach high school students the necessary skills to enter the construction apprenticeship programs upon graduation. This program helps ensure that Hawaii's booming construction industry is equipped with the necessary workforce, while providing Hawaii residents with the opportunity to benefit from the well-paid jobs it offers.



9. **Hawaii Jobs Initiative.** Issued a \$100,000 grant to the Hawaii Institute for Public Affairs (HIPA) for the Hawaii Jobs Initiative, to conduct a study and develop strategies to proactively address the workforce needs of Hawaii's flourishing construction industry. This initiative is a collaborative effort between HIPA, DLIR, Hawaii's contractors, labor organizations, and the University of Hawaii.



10. **Drafted and Adopted Hawaii Family Leave Administrative Rules.** Although the Legislature passed Hawaii's family leave law in 1991, the State failed to adopt any administrative rules to effectively implement the family leave law. In February 2005, DLIR promulgated administrative rules, providing employees and employers a clear understanding of their rights under Hawaii's family leave law.



11. **Signed Legislation to Ensure Safe and Quality Electric and Plumbing Services.** Passed legislation that clarifies the requirement of the 1:1 ratio of licensed electricians and plumbers to unlicensed individuals performing electrical or plumbing work on a construction site. In May 2006, Governor Linda Lingle signed this legislation, initiated by the International Brotherhood of Electrical Workers (IBEW), Local Union 1186, to ensure quality electrical and plumbing services for consumers and safer workplaces for Hawaii's electricians and plumbers.



12. **Ensuring Equal Access to All of Hawaii's Diverse Population.** Worked collaboratively with the Legislature, non-profit service providers, and immigrant rights advocates to enact Hawaii's Language Access Law (Act 190). This law requires every state agency or any organization receiving state funding to provide equal access of their agency's essential government services to all of Hawaii's diverse population, regardless of what language they speak. Act 190 establishes the Office of Language Access in DLIR, which is responsible to ensure that the 144,000 Hawaii's residents who are not proficient in the English language are not denied essential government services, such as social service programs, job training and employment assistance programs, or a fair and impartial hearing. This law is instrumental in assisting our immigrant population to self sufficiency.



13. **Appropriate \$10 Million in Federal Funds (Reed Act) For Workforce Development.** Worked collaboratively with the various county governments to draft and enact legislation that will provide \$10 million to county programs that prepare individuals entering rapidly growing fields such as health care, early education, technology, education, and the construction industry.



14. **Remove Barriers to Training More Masons.** As a result of Hawaii Masons Union's effective safety program, DLIR granted the Union's petition to assign "two apprentices to one journey worker" for training purposes as opposed to the general industry standard of "one apprentice to one journey worker." This allows the Hawaii Mason Union to provide opportunities to more applicants to enter the mason and bricklayers trades and benefit from Hawaii's flourishing construction industry.



15. **Implemented Online Child Labor Work Permits for 16 and 17 year olds.** Designed and implemented a new online permitting system that provides 16 and 17 year old workers an easier and faster method of obtaining a "work permit" by applying through the internet. To date, approximately nearly 4,000 child labor certificates have been issued online.

Partnering with Labor and Business to Build a Safer Hawaii



1. **Expanded Educational, Outreach and Partnership in Safety Programs.** Replaced heavy-handed approach to enforcing workplace safety laws with a consultative approach to educate and partner with labor and businesses to create safe workplaces. As a result, Hawaii was successful in significantly reducing workplace injuries. In 2003, there were 1,089 fewer workers' compensation claims in Hawaii, a 3.7 percent decline from 2002. In 2004, 2,347 fewer workers' compensation claims were filed, an 8.2 percent drop from the previous year. In spite of having the largest workforce in the state's history, there is an apparent trend of injuries decreasing in Hawaii's workplaces. As a result, many Hawaii businesses have seen a decrease in their workers' compensation premiums.

