

JOSH GREEN, MD
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

DEPT. COMM. NO. 87
WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHAHA
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813

December 1, 2023

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

The Honorable Scott K. Saiki
Speaker and Members House of
Representatives
Thirty-Second 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 a copy of the Hawaii Occupational Safety and Health Division's (HIOSH) Boiler & Elevator Revolving Fund report for the fiscal year ending June 30, 2023, as required by section 397-13(c), Hawaii Revised Statutes (HRS).

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

Sincerely,

Handwritten signature of Jade T. Butay.

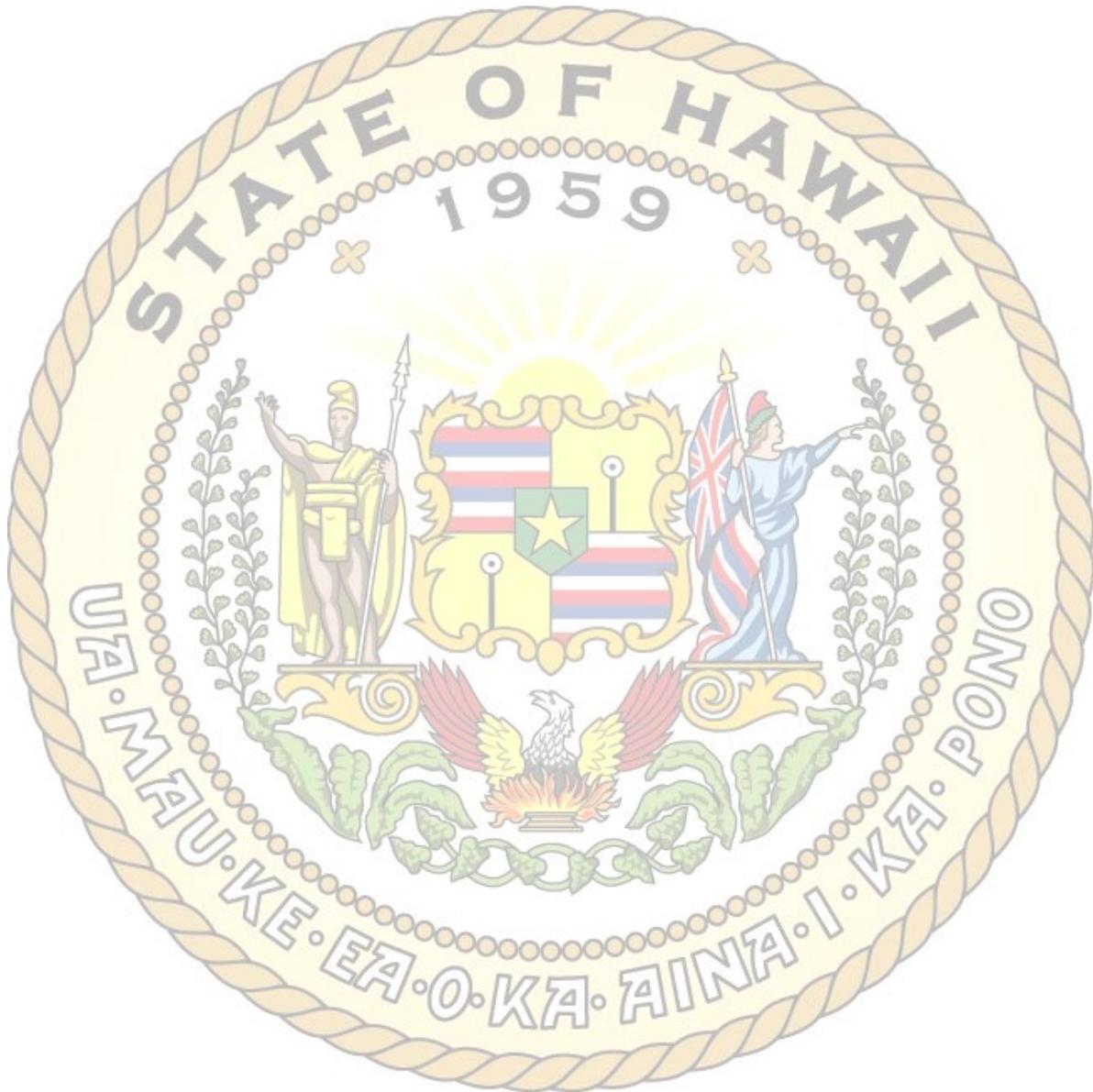
JADE T. BUTAY
Director of Labor and Industrial Relations

Enclosure

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BOILER AND ELEVATOR REVOLVING FUND

REPORT TO THE 2024 LEGISLATURE



Department of Labor and Industrial Relations

STATE OF HAWAII
JOSH GREEN, M.D., Governor

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
JADE T. BUTAY, Director
WILLIAM G. KUNSTMAN, Deputy Director

OCCUPATIONAL SAFETY AND HEALTH DIVISION
BOILER AND ELEVATOR BRANCH
NORMAN AHU, Administrator
JULIUS DACANAY, Branch Manager

I. INTRODUCTION

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

II. PURPOSE

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

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

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

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

III. PROGRAM RESULTS

The Branch performed 3,405 elevator inspections (of approximately 8,638 items) and conducted or accepted 4,870 boiler & pressure vessel inspections during FY2022-23. Act 88 abolished the two Branch supervisors, one elevator inspector, and defunded two additional elevator inspectors. The 2022 Legislature refunded the two elevator inspector positions, and the Branch subsequently redescribed a vacant elevator inspector position into an elevator supervisor. The Branch currently has nineteen authorized positions, down from twenty-two after the loss of three positions abolished in Act 88 (SLH 2021).

The Branch amended the Hawaii Administrative Rules (HAR) for the Elevator Section in 2014, 2016, 2019, and 2021. A major overhaul of the boiler rules became effective in 2019. The Branch is in the process of amending the boiler HAR and anticipates conducting a public hearing in early 2024, which will entail the adoption of updated national consensus safety standards (codes) and updated fees. The Boiler Section rules have been approved to move to a public hearing by the Small Business Regulatory Review Board (SBRRB). The Branch is in the early phases of the process of undertaking a revision of the elevator rules.

The Branch received approval from former Governor David Y. Ige for a Special Project pursuant to 76-11.6, HRS, for the Boiler and Elevator Technology Project. The purpose of the project is to upgrade the Branch's technology systems and increase the productivity of operations. The project also includes the Boiler Technology Specialist and Elevator Technology Specialist positions, both of which are temporary and exempt. The Branch Manager has been temporarily assigned to the Boiler Technology Specialist position, while recruitment is ongoing for the Elevator Technology Specialist position.

The Boiler Section is currently working on adopting the National Board of Boiler and Pressure Vessel Inspectors' JRS platform to replace the current system for managing boiler inspection workflow and database. The JRS system will enable the Boiler Section to plan work, perform inspections, enter inspection results, perform quality assurance, generate invoices, enter payment information, and generate certificates, all from one centralized system. The agreement to utilize the NB JRS System is on its final review between the Attorney General's Office and the National Board of Boiler and Pressure Vessel Inspectors.

IV. BUDGET

The beginning balance of \$954,217.35 on July 1, 2022, has increased to \$1,087,568.04 as of June 30, 2023.

Fiscal Year 2022-2023

Beginning Balance		954,217.35
Revenues	Fees, Interest	1,894,723.50
Expenditures	Incl. Loan Repayment	1,761,372.81
Loan Repayment		50,000
Balance as of 6/30/2023		1,087,568.04

The Branch made a \$50,000 loan repayment pursuant to 397-13, HRS, which reduces the remaining balance to \$100,000. Pursuant to Act 102 (SLH, 2022), the DLIR has until June 30, 2025, to reimburse \$1,000,000 to the General Fund and to date has deposited \$900,000.