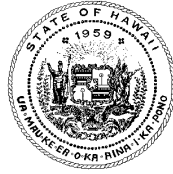


DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

RYKER WADA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

HOUSE COMMITTEE ON FINANCE
BUDGET REQUEST FOR THE FISCAL BIENNIUM 2017-19
JANUARY 26, 2017

TESTIMONY BY JAMES NISHIMOTO, DIRECTOR
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

Honorable Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance:

I am James Nishimoto, Director for the Department of Human Resources Development (DHRD). I am here today to present the Department's budget request for the Fiscal Biennium 2017-19.

Mission Statement

The Department's mission is to attract and maintain a qualified and high performing workforce within applicable fiscal and operational constraints. This includes recruitment activities for civil service positions; providing support for personnel actions that are necessary as a result of the State's fiscal status; classifying positions based on the duties and responsibilities; identifying and coordinating employee training and development opportunities; compensating employees at proper pay levels; assuring effective employee-employer relations; administering a variety of voluntary employee benefits; administering the State's self-insured workers' compensation program for State employees; and ensuring a safe and healthy work environment.

Impact of Current State-Wide Conditions

The impact of current state-wide conditions on operations has been:

- ◆ Workers' compensation costs continue to increase. The increase is due to a combination of factors including an aging workforce; increasing costs for medical care, services, and supplies; yearly statutory increases in indemnity benefits; and recent administrative and judicial decisions that have made it much more difficult for DHRD to deny questionable treatment plans or terminate ongoing disability benefits.
- ◆ Renewed emphasis on providing training opportunities for employees and supervisors to enhance their skills.

Federal Funds

The Department has no programs that receive federal funds.

Budget Request

The Department has two significant budget requests for the Fiscal Biennium 2017-19:

1. HRD102 – Addition of \$2,396,000 in fiscal year 2018 and \$2,624,000 in fiscal year 2019 to address increasing workers' compensation claims costs. Workers' compensation is a statutorily mandated benefit with penalties and fees assessed to employers who do not timely pay their obligations.
2. HRD102 – Addition of \$101,080 in fiscal year 2018 and fiscal year 2019 to continue the learning management system (LMS) and self-directed learning library. The LMS and self-directed learning library makes it possible for DHRD to offer employees access to hundreds of training topics (e.g., leadership, customer service, EEO, safety and workplace violence, Microsoft Office, etc.) from their desktops, making training for performance improvement and career development available at any time.

Department programs were asked to be prudent and focused in their fiscal planning. Requests for additional resources were limited to those critical to improving program operations. The proposed operating budget adjustments will increase the Department's fiscal year 2018 general fund appropriation by \$2.5 million and fiscal year 2019 general fund appropriation by \$2.7 million.

We are aware of the challenges ahead and remain committed to work with the Legislature to seek solutions that effectively balance short-and long-term priorities.

Attachments

- Table 1: Department Functions
- Table 2: Department-Wide Totals
- Table 3: Program ID Totals
- Table 4: Budget Decisions
- Table 5: Proposed Budget Reductions
- Table 6: Proposed Budget Additions
- Table 7: FY17 Restrictions
- Table 8: Emergency Appropriation Requests
- Table 9: Expenditures Exceeding or Anticipated to Exceed Appropriation Ceilings in FY16 and FY17
- Table 10: Intradepartmental Transfers in FY16 and FY17
- Table 11: Non-General Funds
- Table 12: Vacancy Report as of November 30, 2016
- Table 13: Positions Filled from July 1, 2015 to November 30, 2016
- Table 14: Positions Authorized or Established by Acts Other than the State Budget Acts
- Table 15: Overtime Expenditure Summary
- Table 16: Active Contracts as of December 1, 2016
- Table 17: Capital Improvement Program (CIP) Requests
- Table 18: CIP Lapses
- Table 19: Program ID Sub-Organizations
- Table 20: Organization Changes

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Staffing	Develops and administers a civil service system consistent with the application of the Merit Principle.	Develops and administers a statewide staffing program for civil service employment in the Executive Branch, within applicable fiscal and operational constraints. This includes competitive recruitment; competitive examination development (education and experience) and administration; and jurisdictional placement searches for employees affected by reduction in force, and work related and non-work related disabilities.	HRD102PA	Hawaii Constitution, Article XVI. Chapter 76, HRS. Chapter 78, HRS. Section 89-9(d), HRS. Chapter 378, HRS. Chapter 386, HRS. Chapter 831, HRS. Chapter 92F, HRS.

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Relations	(Labor Relations) Administers and enforces the State's labor-management agreements and employee performance appraisal system for Executive Branch departments, and provides staff services in the negotiation of labor contracts.	<ul style="list-style-type: none"> a. Participates in negotiations with the employee unions on collective bargaining agreements and mutual agreements, which includes serving as spokespersons for the State and County Employers; b. Administers the uniform interpretation and application of provisions in collective bargaining agreements, dispute settlements, and related determinations of labor-management relationships (i.e. Hawaii Labor Relations Board rulings); c. Provides advisory guidance and assistance to management representatives in the application of contractual provisions and handling of employees with performance problems, in consideration of past arbitration decisions, court decisions, and contract interpretations; d. Develops policies, procedures, and operating guidelines on various labor relations and performance evaluation matters; e. Processes grievances which may have statewide impact; and f. Tracks legislation involving labor relations matters and prepares testimonies for the DHRD Director. 	HRD102QA	Chapter 89, HRS <i>Collective Bargaining Law</i> . Section 76-41, HRS <i>Performance appraisal systems; failure to meet performance requirements.</i>

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Relations	(Employee Assistance) Develops, implements, and administers various statewide no-cost/low-cost employee benefit and training and development programs. Benefit programs include those which provide significant tax savings to the State, and other activities to help attract and retain employees.	<ul style="list-style-type: none"> a. Administers various pre-tax benefit programs, such as the Deferred Compensation Plan; PTS Deferred Compensation Plan for Part-Time, Temporary, and Seasonal or Casual Employees; Premium Conversion Plan; Island Flex Flexible Spending Accounts Plan; Flex Park; and Pre-Tax Transportation Benefits Program; which produce more than \$10.3 million in tax savings annually to the State. b. Administers other employee benefit programs that are required by federal laws, State laws, and the collective bargaining agreements. c. Provides staff support to the Deferred Compensation Plan Board of Trustees. d. Develops, conducts, and coordinates communication on various employee benefit programs, including pre-retirement workshops and new employee orientations. e. Develops policies, procedures, and guidelines on the benefit programs; ensures compliance with the IRS regulations which authorize the benefit programs. f. Provides advisory guidance to line departments on benefit programs. g. Tracks legislation involving employee benefit programs and training and development matters, and prepares testimonies for the DHRD Director. 	HRD102QA	Section 125, Internal Revenue Code (IRC); Section 78-30, HRS <i>Cafeteria plans</i> . Chapter 88E, HRS <i>Deferred Compensation Plan</i> . Chapter 88F, HRS <i>Deferred Compensation Retirement Plan for Part-Time, Temporary, and Seasonal or Casual Employees</i> . Section 132(f), IRC; Section 78-53, HRS <i>Pre-tax Transportation Benefit Programs</i> . Chapter 398, HRS <i>Family Leave</i> . Federal Regulations, Part 825, <i>Family & Medical Leave Act</i> . Section 78-28, HRS <i>In-service training programs</i> . Section 78-29, HRS <i>Incentive & Service Awards</i> .

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Relations	(Personnel Transactions) Processes, audits, and advises on various pay and personnel transactions for employees of the Executive Branch; develops and implements update/processing requirements to effect new employment actions; and generates routine and special workforce reports.	<ul style="list-style-type: none"> a. Develops instructions for all Executive Branch departments to guide them in implementing negotiated pay adjustments, arbitration decisions, and settlement agreements; b. Processes mass pay adjustments negotiated for Bargaining Units 1, 2, 3, 4, 9, 10, 11, and 13, for all departments, and various pay actions for identified groups of positions; c. Prints and distributes Employee Personnel Action Report forms to record all personnel transactions which are generated en masse, e.g., pay adjustments for all 8 Bargaining Units, pay adjustments by Bargaining Unit due to varying effective dates and/or agreement terms, job title changes due to changes in a class or class series, and coordinates set up of print files when departments elect to print their EPAR forms; d. Provides advisory guidance and assistance to line Departmental Personnel Office (DPO) staff in the interpretation and application of laws, policies, collective bargaining agreements, and Executive Orders provisions relating to compensation, leaves (vacation and sick leave and leaves of absence without pay), leave record-keeping, transfers, separations, Uniformed Services Employment and Reemployment Rights Act compliance and Leave Sharing program, and other personnel transactions related issues; e. Selectively audits the line departments' personnel transactions to ensure accurate reporting and processing; f. Generates routine and special workforce reports to provide data requested by the Office of the Governor, DHRD Director, Department of Budget and Finance, Office of Collective Bargaining Chief Negotiator, Legislators, Unions, and others; and g. Tracks legislation involving matters related to compensation and leaves, and prepares testimonies for the DHRD Director. 	HRD102QA	<p>Section 76-13(1), HRS <i>Establish and maintain roster of all persons in the civil service.</i></p> <p>Section 26-5(b), HRS <i>Pay administration.</i></p> <p>Section 76-28, HRS <i>Forms required of appointing authorities.</i></p> <p>Section 76-30, HRS <i>Tenure; resignations.</i></p> <p>Section 78-16.5, HRS <i>Pay of Officers and employees on active military service.</i></p> <p>Section 78-23, HRS <i>Leaves of absence.</i></p> <p>Section 78-26, HRS <i>Leave sharing program.</i></p> <p>Section 78-27, HRS <i>Temporary inter-and intra-governmental assignments and exchanges.</i></p>
Employee Relations	(Training) Develops, conducts, and coordinates statewide training for managerial and non-managerial employees of the Executive Branch.	<ul style="list-style-type: none"> a. Assesses statewide training needs and priorities; b. Develops, conducts, and coordinates employee training programs using online, virtual, and traditional deliveries; c. Assists departments in identifying area-specific training needs, developing and implementing programs; d. Hosts on-demand learning library, creating and maintaining relevant content; e. Provides consultative services to the line departments on training-related matters, including facilitating management/leadership meetings, retreats, etc.; f. Develops policies, procedures, and operating guidelines on training-related matters; and g. Tracks legislation involving training and employee development-related matters and prepares testimonies for the DHRD Director. 	HRD102QA	<p>Section 78-28, HRS <i>In-service training programs</i></p>

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Classification and Compensation	(Classification) Develops and administers the position classification system for civil service positions, including the establishment and maintenance of classes and their experience and training requirements; and the assignment of positions to classes, bargaining units and other administrative units.	Civil Service Position Classification 1. Position actions (i.e., establish, reallocate, abolish, extend, etc.). 2. Class specifications (i.e., establish, amend, and abolish) and selective certification requirements.	HRD102RA	Section 76-13.5, HRS
Employee Classification and Compensation	(Compensation) Develops and maintains the civil service compensation system, including the pricing/repricing of classes; and establishing special rates for shortage occupations.	Compensation 1. Pricing and repricing of civil service classes (i.e., determine and review). 2. Wage analysis. 3. Providing collective bargaining support (primarily on wages). 4. Shortage category determinations and rate setting. 5. Developing and implementing pay programs to attract and retain quality employees.	HRD102RA	Section 76-1, HRS. Section 89-9(f)(2), HRS. Section 89-11(f), HRS.
Employee Classification and Compensation	(Exempt Positions and Employees) Development and administration of programs covering exempt positions and employees.	Exemptions from Civil Service 1. Review requests to approve and extend projects (authority to approve delegated by Governor to DHRD Director). 2. Review requests for approval and extensions of exempt positions (other than project exemptions). 3. Review exemption checklists from departments used to determine exemptions in order to contract for services.	HRD102RA	Section 76-16, HRS.

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Claims	(Employee Claims) The delivery of statutory benefits to all injured employees within the Executive Branch (excluding DOE, UH, and HHSC) of government, Charter Schools, Hawaii Public Housing Authority, and the Legislature in accordance with the Hawaii Workers' Compensation Law (Chapter 386) and its related rules and regulations.	<ol style="list-style-type: none"> 1. Investigating questionable claims which includes, but is not limited to securing recorded statements of injured employees and witnesses, taking photographs of accident scenes, conducting discovery, and researching precedent cases. 2. Attending administrative hearings on contested claims, denied treatment plans, and where the parties can't reach an agreement as to the extent of the injured employee's disability. 3. Authorizing accurate and appropriate benefits, such as: calculating and authorizing temporary total disability benefits within 10 days after notification of the disability; insuring payment of benefits ordered pursuant to a final decision or settlement agreement within 31 days after they become due; and authorizing or denying bills for medical care, services, and supplies within 60 days of their receipt. 4. Monitoring treatment plans to insure that the treatment being provided is reasonable, necessary, curative and related to the nature of the compensable injury or illness. 5. Arranging for evaluations by medical experts if there is a question regarding causation or reasonableness of medical care. 6. Maintaining, monitoring, and updating the State's Return to Work Priority Program which assists injured employees who become unable to perform their usual and customary jobs to return to suitable gainful employment. 7. Identifying light duty work for those injured employees who cannot return to their usual and customary jobs on a temporary or permanent basis. 8. Identifying those injured employees who are capable of performing their usual and customary jobs but are restricted from returning to a particular environment and maintaining the policy that governs their placement in an alternate work site. 9. Providing financial and reserve data to DAGS for inclusion in the State's financial statement as well as separate financial and reserve data to all Executive Branch departments as part of their financial audits. 	HRD102SA	Act 285, Section 71A, SLH 1984. Section 26-5, HRS. Chapter 386, HRS. Chapter 10, Title 12. Chapter 14, Title 12. Chapter 15, Title 12. All collective bargaining agreements. Americans with Disabilities Act. Americans with Disabilities Act Amendments Act. Administrative Directive 94-02. State of Hawaii, Accommodations for Employees With Disabilities Manual.

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Claims	(Employee Safety) Administration of safety and health workplace laws, rules, and regulations consistent with State and federal mandates in accordance with the Occupational Safety and Health Administration, Environmental Protection Administration, and Federal Motor Carrier Safety Administration.	<ol style="list-style-type: none"> 1. Developing and conducting safety and health seminars, workshops, and conferences. 2. Developing and maintaining the human resources component of the State's Civil Defense Plan for emergency disaster management. 3. Developing and maintaining the State's Alcohol and Drug Testing Program which includes all educational materials and training sessions for employees required to attend. 4. Maintaining the State's program for safety toed shoes and safety glasses. 5. Chairing the State's Safety Council, which includes representatives from all Executive Branch departments, who meet to discuss best safety practices, OSHA requirements, and other issues related to maintaining a safe work environment. 6. Providing accident statistics to all departments on a regular basis to pinpoint injury trends; and whenever possible, developing training programs to address those injuries which were preventable. 7. Conducting worksite inspections post accident and ergonomic evaluations to prevent future injuries. 8. Conducting employee workshops for Drug and Alcohol Testing, Violence in the Workplace, ergonomics, and driver education. 	HRD102SA	<p>40 CFR. 49 CFR Parts 382-384, 390-397. 49 CFR Part 40. 29 CFR Part 1910. Chapter 396, HRS. All collective bargaining agreements. Act 111, SLH 2014. Title 11, HAR. Title 12, HAR.</p>

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Admin	(General Administration) Administers the State personnel program, provides administrative support services, and represents the State on commissions and committees.	<ol style="list-style-type: none"> 1. Advises the Governor on policies and issues concerning the administration of the State personnel management system. 2. Provides long-range and overall policy-setting direction for the State's personnel management system. 3. Provides policies, training, and guidance to departments and agencies to assure and maintain a workplace free of discrimination, harassment and retaliation in personnel practices. 4. Directs and coordinates DHRD operations; and program and financial plans. 5. Provides administrative and technical support services relating to information technology (IT), fiscal, budget, procurement, and personnel management to department programs. 6. Administers and maintains the State's centralized Human Resources Management System (HRMS) that is used by state agencies, ERS, and EUTF. 	HRD191	Section 26-5, HRS Chapter 76, HRS Chapter 78, HRS Chapter 89, HRS Chapter 89C, HRS State and federal non-discrimination laws
Admin	(Attached Agency) Provides technical assistance to the Merit Appeals Boards (MAB). MAB decides appeals from actions taken by the chief executive, the director, an appointing authority or a designee acting on behalf of one of these individuals on issues such as: any person suffering a legal wrong by a recruitment and examination for a civil service position; an employee serving an initial probationary appointment who alleges wrongful termination for failure to successfully complete the initial probation period; for a classification and reclassification of a civil service position which is occupied by a civil service employee, an incumbent of a position in a new class may file an appeal if the employee has suffered a legal wrong by that action. Employees who aren't covered by a collective bargaining agreement under section 89-6, HRS may file an appeal on disciplinary actions, adverse actions for failure to meet performance requirements, or other employment actions if the employee suffers a legal wrong by the action.	<ol style="list-style-type: none"> 1. Recommending rule revisions. 2. Coordinating/running public hearings. 3. Providing administrative support to the Board. 	HRD102SA HRD102OA HRD191	Chapter 76, HRS. Section 26-5, HRS. HAR, Title 14, DHRD.
Admin	(Unemployment Insurance Benefits) Administers the unemployment insurance benefit fund for the Executive Branch (excluding DOE, UH and RCUH), OHA, the Legislature, and Judiciary.	<ol style="list-style-type: none"> 1. Prepares and processes payment to DLIR for quarterly estimated unemployment insurance (UI) benefits for former State employees. 2. Prepares and processes fiscal documents (journal vouchers, bill for collections, treasury deposits) for the accounting of UI benefits paid by general funds, assessed accounts, and non-assessed accounts. 3. Distributes monthly statement of UI benefits charges to all State agencies. 	HRD191 HRD102KA	Section 383-62, HRS

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Claims	(Temporary Disability Benefits) Provides oversight for the State's Temporary Disability Benefits Program	<ol style="list-style-type: none"> 1. Responding to inquiries regarding the interpretation of the program, and its applicability to bargaining unit and non-bargaining unit employees. 2. Insuring that the State's program retains its equivalency with the statute. 3. Updating the provisions of the program to insure compliance with the statute. 	HRD102SA	Chapter 392, HRS. State of Hawaii Temporary Disability Benefits Plan for Bargaining Unit Employees. State of Hawaii Temporary Disability Benefits Plan for Non-Bargaining Unit Employees.

Department of Human Resources Development
Department-Wide Totals

Table 2

Fiscal Year 2017				
Act 124/16 Appropriation	Restriction	Emergency Appropriations	Total FY17	MOF
\$ 17,476,205.00	\$ (187,710.00)	\$ 1,700,000.00	\$ 18,988,495.00	A
\$ 700,000.00			\$ 700,000.00	B
\$ 5,061,281.00			\$ 5,061,281.00	U
\$ 23,237,486.00	\$ (187,710.00)	\$ 1,700,000.00	\$ 24,749,776.00	Total
Fiscal Year 2018				
*Act 124/16 Appropriation	Reductions	Additions	Total FY18	MOF
\$ 16,293,469.00	\$ (140,052.00)	\$ 2,497,080.00	\$ 18,650,497.00	A
\$ 700,000.00			\$ 700,000.00	B
\$ 5,061,281.00			\$ 5,061,281.00	U
\$ 22,054,750.00	\$ (140,052.00)	\$ 2,497,080.00	\$ 24,411,778.00	Total
Fiscal Year 2019				
*Act 124/16 Appropriation	Reductions	Additions	Total FY19	MOF
\$ 16,293,469.00	\$ (140,052.00)	\$ 2,725,080.00	\$ 18,878,497.00	A
\$ 700,000.00			\$ 700,000.00	B
\$ 5,061,281.00			\$ 5,061,281.00	U
\$ 22,054,750.00	\$ (140,052.00)	\$ 2,725,080.00	\$ 24,639,778.00	Total
*Includes collective bargaining allocation				

Department of Human Resources Development
Program ID Totals

Table 3

Prog ID	Program Title	MOF	As budgeted in Act 124/16 (FY17)			Governor's Submittal (FY18)				Governor's Submittal (FY19)			
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$
HRD102	Workforce Att	A	88.00	-	\$ 15,822,486	88.00	-	\$ 17,218,333	8.8%	88.00	-	\$ 17,446,333	10.3%
HRD102	Workforce Att	B	-	-	\$ 700,000	-	-	\$ 700,000	0.0%	-	-	\$ 700,000	0.0%
HRD102	Workforce Att	U	1.00	-	\$ 5,061,281	1.00	-	\$ 5,061,281	0.0%	1.00	-	\$ 5,061,281	0.0%
HRD191	Supporting Se	A	11.00	-	\$ 1,653,719	9.00	-	\$ 1,432,164	-13.4%	9.00	-	\$ 1,432,164	-13.4%

Department of Human Resources Development
Budget Decisions

Table 4

Prog ID	Sub-Org	Description of Request	MOF	Initial Department Requests						Budget and Finance Recommendations						Governor's Decisions					
				FY18			FY19			FY18			FY19			FY18			FY19		
				Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HRD102	SA	Request additional funding for workers' compensation claims	A			\$ 2,396,000			\$ 2,624,000			\$ 2,396,000			\$ 2,624,000			\$ 2,396,000			\$ 2,624,000
HRD102	QA	Request funds for learning management system and self-directed learning library	A			\$ 101,080			\$ 101,080			\$ 101,080			\$ 101,080			\$ 101,080			\$ 101,080
HRD191	AA	Transfer two IT positions to ETS for support and maintenance of HRMS	A	(2.00)		\$ (140,052)	(2.00)		\$ (140,052)	(2.00)		\$ (140,052)	(2.00)		\$ (140,052)	(2.00)		\$ (140,052)	(2.00)		\$ (140,052)

Department of Human Resources Development
Proposed Budget Reductions

Table 5

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Description of Reduction</u>	<u>Impact of Reduction</u>	<u>MOF</u>	<u>FY18</u>			<u>FY19</u>			<u>FY17</u>
					<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$\$</u>	<u>Restriction</u>
											<u>(Y/N)</u>
HRD191	AA	Transfer two IT positions to ETS for support and maintenance of HRMS	We are requesting to transfer two IT positions to the Office of Enterprise Technology Services (ETS) so that ETS can assume responsibility for the support, maintenance, and enhancement of the HRMS. ETS is better equipped to optimize system delivery and provide critical infrastructure for security management, data redundancy, and backup and recovery operations. Transfer of the IT positions to ETS will enhance the efficiency of the HRMS support resources, provide backups for key system functions, and enhance staff training opportunities.	A	(2.00)		\$ (140,052)	(2.00)		\$ (140,052)	N

Department of Human Resources Development
Proposed Budget Additions

Table 6

Prog ID	Sub-Org	Addition Type	Prog ID Priority	Dept- Wide Priority	Description of Addition	Justification	MOF	FY18			FY19		
								Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HRD102	SA	FC	1	1	Request additional funding for workers' compensation claims	The Department of Human Resources Development (DHRD) is responsible for administering the State's centralized, self-insured workers' compensation program, which covers all employees of the State Executive Branch (except for the DOE, UH, and HHSC), Charter Schools, and the Legislature. Without additional funding, the department will not be able to pay claims when they are due as required under Chapter 386, HRS, and as a result, will be subject to statutory penalties and fees.	A			\$ 2,396,000			\$ 2,624,000
HRD102	QA	AR	2	2	Request funds for learning management system and self-directed learning library content	The learning management system (LMS) is the essential vehicle that delivers our on-demand, self-directed learning library that allows Executive Branch employees access to on-demand training, free of charge to the departments. This makes it possible for employees to access hundreds of training offers from their desktops, making training for performance improvement and career development available at all times.	A			\$ 101,080			\$ 101,080

Department of Human Resources Development
 FY17 Restrictions

Table 7

<u>Prog ID</u>	<u>Sub-Org</u>	<u>MOF</u>	<u>Budgeted by Dept</u>	<u>Restriction</u>	<u>Difference Between Budgeted & Restricted</u>	<u>Percent Difference</u>	<u>Impact</u>
HRD102	OA	A	\$ 407,069	\$ 187,710	\$ 219,359	-46.1%	The department will not be establishing the Lean Government Office.

Department of Human Resources Development
Emergency Appropriation Requests

Table 8

<u>Prog ID</u>	<u>Description of Request</u>	<u>Explanation of Request</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
HRD102	Request additional funds to pay workers' compensation claims as required under Chapter 386, HRS.	Led primarily by increasing costs for medical care, services, and supplies, and permanent partial disability benefits, current fiscal year 2017 workers' compensation expenses are outpacing the \$7,401,183 that was appropriated to DHRD to pay claims in fiscal year 2017. It is estimated that the funds to pay claims will be exhausted by the end of March. Therefore, a critical funding crisis exists and DHRD will not be able to meet its legal obligation to pay the workers' compensation benefits that are due to State Executive Branch employees who sustain work-related injuries and illnesses for the remainder of fiscal year 2017.	A			\$ 1,700,000

Department of Human Resources Development
Expenditures Exceeding Appropriation Ceilings in FY16 and FY17

Table 9

<u>Prog ID</u>	<u>MOF</u>	<u>Date</u>	<u>Appropriation</u>	<u>Amount Exceeding Appropriation</u>	<u>Percent Exceeded</u>	<u>Reason for Exceeding Ceiling</u>	<u>Legal Authority</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>
				None					

Department of Human Resources Development
 Intradepartmental Transfers in FY16 and FY17

Table 10

<u>Actual or Anticipated Date of Transfer</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>From Prog ID</u>	<u>Percent of Program ID Appropriation Transferred From</u>	<u>To Prog ID</u>	<u>Percent of Receiving Program ID Appropriation</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
None										

Department of Human Resources Development
Non-General Funds

Table 11

<u>Name of Fund</u>	<u>Purpose</u>	<u>Statutory Reference</u>	<u>MOF</u>	<u>Beginning FY17 Unencumbered Cash Balance</u>	<u>Estimated FY17 Revenues</u>	<u>Estimated FY17 Expenditures and Encumbrances</u>	<u>Estimated FY17 Net Transfers</u>	<u>Estimated FY17 Ending Unencumbered Cash Balance</u>	<u>Balance in Excess of Program Needs</u>
Human Resources Development Special Fund	To support and facilitate the Department's entrepreneurial initiatives, training activities, and programs for government employees.	Section 26-5(f), HRS	B	\$ 1,623,933	\$ 191,320	\$ 126,600	\$ -	\$ 1,688,653	\$ -

Department of Human Resources Development
Vacancy Report as of November 30, 2016

Table 12

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date of Vacancy</u>	<u>Expected Fill Date</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>Perm Temp (P/T)</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>Authority to Hire (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>	<u># of 89 Hire Appts</u>	<u>Describe if Filled by other Means</u>	<u>Priority # to Retain</u>
HRD102	PA	9/16/2016	3/1/2017	3304	Human Res Tech VI	N	SR15	63	P	1.00	A	\$ 43,368	\$ 43,368	Y	N			6
HRD102	PA	7/30/2016	3/1/2017	39798	Human Res Spclt V	N	SR24	73	P	1.00	A	\$ 57,168	\$ 57,168	Y	Y	1		1
HRD102	PA	10/17/2016	3/1/2017	121079	Human Res Spclt V	N	SR24	73	P	1.00	A	\$ 66,864	\$ 66,864	Y	N			2
HRD102	QA	2/1/2016	6/1/2017	12547	Human Res Spclt VI	N	SR26	73	P	1.00	A	\$ 78,624	\$ 62,949	Y	N			8
HRD102	QA	12/31/2015	4/1/2017	46310	Human Res Spclt V	N	SR24	73	P	1.00	A	\$ 72,648	\$ 64,077	Y	N			4
HRD102	QA	7/1/2016	7/1/2017	121386	Human Res Spclt V	N	SR24	73	P	1.00	A	\$ 60,024	NEW	Y	N			9
HRD102	RA	12/31/2015	2/1/2017	13968	Human Res Spclt V	N	SR24	73	P	1.00	A	\$ 73,044	\$ 73,044	Y	N			3
HRD102	SA	9/14/2016	2/1/2017	40355	Office Assistant III	N	SR08	63	P	1.00	A	\$ 28,796	\$ 28,796	Y	N			5
HRD102	SA	11/1/2015	6/1/2017	47381	Acct Clerk III	N	SR11	63	P	1.00	A	\$ 38,556	\$ 38,556	Y	N			7
HRD191	AA	11/14/2015		8051	Info Technology Band A	N	SR22	73	P	1.00	A	\$ 61,824	\$ 47,172	Y	N			11
HRD191	AA	2/1/2015		28632	Info Technology Band B	N	SR24	73	P	1.00	A	\$ 78,228	\$ 75,960	Y	N			10

Department of Human Resources Development
Positions Filled from July 1, 2015 to November 30, 2016

Table 13

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Effective Date</u> <u>Position Filled</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>Budgeted FTE</u>	<u>Budgeted Salary</u>	<u>Actual FTE</u>	<u>Actual Salary</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
HRD102		9/16/2015	121081	Human Res Spclt II	N	SR18	73	P	A	1.00	\$ 37,464	1.00	\$ 37,464	N
HRD102		11/2/2015	37390	Human Res Spclt II	N	SR18	73	P	A	1.00	\$ 37,464	1.00	\$ 37,464	N
HRD102		1/1/2016	3597	Pers Prog Manager	N	EM05	35	P	A	1.00	\$ 102,252	1.00	\$ 102,252	N
HRD102		2/1/2016	7180	Pers Prog Manager	N	EM05	35	P	A	1.00	\$ 90,000	1.00	\$ 90,000	N
HRD102		4/18/2016	9016	Human Res Spclt V	N	SR24	73	P	A	1.00	\$ 55,236	1.00	\$ 55,236	N
HRD102		4/18/2016	39798	Human Res Spclt V	N	SR24	73	P	A	1.00	\$ 55,236	1.00	\$ 55,236	N
HRD102		6/6/2016	47381	Acct Clerk II	N	SR06	63	P	A	1.00	\$ 24,636	1.00	\$ 24,636	Y
HRD102		8/1/2016	9000	Pers Prog Manager	N	EM05	35	P	A	1.00	\$ 104,508	1.00	\$ 104,508	N
HRD102		9/1/2016	21824	Human Res Spclt V	N	SR24	73	P	A	1.00	\$ 55,236	1.00	\$ 55,236	N
HRD102		9/1/2016	121082	Human Res Asst IV	N	SR11	63	P	A	1.00	\$ 29,988	1.00	\$ 29,988	N
HRD102		9/16/2016	26159	Human Res Spclt IV	N	SR22	73	P	A	1.00	\$ 49,056	1.00	\$ 49,056	N
HRD102		10/18/2016	34210	Human Res Spclt V	N	SR24	73	P	A	1.00	\$ 78,624	1.00	\$ 78,624	N
HRD102		11/1/2016	39798	Human Res Spclt V	N	SR24	73	P	A	1.00	\$ 55,236	1.00	\$ 55,236	Y

Positions Established by Acts other than the State Budget as of November 30, 2016

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date Established</u>	<u>Legal Authority</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Annual Salary</u>	<u>Filled (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
		None												

Department of Human Resources Development
Overtime Expenditure Summary

Table 15

Prog ID	Sub-Org	Program Title	MOF	FY16 (actual)			FY17 (estimated)			FY18 (budgeted)		
				<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent
HRD102	PA	Workforce Attraction, Selection, Classification and Effectiveness	A	\$ 1,486,301	\$ 1,436	0.1%	\$ 1,753,270	\$ 2,914	0.2%	\$ 1,804,096	\$ 2,914	0.2%
HRD102	QA	Workforce Attraction, Selection, Classification and Effectiveness	A	\$ 1,401,068	\$ 4,662	0.3%	\$ 1,884,115	\$ 4,905	0.3%	\$ 1,912,476	\$ 4,905	0.3%
HRD102	RA	Workforce Attraction, Selection, Classification and Effectiveness	A	\$ 860,740	\$ -	0.0%	\$ 959,085	\$ 1,380	0.1%	\$ 989,128	\$ 1,380	0.1%
HRD102	SA	Workforce Attraction, Selection, Classification and Effectiveness	A	\$ 1,432,623	\$ -	0.0%	\$ 1,694,117	\$ 3,600	0.2%	\$ 1,749,654	\$ 3,600	0.2%
HRD191	AA	Supporting Services - Human Resources Development	A	\$ 881,315	\$ -	0.0%	\$ 994,927	\$ 2,500	0.3%	\$ 870,855	\$ 2,500	0.3%

Department of Human Resources Development
Active Contracts as of December 1, 2016

Table 16

Prog ID	MOF	Amount	Frequency (M/A/O)	Max Value	Outstanding Balance	Term of Contract			Entity	Contract Description	Explanation of How Contract is Monitored	POS Y/N	Category E/L/P/C/G/S
						Date Executed	From	To					
HRD102	A	\$ 79,730	A	\$ 79,730	\$ -	3/22/2016	4/1/2016	3/31/2017	governmentjobs.com , Inc. dba NEOGOV	Internet-based integrated e- Recruitment software subscription license	The Department participates in quarterly on-line performance measurement surveys. The surveys enable the Department to monitor and provide feedback on the performance of the e- Recruitment software; and assists the contractor in better serving the public sector customers.	N	G/S
HRD102	A	\$ 35,000	M	\$ 35,000	\$ 8,462.50	2/14/2012	1/1/2016	12/31/2016	Child and Family Service	Confidential, short-term professional counseling services to eligible employees of the Executive Branch who may be experiencing personal problems that are affecting their job performance through the REACH Program.	Employees who utilize the services of the REACH provider are given a questionnaire at their final appointment for completion. DHRD also receives monthly and quarterly reports from the contractor that summarize the professional counseling services provided.	N	S

Department of Human Resources Development
 Capital Improvements Program (CIP) Requests

Table 17

<u>Prog ID</u>	<u>Prog ID</u> <u>Priority</u>	<u>Dept- Wide</u> <u>Priority</u>	<u>Senate</u> <u>District</u>	<u>Rep.</u> <u>District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY18 \$\$\$</u>	<u>FY19 \$\$\$</u>
None								

Department of Human Resources Development
CIP Lapses

Table 18

<u>Prog ID</u>	<u>Act/Year of Appropriation</u>	<u>Project Title</u>	<u>MOF</u>	<u>Lapse Amount</u> \$\$\$\$	<u>Reason</u>
None					

Department of Human Resources Development
Program ID Sub-Organizations

Table 19

<u>Program ID</u>	<u>Sub-Org Code</u>	<u>Name</u>	<u>Objective</u>
HRD102	PA	Employee Staffing	Develop and administer a civil service system consistent with the application of the Merit Principle.
HRD102	QA	Employee Relations	<p>Administer and enforce the State’s labor-management agreements and employee performance appraisal system for Executive Branch departments, and provide staff services in the negotiation of labor contracts.</p> <p>Develop, implement, and administer various statewide no-cost/low-cost employee benefit and training and development programs. Benefit programs include those which provide significant tax savings to the State, and other activities to help attract and retain employees. Process, audit, and advise on various pay and personnel transactions for employees of the Executive Branch; develop and implement update/processing requirements to effect new employment actions; and generate routine and special workforce reports.</p> <p>Develops, conducts, and coordinates statewide training for managerial and non-managerial employees of the Executive Branch.</p>
HRD102	RA	Employee Classification and Compensation	<p>Develop and administer the position classification system for civil service positions, including the establishment and maintenance of classes and their experience and training requirements; and the assignment of positions to classes, bargaining units and other administrative units.</p> <p>Develop and maintain the civil service compensation system, including the pricing/repricing of classes; and establishing special rates for shortage occupations.</p> <p>Develop and administer programs covering exempt positions and employees.</p>

Department of Human Resources Development
 Program ID Sub-Organizations

Table 19

HRD102	SA	Employee Claims	<p>The delivery of statutory benefits to all injured employees within the Executive Branch (excluding DOE, UH, and HHSC) of government, Charter Schools, Hawaii Public Housing Authority, and the Legislature in accordance with the Hawaii Workers' Compensation Law (Chapter 386) and its related rules and regulations.</p> <p>Administration of safety and health workplace laws, rules, and regulations consistent with State and federal mandates in accordance with the Occupational Safety and Health Administration, Environmental Protection Administration, and Federal Motor Carrier Safety Administration.</p>
HRD191	AA	Support Services	<p>Administer the State personnel program, provide administrative support services, and represent the State on commissions and committees.</p> <p>Administer the unemployment insurance benefit fund for the Executive Branch (excluding DOE, UH and RCUH), OHA, the Legislature, and Judiciary.</p>

Department of Human Resources Development
Organization Changes

Table 20

<u>Year of Change</u> <u>FY18/FY19</u>	<u>Description of Change</u>
	None