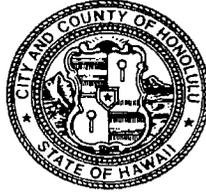


DEPARTMENT OF HUMAN RESOURCES

**CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL  
MAYOR



CAROLEE C. KUBO  
DIRECTOR  
NOEL T. ONO  
ASSISTANT DIRECTOR

May 1, 2015

The Honorable Ann H. Kobayashi, Chair  
and Members  
Committee on Budget  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

Dear Chair Kobayashi and Councilmembers:

SUBJECT: Comments on Proposed Bill 13 (2015), CD2 Amendments  
for the Department of Human Resources

We thank you for the proposed restorations to the budget amendments in Bill 13 (2015), CD1. Please find attached our comments regarding the budget amendments in Bill 13 (2015), CD1, and the proposed amendments for Bill 13 (2015), CD2.

Sincerely,

Carolee C. Kubo, Director  
Department of Human Resources

Attachment

CONCUR:

Nelson H. Koyanagi, Jr. Director  
Budget and Fiscal Services

APPROVED:

Roy K. Amemiya, Jr.  
Managing Director

RECEIVED  
2015 MAY - 8 A 10: 25  
CITY COUNCIL  
HONOLULU, HAWAII

Attachment

**ADMINISTRATION**

**Councilmember: Trevor Ozawa**

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(6,000)	GN	Reduce funding in current expense Object Code 3049, Other Services - Not Classified

Department's Comments and Concerns:

Reconsideration of the \$6,000 cut is requested. Full funding of \$24,000 is necessary to hire subject matter experts to provide training for managers, supervisors, and employees on subjects such as non-discrimination in employment as well as the City's provision of activities and services to the public (ADA, Title VI, etc.).

The training opportunities that will be provided with these funds are as follows:

Avoiding Claims - \$2,000  
Reasonable Accommodations - \$2,000  
Internal Investigations - \$16,000  
Legal Updates - \$4,000

**Councilmember: Ernest Martin**

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(1,650)	GN	Reduce funding in current expense Object Code 3212, Travel Expense - Out-of-State

Department's Comments and Concerns:

Reconsideration of the \$1,650 cut is requested. Full funding of \$6,400 is necessary to fund two trips in FY 2016. The first trip is for the DHR ERP liaison to attend the annual CGI user group conference. The second trip is for the DHR Title VI Coordinator to participate in national conferences and training. Travel to participate in Title VI compliance training is relevant to the City's obligations associated with the receipt of federal funds.

**EMPLOYMENT AND PERSONNEL SERVICES**

**Councilmember: Trevor Ozawa**

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(2,460)	GN	Reduce funding in current expense Object Code 3049, Other Services - Not Classified

Department's Comments and Concerns:

Reconsideration of the \$2,460 cut is requested. Full funding of \$11,120 is necessary for the City to be able to comply with legal requirements and reduce liability. The requested monies fund 1) the City's drug testing programs (required by state and federal laws, and collective

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bargaining agreements), 2) fingerprint-based criminal history record checks for persons being considered for safety sensitive positions and for those who work with vulnerable populations (e.g., children and the elderly), and 3) sign language interpreters for required language access and ADA accommodation. The breakdown is as follows:

Drug Testing Pool = \$1,320

Fingerprint-based Criminal History Record Checks = \$8,800

Sign Language Interpreter = \$1,000

TOTAL: \$11,120

**Councilmember: Trevor Ozawa**

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(1,840)	GN	Reduce funding in current expense Object Code 3403, Repairs & Maintenance - Equipment (Office Furniture & Equipment)

Department's Comments and Concerns:

Reconsideration of the \$1,840 cut is requested. Full funding of \$6,040 is requested to ensure that the equipment necessary for staff to accomplish their work remains operational.

Maintenance services for various equipment items include: time clock needed to date and time stamp documents received, desktop and portable fingerprint scanners, and the repair and servicing of typewriters which are used for entering information onto forms and cards. The following is the breakdown of the cost:

Time clock service = \$100

Maintenance for fingerprinting equipment = \$5,240

Typewriter service/repair = \$700

TOTAL: \$6,040

**Councilmember: Trevor Ozawa**

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(2,000)	GN	Reduce funding in current expense Object Code 3752, Subscriptions

Department's Comments and Concerns:

Reconsideration of the \$2,000 cut is requested. Full funding of \$4,000 is necessary to purchase the materials and subscriptions that are needed to carry out the examinations, benefits, and compliance programs within the division. The materials provide up-to-date compliance related resources to ensure that we have key information on new federal laws (i.e., the Affordable Care Act [ACA], and the proposed changes to the Federal Motor Carrier Safety Act [FMCSA]), which impact the City's workforce.

Compliance Administration (needed to keep up-to-date on issues in the compliance areas such as drug testing, ACA, proposed changes to FMCSA regulations, Lautenberg amendment to the federal gun control act) = \$1,200

National Notary (subscription for one BRATS staff member [info shared with other DHR notaries]; enables us to keep abreast of necessary trends affecting notaries and to buy tools

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needed for performing notary responsibilities at a discount; BRATS & other DHR staff perform notary services during citywide benefits processing of newly hired employees) = \$200

International Universities Handbook (used by examiners as a resource in determining whether graduates from foreign universities/institutions meet the education requirements for civil service employment) = \$900

FLSA (online & print subscription for 2 employees; enables wage/hour searches by legal opinions and helps staff to keep up-to-date on changes in FLSA laws that may impact the exempt status of civil service employees; provides daily alerts on FLSA subjects of interest) = \$900

International Personnel Assessment Council (IPAC) (enables examinations staff to keep up-to-date on issues impacting the division and the governmental assessment community) = \$800  
TOTAL: \$4,000

**CLASSIFICATION AND PAY**

**Councilmember:**     **Trevor Ozawa**

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(5,000)	GN	Reduce funding in current expense Object Code 3630, Rentals - Office Equipment

**Department's Comments and Concerns:**

Reconsideration of the \$5,000 cut is requested. Object Code 3403 was reduced to \$0 in FY 16. Our prior copier was owned by the City and maintained with funding in Object code 3403. When DIT upgraded our computers recently, we were advised that the new computers were not compatible with our old copier. Therefore, we were required to upgrade to a newer copier which we are leasing, not owned by the City. It is now appropriately funded in Object code 3630- Rentals- Office equipment. Without the restoration of this funding, DHR will be unable to lease this copier. The other funded copier will be overused and prone to breakdowns, which will result in a delay in our workflow. We strongly request the restoration of the funding.

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**INDUSTRIAL SAFETY AND WORKERS' COMPENSATION**

**Councilmember: Ann Kobayashi**

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(900)	GN	Reduce funding in current expense Object Code 3752, Subscriptions

**Department's Comments and Concerns:**

Reconsideration of the \$900 cut is requested. Full funding of \$1,500 is necessary for the following reasons. The increase from \$600 to \$1,500 is due to the recent computer upgrade which deactivated two accounts the division had been utilizing.

The first was a free trial period subscription for the Medical Disability Advisor (MDA) which the Medical Case Management Specialist had been using since 2012. The MDA is extremely useful as it offers evidence-based medical guidelines to safeguard against unnecessary medical services. The service provides the following information regarding a diagnosis:

Related Terms, Differential Diagnosis, Specialist, Co morbid Conditions, Length of Disability, Factors Influencing Duration, Definition, Risks, Incidence and Prevalence, Diagnosis (History, Physical Exam, Tests), Treatment, Prognosis, Rehabilitation (Frequency of Rehabilitation Visits), Complications, and Failure to Recover.

Private nurse case managers and the nurse case manager for the State of Hawaii, Department of Human Resources Development, all have access to the MDA. It would be impossible for the City's in-house nurse to provide the same types of case reviews and recommendations to treating physicians without access to the MDA. The cost is \$675.00 annually.

Second, a subscription to the Honolulu Star-Advertiser that is used to determine when a claimant has passed away. The subscription rate of \$19.95 per month is nominal compared with the cost of staff time when they need to recover funds for an overpayment to a deceased claimant. The annual cost is \$240.00.

This funding also covers ISWC's subscription to the Appeals Board Index, \$575.00 annually. The subscription provides access to a searchable index and summary of all the workers' compensation decisions that have been issued by the Labor and Industrial Relations Appeals Board. The index is critical to our division's ability to keep updated on the workers' compensation law, properly adjust claims, and is invaluable to staff in preparing Position Statements for hearings before the Disability Compensation Division.

**LABOR RELATIONS AND TRAINING**

**Councilmember:**     **Ann Kobayashi**

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(57,637)	GN	Reduce funding in current expense Object Code 3006, Other Professional Services

Department's Comments and Concerns:

Reconsideration of the \$57,637 cut is requested. Full funding of \$153,000 will provide the required funds to arbitrate all grievances appealed by the union. Arbitration and associated fees are a legally and contractually mandated employer cost as defined by the collective bargaining agreements. In FY 2014, our actual cost for arbitrations (arbitrator fees, court reporters, and attorney fees) was \$140,506. Our FY 2015 allotment was reduced to \$95,363. Our average cost per arbitration is \$7,300, and we currently have 64 cases pending arbitration. The union is the moving party and we make every attempt to settle cases. We have also implemented an expedited arbitration process with all unions to reduce costs. However, in FY 2014, the City was ordered by arbitrators to pay the union's attorney fees in excess of \$32,000 in addition to arbitration costs. There will also be an interest arbitration for the new Bargaining Unit 14 that accounts for this increased request in FY 2016.