

DEPARTMENT OF HUMAN RESOURCES

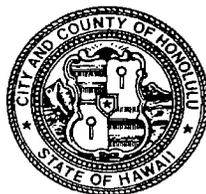
CITY AND COUNTY OF HONOLULU

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2015 MAY 21 AM 10:15

KIRK CALDWELL
MAYOR



CAROLEE C. KUBO
DIRECTOR
NOEL T. ONO
ASSISTANT DIRECTOR

May 13, 2015

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

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CITY COUNCIL
HONOLULU, HAWAII

Dear Chair Kobayashi and Councilmembers:

SUBJECT: Request of May 12, 2015, Special Meeting of the Committee
on Budget for the Department of Human Resources

Attached is the response to your request.

We would additionally like to request reconsideration for the items listed on Bill 13
(2015), CD1, Proposed Amendments for CD2. We thought that the three items listed were
restored, but in fact were not. We have, therefore, included comments and respectfully request
restoration of funds.

Sincerely,

Carolee C. Kubo
Carolee Kubo, Director
Department of Human Resources

Attachment

APPROVED:

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

APPROVED:

Roy K. Amemiya, Jr.
Roy K. Amemiya, Jr.
Managing Director

Attachment

Question: Provide to the Budget Chair, in writing, an explanation for the item for which the Department of Human Resources requested reconsideration.

Response:

In our previous responses, dated April 14, 2015 (Dept. Com. 274) and May 1, 2015 (Dept. Com. 298) we requested reconsideration of the following cut.

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

Reconsideration of the \$5,000 cut is requested. The Fiscal Year 2016 increased request in Object Code 3630, Rentals – Office Equipment is directly offset by a decrease (to \$0) in Object Code 3403, Repairs and Maintenance – Office Equipment. The \$5,000 requested represents the annual cost of leasing a Xerox copier. Our previous copier was owned by the City and maintained with funding in Object code 3403. Recently DIT upgraded our computers and we were advised that the new computers were not compatible with our old copier, therefore, we were required to upgrade to a newer copier. In compliance with the City's Information Technology policy, we are leasing the new copier. Without the restoration of this funding, DHR will be unable to lease this copier. We respectfully request the restoration of the funding.

We respectfully request restoration for the following items that we misread as restored.

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:

The proposed restoration will provide the necessary funds for the City to comply with federal and state laws, civil service policies, and collective bargaining agreements. The City is required to set-up random pools for the City's drug testing programs. The City is also required to ensure that employees hired by the City to work in safety sensitive positions (i.e., those involving work with vulnerable populations such as children or the elderly and others as identified in HRS 846-2.7), do not have any criminal history records that would impact their suitability for their jobs. The monies are needed for fingerprint-based criminal history record checks (CHRC's) of national conviction information. The reason for the increase in CHRC's was the passage of legislation which included additional categories of employees in safety/sensitive jobs for whom fingerprint based CHRC's must be conducted. Finally, the City is required to provide sign language

interpreters in compliance with Title VI 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

INDUSTRIAL SAFETY AND WORKERS' COMPENSATION

Councilmember: **Ann Kobayashi**

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

Department's Comments and Concerns:

The proposed restoration will ensure available funds to purchase essential subscriptions for this division. Full funding of \$1,500 is requested 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. The City's in-house nurse will not be able to provide meaningful case reviews or offer treatment recommendations to attending physicians without access to 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:

The proposed restoration will provide the required funds to arbitrate all grievances appealed by the unions. Arbitration and associated fees are a mandated employer cost as defined by the collective bargaining agreement. 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. We also anticipate an interest arbitration for the new Bargaining Unit 14 that accounts for this increased request in FY 2016.