

JOSH GREEN, M. D.
GOVERNOR
KE KIA'ĀINA

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA



BRENN A H. HASHIMOTO
DIRECTOR
KA LUNA HO'OKELE

RYAN YAMANE
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

Statement of
BRENN A H. HASHIMOTO
Director, Department of Human Resources Development

Before the
SENATE COMMITTEE ON LABOR AND TECHNOLOGY
Wednesday, March 27, 2024
3:00 PM
State Capitol, Conference Room 224

In consideration of
SCR 184 / SR 158 REQUESTING THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT TO CONDUCT A SAMPLE SURVEY OF ORGANIZATIONS IN THE STATE WITHIN THE FOR-PROFIT, NONPROFIT, AND GOVERNMENT SECTORS THAT HAVE SUCCESSFULLY IMPLEMENTED REMOTE WORK, HYBRID WORK, OR TELEWORK ARRANGEMENTS.

Chair Aquino, Vice Chair Moriwaki, and the members of the committee.

The Department of Human Resources Development (DHRD) offers the following comments on SCR 184 / SR 158 that requests DHRD to conduct a sample survey of organizations in the state within the for-profit, nonprofit, and government sectors that have successfully implemented remote work, hybrid work, or telework arrangements.

The resolution also requests that DHRD submit a report no later than 20 days before the convening of the Regular Session of 2025 of its findings and recommendations on best practices for implementation of a remote work program, in collaboration with the findings of the University of Hawaii'i Economic Research Organization (UHERO) and the Hawaii'i Broadband and Digital Equity Office, along with any proposed legislation.

DHRD's concerns are as follows:

- DHRD is not aware of which organizations have successfully implemented such alternate work arrangements and therefore would have to widen the pool of organizations to survey.
- Secondly, DHRD does not have jurisdiction over the private sector and other sectors of government, so it may be difficult to obtain sufficient and/or accurate

data for the study as these organizations are not required to participate in the survey.

- Lastly and most importantly, DHRD does not have the staff resources needed to conduct the sample survey nor does DHRD's existing staff have the skill sets needed to analyze and compile the data, which may be inaccurate and/or incomplete. Without the necessary resources, DHRD would not be able to produce the report requested by this resolution.

Thank you for the opportunity to provide testimony on this measure.



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Mike Mohr
Brad Nicolai
Mike Pietsch

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

827 Fort Street Mall, 2nd Floor
Honolulu, Hawaii 96813

+1 (808) 909-3843
info@holomuacollaborative.org

HolomuaCollaborative.org

Page 1 of 3

Committee:
Bill Number:

Senate Committee on Labor and Technology
SCR 184 / SR 158, Requesting the Department of Human Resources Development to Conduct a sample survey of organizations in the state within the for-profit, nonprofit, and government sectors that have successfully implemented remote work, hybrid work, or telework arrangements

Hearing Date and Time: March 27, 2024 at 3:00pm (Room 224)

Re: Testimony of Holomua Collaborative in support

Aloha Chair Aquino, Vice Chair Moriwaki, and members of the committee:

We write in support of SCR 184 / SR 158, which requests the Department of Human Resources Development to conduct a sample survey of organizations in the state within the for-profit, nonprofit, and government sectors that have successfully implemented remote work, hybrid work, or telework arrangements. We believe surveying local organizations to find examples of successful telework implementation can help provide the state with: (1) best practices for managers and supervisors of remote workers; (2) best practices for measuring productivity in a remote work or hybrid work environment; and (3) lessons learned from running a remote work or hybrid work program in Hawai'i.

Improving State Worker Recruitment and Retention

Not all state government jobs can be done remotely. But for those that can, the option of remote work is an important recruitment and retention tool that could benefit the state. The Department of Human Resources Development (DHRD) recently reported that nearly 4,000 of 17,000 civil service positions in the state executive branch were vacant as of November 2022¹, not including the University of Hawai'i system or the Department of Education. And as recently as January 2024 "more than 1 in 4 civil service positions in state government was vacant last month, a statistic that is spurring complaints from the public about eroding levels of service."²

We have state government jobs we need to fill. While departments are correctly working to become more competitive based on wages and benefits, remote work has been shown to be a recruitment and retention tool that attracts workers and costs the state less than some other options.

Of course, to make this work, managers must know how to supervise remote workers and there must be effective methods to measure productivity. We can learn from

¹ DHRD's 2022 State of Hawai'i Act 57, SLH 2019 Vacancy Report to the Thirty-Second State Legislature 2023 Regular Session submitted December 2022 (<https://dhrd.hawaii.gov/wp-content/uploads/2023/01/Act-57-Vacancy-Report-Transmittal-Report-OCR-part-1-signed-1.pdf>).

² "Where are the workers? Last month 27% of state government civil service positions were vacant," Civil Beat, January 9, 2024, by Kevin Dayton (<https://www.civilbeat.org/2024/01/where-are-the-workers-last-month-27-of-state-government-civil-service-positions-were-vacant/>).

examples of local organizations that have been doing this to successfully implement telework. This resolution will help us gather just that type of information.

As just one promising example, the State of Hawai'i Public Utilities Commission ("PUC") has seen encouraging indicators of success with its hybrid remote work program as a component of its efforts to foster a thriving work environment. In designing this program, which follows the State Telework Program Guidelines, the PUC noted that offering employees the option to telework not only supports their recruitment efforts as an attractive place to work, but also their employee retention and productivity by enhancing employee engagement and satisfaction. The PUC also consulted with the Hawai'i Government Employees Association ("HGEA") in developing its program. Some highlights of the PUC telework program so far:

- Productivity has remained steady and – in some areas – has improved;
- It has spurred improvements to provide meaningful performance assessments for all employees, regardless of telework status;
- According to a November 2023 employee survey conducted by a third-party vendor commissioned by the PUC, the agency has a very high level of employee engagement and satisfaction:
 - 75% of all participants report being satisfied working at the PUC;
 - 98% of participants value the option to telework;
 - 96% of participants cite the telework option as a factor in deciding to work for or remain at the PUC.

And importantly, the PUC currently has one of the lowest vacancy rates in all of state government (currently 4 vacancies of 67 positions). This resolution will help us identify successful examples of telework implementation like that of the PUC, as well as examples in other sectors throughout Hawai'i.

Strengthening local communities

While many rural and neighbor island areas have lower housing costs than more central and urban communities, they also don't have access to as many good paying jobs. This means it's more likely people living in those areas will leave for better-paying job prospects. But if we can help keep people in their local communities—in part by providing remote work options—it will strengthen those communities.

Local businesses in the community benefit from a more stable population base. Local civic organizations in the community benefit from more highly engaged residents. Local schools in the area benefit from a more robust and consistent student population. Local students graduating from their area schools are more likely to stay in, or return to, their communities if they know their employment prospects in those areas are greater. Local economies can be fortified and help to distribute economic strength across the state and beyond the major population centers.

Positive impact on the environment

According to a study reported by the Washington Post, another benefit of remote work is that it slashes the carbon emissions of individual workers.³ According to the study, “In an analysis of various work scenarios, people’s behaviors and sources of emissions, researchers found that switching from working onsite to working from home full time may reduce a person’s carbon footprint by more than 50 percent. Hybrid schedules where people work remotely for two to four days a week could also cut emissions by 11 to 29 percent[.]”

Reduced Transportation Costs

According to the California Air Resources Board Project from 2023,⁴ “[t]elecommuting can reduce how much people drive when employees no longer have to travel to and from work, reducing the number of vehicle trips and driving on the road.” This is especially impactful in Hawai‘i. Ulupono Initiative’s Vehicle Economy Study in 2021⁵ showed that personal vehicles cost an additional \$16,200 per household per year (or, \$8,100 per vehicle per year), and that whether or not households owned cars, the public cost of sustaining a vehicle economy such as the one Hawai‘i currently sustains amounts to roughly \$15,000 per taxpayer per year (\$24,400 per household per year). For a state whose household median income is roughly \$80,000 per year, these costs amount to about 30 percent of household pre-tax income.

Overall Benefits

Local organizations are successfully using remote work to improve recruitment and retention while maintaining or improving their productivity. There are established policies and guidelines the state can turn to in building on the telework program it already has in place. What the State can gain from this is decreased vacancies in state government, which will result in improved operations for everything from benefits services to permitting applications and more. And in the process, it has the potential to keep local residents in their own communities, while lowering their cost of living.

Sincerely,



Josh Wisch
President & Executive Director

³ “Working from home now has another powerful benefit,” Washington Post, September 18, 2023, by Allyson Chiu (<https://www.washingtonpost.com/climate-solutions/2023/09/18/work-from-home-carbon-footprint/>)

⁴ “Impacts of Telecommuting and Remote Services on Transportation, Land Use, and Climate Change,” from the California Air Resources Board (<https://ww2.arb.ca.gov/our-work/programs/sustainable-communities-program/project-solicitation/telecommuting-impacts>).

⁵ “The Cost of the Vehicle Economy in Hawai‘i,” Ulupono Initiative (<https://ulupono.com/project-list/the-costs-of-the-vehicle-economy-in-hawaii/>).



March 27, 2024

RE: SCR 184 / SR 158, Requesting the Department of Human Resources Development to conduct a sample survey of organizations in the state within the for-profit, nonprofit, and government sectors that have successfully implemented remote work, hybrid work, or telework arrangements – In Support

Aloha Chair Aquino, Vice Chair Moriwaki, and members of the Committee,

We write in strong support of SCR 184 and SR 158. Helping to connect local residents in more rural communities with state jobs that can be done remotely stands to provide economic benefits for local communities. While many of these areas have lower housing costs than more central and urban communities, they also don't have access to as many good paying jobs. This means its more likely people living in those areas will leave for better-paying job prospects. But if we can help keep people in their local communities, it will strengthen those communities – and thereby strengthen all Hawaii.

Founded and based in Hawaii, Hawaiian Host is nearly 100 years old. With local roots and a global reach, Hawaiian Host is the largest manufacturer of chocolate-covered macadamias in the world, as millions of boxes of our treats are shared all over the globe. And as a longtime local employer, we recognize the need to have a good job prospects that keep local workers in the state. This resolution is a win-win. It will help us solve the massive vacancy problem in state government, with 27% of state government civil service positions current unfilled. And when we fill those positions, it will also help all state residents by providing better access to services from the state because it's now operating at full capacity. All the while helping to strengthen local communities.

Hawaiian Host Group, like most other business, adapted to remote work In 2020 because of the pandemic. With the success of utilizing virtual platforms we have experienced a productive few years. As a result we have allowed a hybrid style work schedule with employees working from home 2-5 days a week. This program continues to be successful as our employees are equily productive experiencing less time commuting to and from the office and spending more time with their families.

Aloha,

A handwritten signature in black ink, appearing to read "Ed Schultz".

Ed Schultz
President & CEO
Hawaiian Host Group



March 27, 2024

Committee: Senate Committee on Labor & Technology
Resolution Number: SCR 184 / SR 158, Requesting the Department of Human Resources Development to conduct a sample survey of organizations in the state within the for-profit, nonprofit, and government sectors that have successfully implemented remote work, hybrid work, or telework arrangements
Hearing Date and Time: March 27, 2024, 3:00pm
Re: Testimony of HPM Building Supply in Support

Aloha Chair Aquino, Vice Chair Moriwaki, and members of the Committee,

We write in strong support of SCR 184 / SR 158. This resolution is an important step towards recruiting and retaining state workers while simultaneously addressing issues of affordability that will help keep local families in Hawai'i, strengthening community ties.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawaii and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities one home at a time.

As a State-wide employer with over 600 employees – and one that is based in Hilo – we understand how hard it can be for people in rural, neighbor island communities to find good-paying jobs that enable them to live, work, and play in their own communities. If we can recruit people from rural and neighbor island communities to work in government by identifying government jobs that are good candidates for remote work, then we'll strengthen those communities by keeping local working families there.

We have state jobs we need to fill. While departments are correctly working to become more competitive based on wages and benefits, remote work has been shown to be a recruitment and retention tool that attracts workers and costs the state less than some other options.

This resolution also aligns with HPM's values of Heart, Character, and Growth. By supporting innovative ways to fill vacant state jobs with local workers, we show that we care about the future generations and our current workforce shaping it. Our company's value of Heart is caring for one another as a community.

With the incorporation of remote work, HPM has been able to stay connected with our employees, provide flexibility in work life balance and greater collaboration between all the regions that we serve. As a company we embrace the reality that the workplace environment is ever changing, and we must adapt.

Mahalo for the opportunity to submit testimony in support of SCR 184 / SR 158. I strongly encourage your support and passage of this measure.

Sincerely,





BUILD BETTER. LIVE BETTER.®

Dennis Lin
Community Relations Administrator



(808) 966-5466 • FAX (808) 966-7564
16-166 MELEKAHIWA STREET • KEAAU, HAWAII 96749

HPMHAWAII.COM





HAWAI'I COMMUNITY
FOUNDATION

Testimony in Support of SCR 184 / SR 158, Requesting the Department of Human Resources Development to conduct a sample survey of organizations in the state within the for-profit, nonprofit, and government sectors that have successfully implemented remote work, hybrid work, or telework arrangements.

From: Micah Kāne, Chief Executive Officer & President - Hawai'i Community Foundation

Re: Support for Remote Work

The Hawai'i Community Foundation (HCF) strongly supports SCR 184 / SR 158. The effort to properly study and report on remote work is an important step for the long term good of both the community and government. Appropriate remote work opportunities can help the wellbeing of families and improve government's ability to recruit and retain workers.

These are key areas within HCF's CHANGE Framework under the "C" (Community and Economy) and "G" (Government and Civics) sectors.

C Sector - Data and experience shows us that commuting takes away from time with family and within the community where one lives, and is more impactful to ALICE families, as they most often are forced to reside at further distances from physical job centers. Everything from transportation costs to child care and education costs are increased as a result of longer commutes. Furthermore, the stress and conflict among families can be reduced by increasing the time parents have with their children and are able to, as a family, participate in community activities around their neighborhood. Finally, the opportunity for remote work in state government jobs will make better paying jobs available to those who would otherwise not be able to apply for roles far from home.

G Sector - Not all state government jobs can be done remotely. But for those that can, under proper supervision and guidelines, the option of remote work is an important recruitment and retention tool that could benefit the state. The data on vacant positions at both the State and County level show the need to improve work opportunities in government. It is for these reasons that we support the resolution's effort to properly study and report on these opportunities. Properly created, we believe remote/hybrid work program for the State will improve its workforce and thereby, serve the entire state for our future.

At Hawai'i Community Foundation we know that providing the option for remote and hybrid work is a powerful tool for recruiting and retaining great workers. Since the start of the pandemic, we have been identifying jobs that are good candidates for remote work and then implementing a plan that allows for a hybrid work environment. Our employees are still producing great results and we have developed a suite of best practices – including for the management of remote workers.

Thank you for this opportunity to testify in support of SCR 184 / SR 158.



TITLE GUARANTY
HAWAII

March 27, 2024

Testimony in support of SCR 184 / SR 158, Requesting the Department of Human Resources Development to conduct a sample survey of organizations in the state within the for-profit, nonprofit, and government sectors that have successfully implemented remote work, hybrid work, or telework arrangements

Aloha Chair Aquino, Vice Chair Moriwaki, and members of the Committee,

We write in strong support of SCR 184 / SR 158. This resolution will make it more likely that local working families can stay in their communities by ultimately increasing access to remote work opportunities.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'aina family since 1896 and we are proud to employ over 250 residents who work in our branches across the state. Being a longtime employer of so many people in Hawai'i – and one so deeply tied to local housing – we know how important it is for people to be able to stay in their communities. But that's becoming unaffordable for too many people, especially in more rural areas across the state.

This resolution takes a compelling approach to solving this problem by recognizing that one way to keep people in their communities is to connect them with jobs that let them stay where they are. And these are jobs that are otherwise difficult to fill. Recent news reports have shown that 27% of state government civil service positions are vacant. It's been shown nationwide that offering remote and hybrid work options is an effective tool for recruitment and retention.

Our remote workforce has proven to be successful, as it allows our employees to work with flexibility, efficiency, and effectiveness. We have implemented virtual platforms for collaboration to manage productivity, which has been working great. Our staff who work from home are meeting expectations and have the necessary resources to equip and empower them for success. We urge you to support SCR 184 / SR 158.

Sincerely,

Mike B. Pietsch
President and Chief Operating Officer
Title Guaranty of Hawai'i



Statement of
Meli James
Cofounder
Mana Up

SCR 184 / SR 158, Requesting the Department of Human Resources Development to conduct a sample survey of organizations in the state within the for-profit, nonprofit, and government sectors that have successfully implemented remote work, hybrid work, or telework arrangements

Aloha,

We write in strong support of SCR 184 / SR 158.

Mana Up is a statewide initiative that supports entrepreneurs in Hawai'i, providing them with resources and tools to scale globally. As these entrepreneurs continue to grow, they also help to sustain the local economy through economic diversification, local job creation, givebacks, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai'i.

Many of these entrepreneurs' businesses also depend on working with government. Whether it is registering a business with the Department of Commerce and Consumer Affairs, or working with the State Historic Preservation Division on getting approval on a building, or simply filing their corporate taxes, they need government to work. And even though government employees are working hard, there are frequent complaints that government doesn't operate quickly enough. One of the reasons for that is we have so many open government positions because it's hard to recruit people into government service. Increasing use of telework and hybrid work will help us recruit and retain state workers.

Mana Up and our portfolio companies have seen great success with both remote and hybrid work. The Mana Up corporate team has a hybrid work structure which allows the team to collaborate during in-office days while also having independent productivity during remote working days. This fosters a sense of autonomy for employees and we've seen it help to recruit and retain quality team members that can help propel the mission of Mana Up. This resolution is a good opportunity to help recruit and retain quality state workers and we're happy to support it.

Sincerely,



Meli James
Cofounder, Mana Up

Michael Mohr
493 Portlock Road
Honolulu, Hawaii 96825

Aloha Chair Aquino, Vice Chair Moriwaki, and members of the Committee,

I am writing to strongly support SCR 184 / SR 158. This resolution does a good job of simultaneously addressing two critical issues for the state: (1) a high number of vacancies in state jobs; and (2) the need to connect people in more isolated areas with good-paying jobs that can keep them in their communities.

As a resident who spends considerable time thinking about how to improve Hawaii for everyone in broad and durable ways, an investment in recruiting and retaining local residents to work in state jobs that are good candidates for remote work will decrease vacancies, increase job satisfaction and attract high quality workers.

Not all state jobs can be done remotely. But for those that can, the option of remote work is an important recruitment and retention tool that could benefit the state. This is crucial at this time.

Most of my colleagues are hybrid workers and would not even apply for jobs without that opportunity.

Mahalo for all you are doing. Please pass this resolution.

Sincerely,

Mike Mohr