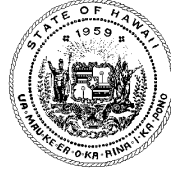


JOSH GREEN, M. D.
GOVERNOR
KE KIA'ĀINA

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA



DEPT. COMM. **130**

BRENNA H. HASHIMOTO
DIRECTOR
KA LUNA HO'OKELE

BRIAN K. FURUTO
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

December 16, 2024

The Honorable Ronald D. Kouchi, President
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaii'i 96813

The Honorable Nadine Nakamura, Speaker
and Members of the House
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaii'i 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

In accordance with Section 37-52.5, HRS, I am submitting the Annual Report on Administratively Established Accounts and Funds of the Department of Human Resources Development for Fiscal Year 2024.

Sincerely,

A handwritten signature in black ink that reads "Brenna H. Hashimoto".

Brenna H. Hashimoto
Director

Attachment



REPORT TO THE 2025 LEGISLATURE

Annual Report on
Administratively Established Accounts and Funds
of the
Department of Human Resources Development
for Fiscal Year 2024

This report is filed pursuant to Hawaii Revised Statutes (HRS) section 37-52.5, which requires departments or agencies that administratively establish any new account or fund to submit an annual report that includes: (1) a list of all administratively established accounts or funds; and (2) all revenues, expenditures, encumbrances, and ending balances of each account or fund.

The following is a list of administratively established accounts and funds for the Department of Human Resources Development (DHRD or Department) for fiscal year 2024.

1. Name of Fund: STATE DEFERRED COMPENSATION PLAN

Fund Type (MOF): T

Appropriation Symbol: T-999

Intended Purpose: The Deferred Compensation Plan (“Plan”), an eligible plan under section 457 of the United States Internal Revenue Code of 1986, amended, is a voluntary tax-deferred supplemental retirement savings plan. The State Deferred Compensation Plan Trust Fund was established in 1983 to separately hold employee contributions and any investment earnings for the exclusive benefit of the participants and their beneficiaries. The Plan is open to all employees who are members of the Employees’ Retirement System and employed by either the State, County of Hawaii, County of Maui, or County of Kauai.

Current Program Activities: The fund supports all the Plan’s expenses: daily administration and marketing costs, third-party administrator fees, custodial fees, investment consulting fees, investment product fees, and distributions taken by participants and their designated beneficiaries.

Financial Data	FY 2024	FY 2025
Beginning Cash Balance	\$2,611,491,811	\$2,761,239,527
Encumbrances	0	
Revenues	438,443,069	Not Available
Expenditures	288,695,353	Not Available
Transfers	0	
Ending Cash Balance	\$2,761,239,527	

2. Name of Fund: STATE DEFERRED COMPENSATION PLAN – PTS

Fund Type (MOF): T

Appropriation Symbol: T-995

Intended Purpose: The Deferred Compensation Plan for Part-time, Temporary, and Seasonal/Casual Employees (“PTS Plan”), is an eligible deferred compensation plan under Sections 457 and 3121 of the U.S. Internal Revenue Code of 1986, amended. The PTS Plan was established in 1997 as a tax deferred alternate retirement program for part-time, temporary, and seasonal/casual employees of the State (and participating counties) who are not eligible for membership in the Employees’ Retirement System. Participation in the PTS Plan is mandatory and there is a mandatory payroll deduction of 7.5 percent of the employees’ gross monthly wages (in lieu of social security contributions) that are contributed to the Plan. The employee and any interest earned are held in trust for the exclusive benefit of the participants and their beneficiaries.

Current Program Activities: The fund supports all the Plan’s expenses: daily administration and marketing costs, third-party administrator fees, custodial fees, and distributions taken by participants and their designated beneficiaries.

Financial Data	FY 2024	FY 2025
Beginning Cash Balance	\$139,524,234	\$151,886,685
Encumbrances	0	
Revenues	27,000,821	Not Available
Expenditures	14,638,370	Not Available
Transfers	0	
Ending Cash Balance	\$151,886,685	

3. Name of Fund: WORKERS' COMP COSTS CSFRF SUBAWARD

Fund Type (MOF): V

Appropriation Symbol: S-23-202

Intended Purpose: Pursuant to Section 26-5, Hawaii Revised Statutes (HRS), DHRD is responsible for administering the State's centralized, self-insured workers' compensation program, which covers all State Executive Branch agencies (except for the Department of Education, University of Hawaii, and Hawaii Health Systems Corporation), the Charter Schools, and the Legislature. Workers' compensation is a statutorily mandated benefit which provides wage loss compensation, medical care and other related benefits to employees who suffer a work-related injury. In FY 2023, \$4,610,000 in Coronavirus State Fiscal Recovery Funds (CSFRF) were administratively allotted to DHRD. Funding supports the significant increase in workers' compensation costs the State has experienced.

Current Program Activities: The fund supports wage loss compensation, medical care and other related benefits to employees who suffer a work-related injury. DHRD completed the expenditure of funds in FY 2024.

Financial Data	FY 2024	FY 2025
Beginning Cash Balance	\$210,000	-
Encumbrances	-	-
Revenues	-	-
Expenditures	\$210,000	-
Transfers	-	-
Ending Cash Balance	-	-

4. Name of Fund: CSFRF SUBAWARD – HR MODERNIZATION PROJECT

Fund Type (MOF): V

Appropriation Symbol: S-203

Intended Purpose: The HR Modernization Project will enable the Department to advance the State’s human resources management program by more fully supporting the needs of the Executive Branch in the areas of recruitment, employee claims management, technology integration and analytics, and process reengineering. Specifically, the project is aimed to provide the necessary infusion of resources, manpower, and expertise to support recruitment and retention initiatives; to accelerate the migration from entirely paper-centric, manual workers’ compensation claims management processes to an electronic claims management system; to support the integration of technology in key areas; and to analyze the use of technology and business processes within HR to maximize effectiveness and efficiencies. In FY 2023, \$5,000,000 in Coronavirus State Fiscal Recovery Funds (CSFRF) were administratively allotted to DHRD.

Current Program Activities: DHRD is utilizing the HR Modernization Project funds to staff and support the functions of the Recruitment Accelerator, Claims Management, and Human Resources Management System (HRMS) Optimization teams. By utilizing the three distinct HR teams to address areas which require specialized, dedicated resources and attention, Executive Branch departments and agencies will be able to fill their vacant positions more quickly and efficiently; the State will be able to cultivate relationships with educational institutions and other sources of talent and human resources; and the State will be better able to attract quality applicants. Together with these resources, DHRD is working to brand the State as an employer of choice to attract candidates and retain employees.

DHRD has made significant progress in staffing the three HR teams and anticipates fully expending the awarded funds by June 2026.

Financial Data	FY 2024	FY 2025 (estimate)
Beginning Cash Balance	\$4,985,331	\$4,053,687
Encumbrances	-	\$2,019,180
Revenues	\$34,507	-
Expenditures	\$966,151	\$2,000,000
Transfers	-	\$34,507
Ending Cash Balance	\$4,053,687	-