

Report on Non-General Fund Information
for Submittal to the 2003 Legislature

Department: Human Resources Development

Date: 10/14/02
Prepared by: LeNora N. Wee
Phone: 587-1150

Name of Fund: Revolving Fund – In Service Training
Legal Authority: Act 48, SLH 1978
Fund Type (MOF): W
Approp. Acct. No. S-350-P

Intended Purpose:

See attached

Current Program Activities

See attached

Financial Data		
	FY 2002	FY 2003
Beginning Cash Balance	43,546.88	
Beginning Encumbrances		
Revenues	12,350.00	
Expenditures	55,896.88	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	-0-	
Amount Required for Bond Covenants as of 7/1/02		
Amount held in Certificates of Deposit, Escrow Accounts, or Other Investments as of 7/1/02		

IN-SERVICE TRAINING PROGRAMS AND ACTIVITIES REVOLVING FUND

The Revolving Fund ended in FY 02 with the establishment of the Special Fund S-310-P.

Intended Purpose:

The Department of Human Resources Development maintains a Training Revolving Fund (“HRD Fund”) which was established in 1978 and is authorized by Section 81-3 HRS. It is used to finance employee in-service training and development programs. Registration fees collected from these programs are deposited into the fund and these monies are then used to conduct additional and develop new programs for which needs exist. The fund is used to pay for training programs in management, supervision, safety, and a variety of interpersonal and organizational skills. It is also used to pay for conferences such as the Conference of Civil Service Commissioners and Personnel Directors.

Income to the fund is used to pay for such expenses as student workbooks, instructor materials, instructor travel expenses when classes are conducted on the neighbor islands, audio-visual equipment and aids, consultant fees, and other related training and development costs. The monies in this fund also allow the flexibility we need to respond to unexpected training needs and to conduct programs of timely importance to employees.

Because the DHRD Special Fund established under Act 253 became available for use in July 2001, we plan to spent all the money remaining in the revolving fund by December 2001 and requested that the Legislature abolish the revolving fund.

Current Program Activities:

Programs currently being conducted are: **FrontLine Leadership**, **Practical Supervision**, **Practical Management**, and the **Management Certification Program**. Some of these programs will be conducted on the neighbor islands as well as on Oahu. Registration fees will be charged for these programs to recoup program costs.

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Name of Fund: Workers' Compensation Claim Payments
Legal Authority: Act 345, SLH 1986
Fund Type (MOF): U
Approp. Acct. No. S-302-P

Intended Purpose:

A collection vehicle for the assessed payroll fringe which are used for statutory workers' compensation benefits for certain federally funded employees.

Current Program Activities

Revenues: Payroll Assessment – The U fund receives its revenues via State payroll checks, inter-departmental journal voucher transfers, and departmental checks. The assessment rate is negotiated by the Department of Budget & Finance.

Expenditures: Cover the State's liability for workers' compensation benefits paid pursuant to Chapter 386, HRS, and its administrative rules and regulations.

Financial Data		
	FY 2002	FY 2003
Beginning Cash Balance	-0-	
Beginning Encumbrances		
Revenues	29,710.75	
Expenditures	29,710.75	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	-0-	
Amount Required for Bond Covenants as of 7/1/02		
Amount held in Certificates of Deposit, Escrow Accounts, or Other Investments as of 7/1/02		

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Name of Fund: UI Claims Payments – Former State Employees

Legal Authority: Act 328, SLH 1997

Fund Type (MOF): U

Approp. Acct. No. S-304-P

Intended Purpose:

Effective July 1, 1997, pursuant to Act 328, Section 133, SLH 1997 the Department of Human Resources Development (HRD), as the State's employer representative assumed the responsibility of the fiscal management of the benefits for all State agencies.

Current Program Activities

For State government employees, UI benefits are financed through three (3) sources of funds:

- State General Fund appropriation – for those former employees in State General Fund programs
- Fringe Benefit Assessment – for those former employees in Federal or Special fund programs that were assessed fringe benefits through the State's payroll system
- Non Assessed accounts – those programs which must reimburse the State for actual amount of UI benefits paid for its former employees.

Financial Data		
	FY 2002	FY 2003
Beginning Cash Balance	-0-	
Beginning Encumbrances		
Revenues	496,869.45	
Expenditures	496,869.45	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	-0-	
Amount Required for Bond Covenants as of 7/1/02		
Amount held in Certificates of Deposit, Escrow Accounts, or Other Investments as of 7/1/02		

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Department: Human Resources Development

Date: 10/14/02

Prepared by: LeNora N. Wee

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Name of Fund: Human Resources Development Special Fund

Legal Authority:

Fund Type (MOF): W

Approp. Acct. No. S-310-P

Intended Purpose:

Act 123, SLH 2001 appropriated \$600,000 to finance employees' in-service training programs and entrepreneurial initiatives of the Department.

Current Program Activities

See attached

Financial Data		
	FY 2002	FY 2003
Beginning Cash Balance	600,000.00	492,347.51
Beginning Encumbrances		
Revenues	256,630.64	
Expenditures	214,283.13	
Transfers (List Each Transfer by JV# and Date)		
JM0174, 7/23/02	150,000.00	
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	492,347.51	
Amount Required for Bond Covenants as of 7/1/02		
Amount held in Certificates of Deposit, Escrow Accounts, or Other Investments as of 7/1/02		

IN-SERVICE TRAINING PROGRAMS

The intended purpose of the Special Fund establishment was to have a mechanism for administrative costs to support and facilitate the entrepreneurial initiatives, training activities and programs.

The fund supports employee training and development programs conducted and coordinated for state employees by HRD. The emphasis is on management and supervisory development programs. The largest program supported by the fund is the Management Certification Program (MCP). The MCP was conceived as an integral part of the civil service modernization effort to provide managers with responsive, performance-centered, development support needed to succeed in meeting the new challenges ahead. Other programs currently being supported by the fund are: FrontLine Leadership, Practical Supervision, and Practical Management. Some of these programs will be conducted on the neighbor islands as well as on Oahu.

The Special funds are currently being used to conduct the Management Certification Program (MCP) training of State managers in line with civil service modernization. The success of the Hawaii State Government in reaching its goals and providing for the needs of our citizens depends in large measure on the quality of its leadership. Progressive leaders who are forward looking and possess the skills and knowledge necessary to manage their programs effectively and efficiently will be the vehicle for enabling the state government to carry out its mandate to improve the quality of life for the people of Hawaii. The purpose of the Management Certification Program is to ensure that the state government managers acquire the ability reach the goals of today and meet the new challenges of tomorrow. Through a carefully planned curriculum of training courses, managers will learn the competencies needed to successfully lead their units in carrying out their mission. The Management Certification Program is a key component of the state government's civil service reform effort.

Registration fees collected from these programs are deposited into the fund and these monies are then used to conduct additional and develop new programs for which needs exist. The fund is used to pay for training programs in management, supervision, safety, and a variety of interpersonal and organizational skills.

The monies in this fund also allow the flexibility needed to respond to unexpected training needs and to conduct programs of timely importance to employees.

ENTREPRENEURIAL INITIATIVES

The Special Fund will be used not only for "In-Service Training" but also for "Entrepreneurial Efforts" of the Department. The Entrepreneurial Efforts will allow us to enhance the departmental operations by bringing in extra funding. The following is a listing of the Entrepreneurial Efforts being pursued by HRD:

To fund unbudgeted expenses relating to the following:

- Governor's Awards Ceremony & Reception
- Provide Premium Conversion Plan administration services to HHSC & OHA and the Legislature (i.e., coordination of Open Enrollment activities, train/update staff on amendments to federal laws, field calls from employees/Health Fund/union plan

representatives, provide interpretations of Section 125 IRC and Administrative Rules provisions, respond to employee appeals and file annual reports required by the IRS

- To fund unbudgeted salary expense for a Personnel Management Specialist I to administer the Island Flex flexible spending plan for LEG & JUD employees (coordinate Open enrollment activities and field questions from employees)
- Survey and evaluate personnel policies, procedures and guidelines of Hawaii Tourism Authority's (HTA) compliance with the Legislative Auditor's recommendation to include organizational chart and functional statements, to develop a personnel manual for HTA, implement a performance evaluation system for HTA employees and develop a customized Performance Appraisal System training, and update all HTA position descriptions
- HRMS v.8 implementation of the Employee Transaction Module
- Contract with the University of Hawaii and County of Hawaii to support the claims management services. The activities include investigating, managing and authorizing payment for benefits pursuant to Chapter 386 and Administrative Rules & Regulations, provide representation at administrative hearings, prepare quarterly reports, and to provide fiscal reports on a regular and as needed basis.

These are just a few of the "Entrepreneurial Efforts" that are being pursued. And whenever an opportunity comes up we immediately look into its feasibility.