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DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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March 24, 2026

The Honorable Val Okimoto, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Okimoto and Councilmembers:

SUBJECT: Budget Communication No. 11 – Committee on Budget Revised Follow-Up Questions to Departmental Budget Briefings

In response to your request, dated March 17, 2026 [CC-46(26)], attached are the requested information regarding Budget Communication No. 11. Due to the severe weather event, responses for the Department of Human Resources and the Department of Information Technology were delayed.

If you have any questions, please call me at (808) 768-3901.

Sincerely,

Andrew T. Kawano
Director

Attachment

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director

DEPT. COM. 211(26) BUD

DEPARTMENT OF HUMAN RESOURCES
KA 'OIHANA HO'OMOHALA LIMAHANA
CITY AND COUNTY OF HONOLULU

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NOLA N. MIYASAKI
DIRECTOR
PO'O

KAREN MILLER
ASSISTANT DIRECTOR
KOKUA PO'O

March 23, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Nola N. Miyasaki, Director Nola N. Miyasaki
Department of Human Resources

SUBJECT: Budget Communication No. 11 – Committee on Budget Follow-Up Questions to Departmental Budget Briefings

The following is our agency's response to the questions on the FY2027 Budget received from the Committee on Budget via Chair Okimoto's letter dated March 17, 2026. Please see our attached response.

Attachments

Department of Human Resources
Budget Communication No. 11

Attachment

Question – All/Positions
Please provide a list of positions in your department that have been deactivated since January 2025. For each position, include the classification, grade, P/T/C, FTE, salary, # of years vacant, and justification for deactivating the position.

Answer: No positions within our department have been deactivated during the period from January 2025 to the present.

Question- All/Positions
Please provide a list of positions in your department that have been reactivated since January 2025. For each position, include the following information: classification, grade, P/T/C, FTE, total salary, and function this position will play in the department.

Answer: No positions within our department have been reactivated during the period from January 2025 to the present.

Question- All/Priorities
What are the department's priorities for FY27?
a. What is the Department doing to reduce costs for city taxpayers?
b. What is the Department doing to increase city revenues?
c. Identify performance metrics used to evaluate department success.

Answer:

In FY27, DHR will continue to modernize its functions and processes with a continued focus on filling vacancies, while also prioritizing retention through providing essential training and career development, updated classifications and a pay equity analysis. DHR constantly looks for ways to be more efficient and to capture data and metrics using various technology tools available.

a. DHR has been working for several years to streamline recruitment and selection processes to fill vacancies faster, which reduces overtime, temporary hire costs, and service disruptions for operating departments.
b. Although DHR is not a direct revenue-generating department, it supports the City's overall revenue capacity by supporting training for managers and staff on performance management and accountability, helping departments maintain service levels that protect the City's financial standing and eligibility for external funding.
c. Performance metrics to evaluate success include the following:

i. Recruitment times for various stakeholders in the recruitment process (BFS, DHR and Departments) which include the length of time it takes to get approval to fill a position, advertise a position and interview/fill a position.
ii. Recruitment efficiency, number of interviews scheduled and number of hires made for the Same Day Hire program
iii. Number of permanent, civil service vacancies filled
iv. Number of net hires of employees (number of hires minus the number of retirements and separations)
v. Tracking the volume of applications that are generated for vacancies
vi. Tracking social media followers and various metrics that indicate people are looking at our website job postings
vii. Number of outreach and career events attended or hosted, with evaluation of number of potential applicants reached
viii. Number of hires made for hard to fill vacancies (on continuous recruitment)
ix. For Workers Compensation Priority Placements (workers who no longer are able to perform their regular work), reduction in the time it takes to complete both the priority placement within the City and the American with Disability Act Accommodation required.
x. Ensuring that workers compensation cases are managed efficiently so that the caseload does not increase and cases are closed as soon as practicable.

Question – All/Vacancies

a. Provide total number of authorized FTEs, filled positions, vacancies, and salary savings balance.
b. Identify positions vacant longer than three years and explain whether they should be deleted or reprogrammed.
c. Identify positions vacant longer than five years and explain whether they should be deleted or reprogrammed.
d. For each of the last five fiscal years and cumulatively for the entire 5 FYs, how many vacancies did the department have at the beginning of the year, how many positions did they fill in that FY, and what percentage of positions were filled in that time?
e. How many of the vacancies were due to retirements?
    i. How does the department account for projected retirements each FY in its budget?
    ii. Should we set aside additional funds to account for projected retirements?
f. What other solutions, other than filling positions, does the depart accomplish all its work?

Answer:

a. DHR has the following:
    - Authorized FTE: 92 Permanent civil service

- 85 positions filled
- 7 Vacancies
- Salary savings balance – DHR has two contract positions currently utilizing salary savings, so we are not certain what the current balance is.

b. No positions vacant longer than three years

c. No positions vacant longer than five years

d. For each of the past 5 fiscal years and cumulative total - number of vacancies at the beginning of each fiscal year, positions filled and percentage vacancy:

FY25:
Vacancies as of 7.1.24 - 9
Vacancies Filled - 10
% of Vacancies Filled – 111% (due to additional vacancies during the year)

FY24
Vacancies as of 7.1.24 - 9
Vacancies Filled - 12
% of Vacancies Filled – 133% (due to additional vacancies during the year)

FY23
Vacancies as of 7.1.22 - 8
Vacancies Filled - 6
% of Vacancies Filled – 75%

FY22
Vacancies as of 7.1.21 - 7
Vacancies Filled - 9
% of Vacancies Filled – 129% (due to additional vacancies during the year)

FY21
Vacancies as of 7.1.20 - 7
Vacancies Filled - 1
% of Vacancies Filled – 14.3%

Total 5 Years FY21 to FY25
Total Vacancies at the beginning of the fiscal year: 40
Vacancies Filled - 38
% of Vacancies Filled – 95%

e. Vacancies due to Retirement

FY25
Total Separations: 7
Non-retiree separations: 4
Retirements: 3

FY24
Total Separations: 8
Non-retiree separations: 2
Retirements: 6

FY23
Total Separations: 6
Non-retiree separations: 4
Retirements: 2

FY22
Total Separations: 10
Non-retiree separations: 5
Retirements: 5

FY21
Total Separations: 1
Non-retiree separations: 1
Retirements: 0

a. The department uses several approaches other than filling positions to accomplish its work. We streamline and automate processes (for example, through NEOGOV, Honolulu U, and other HR systems), reprioritize workload so staff focus on the highest-impact tasks, and cross-train employees so teams can cover critical functions when vacancies occur. We also leverage limited overtime or temporary assignments when necessary, coordinate with other departments for shared support on specific projects, and continuously review workflows to eliminate low-value or duplicative steps so existing staff can manage the workload more efficiently.

Question – All/Salaries

a. How much does the department need to account for the new collective bargaining agreements?

b. For new hires and open positions, how does the department budget? Are the positions budgeted at the lowest end or the highest end of the pay scale for high priority positions?

   i. Would budgeting at the higher end of the pay scale provide more flexibility in hiring, especially for more senior positions that require expertise?

Answer:

a. The cost of the new collective bargaining agreements is calculated centrally by applying the negotiated wage, step, bonus, and fringe benefit increases to the City's payroll base and then building those amounts into our department's FY27 salary and fringe appropriations. These costs are calculated and managed centrally by the Department of Budget and Fiscal Services (BFS), and are provided as part of the DHR budget. BFS is the City's central budgeting and accounting agency and is responsible for modeling collective bargaining cost items and incorporating them into departmental budgets. In FY27, our costs for collective bargaining increases and current employee reallocations is a total projected cost of $674,367.

b. For positions that become vacant and are filled in the same fiscal year, the salary remains at the same level of the separated employee for that fiscal year; the vacancy can be filled at that level if there are candidates with the requisite experience. For newly created positions and vacancies which are filled after the fiscal year in which they became vacant, the position is budgeted at the minimum (lowest) step of the authorized salary range, consistent with the City's standard budgeting practices. However, while positions may be budgeted at the minimum rate, DHR provides flexibility at the time of recruitment and hire. DHR has an established "recruitment above the minimum" process that allows hiring departments to request an increased entry rate of pay for well-qualified candidates whose education and experience exceed the minimum qualification requirements for the class. When such a request is approved, the hiring department is responsible for funding the salary difference above the budgeted minimum from its own salary savings (for example, accrued vacancy savings or other personnel cost efficiencies).
    i) While budgeting at the higher end of the pay scale could appear to offer greater flexibility, in practice the City maintains the budget at the minimum rate and uses the recruitment-above-minimum process to address hiring needs for more senior or specialized candidates. This preserves overall budget discipline while still giving departments the ability to offer higher starting salaries, funded through their existing salary savings, when necessary to attract candidates with expertise that significantly exceeds the minimum requirements.

Question – All/Carryover/Lapse

a. Provide total carryover/lapsed funds for FY25 and FY26 and explain causes.
    i. What is the projected lapse amount for FY27?
    ii. Identify any reliance on one-time revenues in FY27.

Answer:

a. FY25: Total annual allotment/budget was $8,376,690, with total lapsed funds of $721,386.04 (8.61%). Of this, $661,587.73 was in salary savings due to vacancies, and $59,798.31 was due to current expenses (e.g., supplies, services). With respect to the current expenses, $50,000 was due to a particular invoice related to arbitration; while it was intended to be paid in FY25, it did not get allocated to FY25 and has to be covered in the current fiscal year.

   FY26: Not yet complete, but projected to have a similar lapse amount in salaries driven by vacancies from transfers to other departments or state positions.

i. FY27 Projected Lapse
We anticipate the FY27 lapse will drop to 5% or below as most vacant positions will be filled in FY26.

ii. Reliance on One-Time Revenues
The department has no reliance on one-time revenues in FY27; our operating budget is supported entirely by ongoing City appropriations with no grant or non-recurring funds programmed.

Question – All/Other Funding (state/federal)

a. Identify percentage and dollar amount of federal funding and contingency plans if funding is reduced.

b. How much in state and/or federal funds has your department received in FY26 and how much is projected for FY27?

   i. For FY26, how many private, state or federal grants has your department applied for and how much was received?

   ii. Does the department have any positions assigned to seeking additional funding sources – grants or other funding?

Answer:

a. Department of Human Resources does not have any federal funds currently; all operating resources are provided through the City's regular operating funds (primarily the General Fund).

b. For FY26, the department did not receive any private, state, or federal funds. We are projecting zero ($) dollars in state or federal funds in FY27.

   i. In FY26, DHR has not applied for nor received any private, state or federal grants.

   ii. The department does not have any positions assigned specifically to seeking additional funding sources such as grants or other external funding; existing staff are focused on core human resources functions.

Question – All/Outside Economic Factors
Identify projected tariff/inflation impacts and estimated cost increases.

Answer:

Citywide, inflation in the Honolulu area is currently running in the roughly 2–3% range, with forecasts suggesting price levels about 1.5% higher by 2027 than they would have been without recent tariff increases. For DHR, this environment translates into higher costs for professional services, training, and other operating needs, but the largest inflationary impact on the HR function comes through centrally budgeted pay and benefit increases from collective bargaining agreements, rather than separate, department-specific tariff surcharges.
https://www.bls.gov/regions/west/news-release/consumerpriceindex_honolulu.htm

Question – All/Technology

a. Identify measurable efficiency or technological improvements expected in FY27 or future years.
b. How can technology be used by the department to increase efficiency, lower costs and better serve the public?
c. When was the department's last review of the best practices regarding the use of technology in the department's purview? What did this review indicate?

Answer:

a. In FY27, the department plans to utilize the following solutions to achieve efficiency and technological improvements:

- **Attract**, a candidate relationship management tool to improve the ability to draw candidates to the City's website and improve hiring rates; specifically, Attract automates sourcing from a pool of 3 million public sector job seekers, captures candidate information at events, and maintains engagement with job seekers through targeted bulk emails for job alerts and upcoming career events where the City & County will be present. In a preliminary pilot, DHR used the Attract to market our appearance at a career fair and increased the number of job seekers who stopped at our booth and applied for City jobs multiplefold.
- **HollyGov**, an AI-based platform, will reduce the time needed to conduct research in the development of new and revised classes by auto-matching duties to other jurisdictions' existing classification specifications ("class specs". Modernizing existing class specs & creating new ones efficiently with relevant data aligned to the City's classification system and organizational priorities, will achieve faster turnaround for development of new classes, pay analysis and positions.
- **Engage Hub (under DIT)** - platform to build, connect and publish apps, which will enable integration of City's existing systems with Advantage ERP (the City's HRIS System) and able to provide analytics. Specifically, for DHR, Engage Hub will streamline onboarding from offer to start date by improving internal tracking of preboarding metrics, while giving candidates clear visibility into their

preboarding status. It reduces administrative workload by allowing candidates to log in and submit required suitability information themselves, saving departments time otherwise spent following up for missing data. It will also feature a customizable new hire dashboard that helps departments share relevant information and keep new hires engaged and excited before their start date.

- **Virtu** – to expedite suitability clearances for new hires. Virtu is a software tool that allows the encryption of emails containing confidential information and requires the recipient to authenticate themselves to open the email. The purchase of Virtu ensures compliance with FBI and HCDJC policies regarding the dissemination of criminal history record information via email. By using email to contact applicants for employment suitability reviews instead of certified mail, which could take a week or more in addition to going to the post office physically, DHR Exams has been able to obtain a faster response from applicants compared to certified mail.
- **FileMaker Pro Upgrade (DIT)** – databases. An old version of FileMaker Pro is used by both the Equal Employment Office (EO) and the Classification & Pay (C & P) Division as databases. EO uses a FileMaker Pro database that houses information about complaints alleging discrimination filed by employees, applicants, or members of the public against the City and County of Honolulu (City), any of its employees/managers, or its departments/agencies. The database includes complaints filed internally to the City/city department or externally with an agency of the state or federal government. Complaints monitored by EO require confidential handling and include those filed by employees and applicants alleging discrimination in employment, as well as those filed by members of the public alleging discrimination in the provision of city services, denial of access to city facilities, etc. C & P similarly uses a Filemaker Pro database to house eforms and classification actions. Due to the age of these software programs, DIT will be transitioning these databases to newer, more updated software solutions to ensure security and provide greater functionality.
- **Talogy** – online testing company to develop and administer the firefighter recruit exams online and on-demand. This will transition the pencil and paper exam which is usually administered at the Blaisdell exhibit hall for 1000 candidates, to an online test which will enable more convenient, frequent testing and a fresher pool of candidates. There is a set up cost and a transportability study that is currently being done in FY26, and the online testing will begin after the next (and hopefully final) in person paper and pencil exam in August 2026.
- **Microsoft 365** - DHR Admin will transition to Microsoft 365 (M365) in FY27, and will request funding to transition the rest of the department in FY28. This cloud based suite has significant advantages over our current Outlook (Exchange) by offering cloud-based flexibility, automatic updates, superior security, and lower maintenance. It enables users to access email, 100GB+ mailboxes, and collaboration tools like Teams from any location, while reducing the need for on-site hardware, patches, and backups. M365 Word, Excel, Powerpoint, Teams, Power BI, Co-pilot AI, etc. are included in the suite, which enable increased productivity, collaboration, project management, application building, document management with version control, etc.

- **ADA Compliant Websites –** DHR-EO and DIT are working to ensure all departments meet the April 24, 2026, compliance deadline for state and local government web and mobile app accessibility set by the U.S. Department of Justice (DOJ) under Title II of the ADA known as WCAG 2.1, Level AA. To address the compliance requirements, departments must review their websites, identify accessibility issues, make revisions, including remediation of inaccessible documents, where compliance issues are identified. Many departments are procuring vendor assistance with the review and remediation work. The compliance mandate recognizes that State and local governments provide many services, programs, and activities through websites and mobile apps, which become barriers for people with disabilities if they are not accessible. The objective of the rule mandating compliance is to ensure that people with disabilities can access and use the information and services provided through websites and mobile apps, and more fully participate.

b. DHR will continue to seek ways to improve efficiency in the recruitment and onboarding processes using technology to more effectively hire new employees. In particular, we anticipate that the use of AI in our NeoGov platform, in examinations of candidates will enhance and facilitate the speed of qualifying candidates. In addition, we will look to use AI in various classification functions which include revision of position descriptions by the departments, updates to classification specs and other areas.

c. DHR continuously looks for improvement in efficiency in all of our processes, especially in recruitment, examinations of applicants, onboarding, timekeeping, training, classification and pay, and workers compensation. in certain areas, our software has not been updated so that is being corrected by DIT.

Question – All/Equipment
Identify and provide details for major equipment purchases. Please provide the justification for the expenses.
a. Provide details about the department's equipment replacement cycle and its impact on the budget

Answer: The Department of Human Resources does not have any major equipment purchases planned or budgeted for the fiscal year, so there are no equipment items to report and no related justifications required

Question – All/Salary
For the last five (5) fiscal years, how many employees left the department due to retirements or reasons and how many new hires were added to the department?

Answer:

FY25
New hires: 10
Non-retiree separations: 4
Retirements: 3

FY24
New hires: 12
Non-retiree separations: 2
Retirements: 6

FY23
New hires: 6
Non-retiree separations: 4
Retirements: 2
FY22
New hires: 9
Non-retiree separations: 5
Retirements: 5

FY21
New hires: 1
Non-retiree separations: 1
Retirements: 0

Question – DHR / Budget
In the follow up responses to last year's budget briefings, you stated that DHR has a spreadsheet with the status of all vacancies and recruitment efforts. Please provide a copy of this that is current as of March 2026.

Answer:

As an overview, please see the chart below which shows the number of vacancies filled through various options: Regular Civil Service Open Recruitments (Initial Probation + Limited Term Appointments); and Intra Department Competitive Exams (Demotions or Promotions within a department + Transfers between departments). These are all actions which fill vacancies; however, the IDCE actions which provide promotional opportunities for existing civil service employees, do not reduce the number of vacancies. However, both categories of filling vacancies are necessary and are used.

In FY25 the City Departments filled 829 civil service positions with new employees and filled 1499 vacancies via IDCE as a promotion/demotion/transfer, for a total of 2349 positions filled.

In FY26 Year-to-date (8 months and 18 days), City Departments filled 647 civil service positions with new employees and 1208 positions via IDCE as a promotion/demotion/transfer for existing employees, for a total of 1900 vacancies filled.

Its important to note that for the 1499 IDCEs in FY25 and the 1900 IDCEs in FY26 Year-to-date, the vacant position left by the employee taking the promotion/demotion/transfer is typically left unfilled for at least 6 months. These employee movements require departments to provide return rights to the employee in the event that the employee does not pass probation in the new position, pursuant to collective bargaining agreement. Thus, often IDCEs create a 6 to 12 month delay in filling positions the newly vacated positions; however, it is a good way to provide promotional opportunities for many classes of work in the City.

Civil Service Vacancies Filled for FY25 and FY26 Year-to-Date		
All Departments		
As of March 18, 2026		
Civil Service Hires and Movements	**FY26 (as of 3/18)**	**FY25**
Initial Probation	631	729
Limited Term Appointment	61	121
*Demotions	24	26
*Promotions	548	593
*Transfers	636	880
Total Employee Fills	**1900**	**2349**
**Total New Civil Service CS Hires = Initial Probation + Limited Term appointment	647	829
* Intra-Department Competitive Examinations IDCE = Demotions + Promotions + Transfers	1208	1499

Attached are the following reports which provide data by Department for FY25 and FY26 Year to date:

- NeoGov Requisitions submitted by Departments for open, external recruitments open to the public as well as to City employees
- Vacancies and separations by Department
- Internal Promotions and movements (commonly called "IDCE" for Intra-Department Competitive Examination) by Department for FY25 and FY26 Year-to-Date
-

Question – DHR / Budget
Why are some of the positions that are included in the monthly report of position creations and abolishments, such as the EP Affordable Housing Advisor created in DEPT. COM. 809 not included as new positions in the "Budget issues" report?

Answer:

The monthly report of positions created and abolished is provided by DHR on behalf of the Mayor pursuant to Section 5-103(c) of the Revised Charter of the City & County of Honolulu. Whereas, the "Budget Issues" report for each department is created by BFS. The funding of new positions is a decision between the department, BFS and the Administration, and the position being referred to (EP Affordable Housing Advisor) may have unique circumstances that do not require a Budget Issue for the upcoming FY27.

Question – DHR / Hiring
How does City pay compare to private sector benchmarks?

Answer:

The City's compensation plan and salary range assignments are based on recognizing internal alignment and the hierarchy of positions/classes within the City. In general terms, this hierarchy recognizes that an administrator is assigned to a higher salary range than a manager, and that a manager is assigned to a higher salary range than a journey level worker, etc. The rates of pay associated with these salary ranges are determined through the collective bargaining process.

Question – DHR / Vacancies
1. How many total vacancies are there currently?

Answer:

As of March 17, 2026, the City has 2,112 civil service vacancies

Question – DHR / Vacancies
a. How many of those are being advertised externally?

Answer:

As of March 17, 2026, 542 vacancies are open for recruitment and are in the process of being filled.

Question – DHR / Vacancies
b. How many of those vacancies can only be filled by internal candidates?

Answer:

Whether a vacancy can or should be filled by an internal candidate (via IDCE) is a department decision based on the criteria for the vacant position, whether there are viable candidates in the department who can qualify for the position and other factors that can be determined only by the department.

Question – DHR / Vacancies
c. What is the average time-to-fill for vacancies for external and internal hires, and how does that timeframe compare to private sector benchmarks?

Answer:

External Hires. For the past 12-month period, the City's average time-to-hire for external hires is 72 days*. This aligns with the benchmark of 72 days for public sector agencies of similar size provided by Neogov. By comparison, the private sector average is 41 days.**

The benchmark of "time-to-hire", rather than "time-to-fill", is used primarily when comparing to private sector benchmarks. Time-to-fill includes front-end and back-end processes – such as budget approval and job posting and screening of candidates – that are not comparable to private sector hiring practices. Time-to-hire reflects the candidate experience, measuring the period from the selected candidate's application submission to the time of offer.

DHR primarily uses the time-to-fill metric to determine the City's internal efficiency in filling positions and this measures fiscal approval(BFS and departments), posting of the job and screening of candidates(DHR), and interview/selection/conditional offer (departments) to a candidate. Since FY22, the City's time-to-fill has been reduced by 50% from 180 days to an average of approximately 90 days (by fiscal year period).

The time-to-fill periods overlap with the time-to-hire periods so it is difficult to compare them. Both metrics provide different perspectives – internal efficiency versus candidate experience/public facing efficiency.

Neogov has also found that the average time to hire for local government agencies is about 30 days longer than for state government agencies.

Source: *Neogov report within the last 12 months pulled 3/17/26

**Gem 2025 Recruiting Benchmarks Report

Internal Hires. Internal recruitments are conducted solely by the departments so DHR does not collect or maintain data on internal hires.

Question – DHR / Hiring

1. How is the effort to reclassify certain positions going, particularly with respect to the Department of Planning and Permitting, and what other departments have requested reclassification of positions?

Answer:

Classification means the process of establishing an occupational framework and grouping positions on the basis of the kind and level of work and knowledge, skills and abilities and qualifications required for performance of the work. There are approximately 1400 Classification Specifications used by the City, and just under 8000 Position Descriptions, each of which are assigned to one Classification. Departments may request various types of classification actions depending on what they are trying to accomplish.

Number of Class Specifications actions taken by departments for the past two full fiscal years:

	FY25	FY26
Amend Existing Class Specifications:	DFM 6 classes FHB 1 class HFD 1 class MED 1 class DEM 5 classes BFS 1 class CSD 1 class DHR initiated 5 classes	HPD 1 class DFM 3 classes CSD 1 class ESD 3 classes DTS 1 class DES 6 classes BFS 2 classes DHR initiated 7 classes
Retitle Existing Class Specifications	MED 1 class DEM 1 class DHR initiated 5 classes	BFS 1 class MED 1 class BFS 1 class
Re-establish abolished Class Specification:		DPR 1 class
Create New Class Specifications	MED 1 class DEM 2 classes DHR initiated 4 classes	CSD 1 new class BFS 1 class DLM 6 classes

DPP: DHR has not received any requests for class specification actions.

Reallocation means the movement of a position from one class of work to another. These reallocations may be the result of progressional reallocation (promotion within a series), non-progressional reallocation (upgrade due to increased responsibility or more complex duties) or for other reasons.

For FY25, DHR reviewed/approved 452 position reallocations.

For FY26 to current, DHR reviewed/approved 278 position reallocations.

Dept.	FY25	FY26 Year-to-Date
BFS	61	49
COR	2	2
CSD	44	31
DCS	8	6
DDC	19	18
DEM	1	2
DES	5	5
DFM	29	17
DHR	23	6
DIT	34	17
DPP	23	11
DPR	23	12
DTS	12	9
ENV	44	17
ESD	63	20
HFD	3	
HLM		4
HPD	27	17
MDO	2	
MED	2	6
OSD		16
PAT	27	12
RHB		1
TOTAL ALL CITY	452	278

The numbers above reflect any eform that included a reallocation but does not include eforms such as straight fills, revised PD only, and BF130s or CSC1s.

Question – DHR / Hiring

1. **For new hires and open positions, how does the department budget? Are the positions budgeted at the lowest end or the highest end of the pay scale for that position?**

Answer:
DHR uses our best efforts to fill any vacancy in the same fiscal year that it has become vacant because this allows us to fill a position up to the same salary level that has already been budgeted. This is helpful if the incumbent was a long time employee and had progressed to a high step level, providing the flexibility to fill with more experienced candidates. If we do not fill the position in the same fiscal year (typically if someone retires on June 30 or in the last quarter of the fiscal year), we know that the position has to be filled at the minimum salary unless there are salary savings to fill at a higher level. Most of DHR positions are BU13 – white collar, professionals. This strategy may not work for other bargaining units such as BU3, BU4 or blue collar workers where step movements are not utilized as much due to the various collective bargaining agreements.

As mentioned in an earlier question, for positions that become vacant and are filled in the same fiscal year, the salary remains at the same level of the separated employee for that fiscal year; the vacancy can be filled at that level if there are candidates with the requisite experience. For newly created positions and vacancies which are filled after the fiscal year in which they became vacant, the position is budgeted at the minimum (lowest) step of the authorized salary range, consistent with the City's standard budgeting practices.

Question – DHR / Hiring
a. Would budgeting at the higher end of the pay scale provide more flexibility in hiring, especially for more senior positions that require expertise?

Answer:

a. While positions may be budgeted at the minimum rate, DHR provides flexibility at the time of recruitment and hire. DHR has an established "recruitment above the minimum" process that allows hiring departments to request an increased entry rate of pay for well-qualified candidates whose education and experience exceed the minimum qualification requirements for the class. When such a request is approved, the hiring department is responsible for funding the salary difference above the budgeted minimum from its own salary savings (for example, accrued vacancy savings or other personnel cost efficiencies).

   Budgeting at the higher end of the pay scale could appear to offer greater flexibility, however, the City and DHR use the recruitment-above-minimum process to address hiring needs for more senior or specialized candidates. This authorization to hire above the minimum entry rate has been delegated to departments for all BU3, BU4 and BU13 positions. This preserves overall budget discipline while still giving departments the ability to offer higher starting salaries, funded through their existing salary savings, when necessary to attract candidates with expertise that significantly exceeds the minimum requirements.

Requisitions submitted For Open Recruitment		
January 1, 2025 to March 20, 2026 (14.75 months)		
Department	**Number of reqs submitted to DHR**	**Number of Vacancies on Req**
Department of Budget & Fiscal Services	54	114
Department of Community Services	49	75
Department of Customer Services	42	115
Department of Design & Construction	44	47
Department of Emergency Management	4	4
Department of Enterprise Services	73	82
Department of Environmental Services	81	140
Department of Facility Maintenance	79	196
Department of Housing and Land Management	3	3
Department of Information Technology	15	24
Department of Land Management	2	2
Department of Medical Examiner	14	15
Department of Parks & Recreation	164	282
Department of Planning & Permitting	15	18
Department of the Corporation Counsel	14	15
Honolulu Board of Water Supply	87	144
Honolulu Emergency Services Department	17	17
Honolulu Fire Department	18	99
Honolulu Ocean Safety Department	8	15
Honolulu Police Department	33	63
Human Resources	22	22
Liquor Commission	11	21
Office of City Clerk	2	5
Prosecuting Attorney Department	5	17
Transportation Services	22	22
Grand Total	**878**	**1557**

SUMMARY Hires and Vacancies by Dept
FY26 through March 18 2026
Civil Service Permanent Employees Only

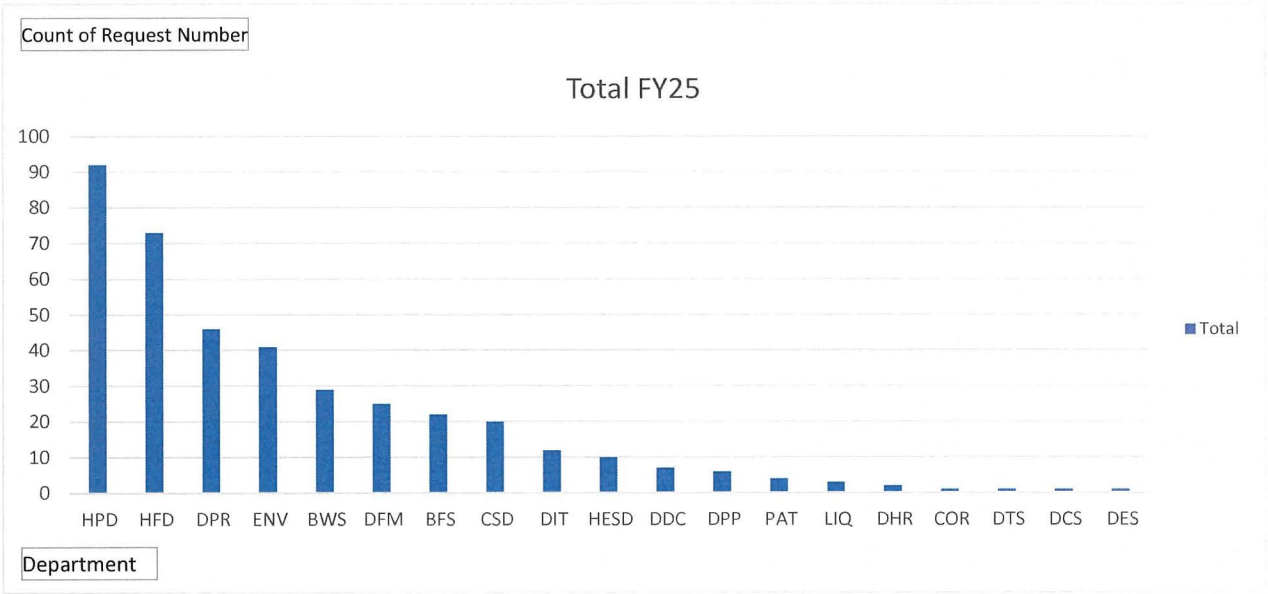
Dept	New Hire Count	CS Vacant	Hire/Vacant Percentage
BFS	32	44	42.11%
BWS	36	168	17.65%
CLK	1	11	8.33%
COR	3	11	21.43%
CSD	38	29	56.72%
DCS	9	111	7.50%
DDC	8	40	16.67%
DEM	2	4	33.33%
DES	20	33	37.74%
DFM	42	207	16.87%
DHR	4	7	36.36%
DIT	10	16	38.46%
DPP	13	73	15.12%
DPR	65	168	27.90%
DTS	12	21	36.36%
ENV	54	269	16.72%
ESD	4	34	10.53%
HFD	81	131	38.21%
HLM	2	9	18.18%
HPD	39	615	5.96%
HRT	0	16	0.00%
LIQ	11	17	39.29%
MED	7	5	58.33%
OSD	17	17	50.00%
PAT	7	51	12.07%
RHB	0	2	0.00%
Sum:	**517**	**2109**	

SUMMARY New Hires and Vacancies by Dept
FY25 (12 months)
Civil Service Permanent Employees

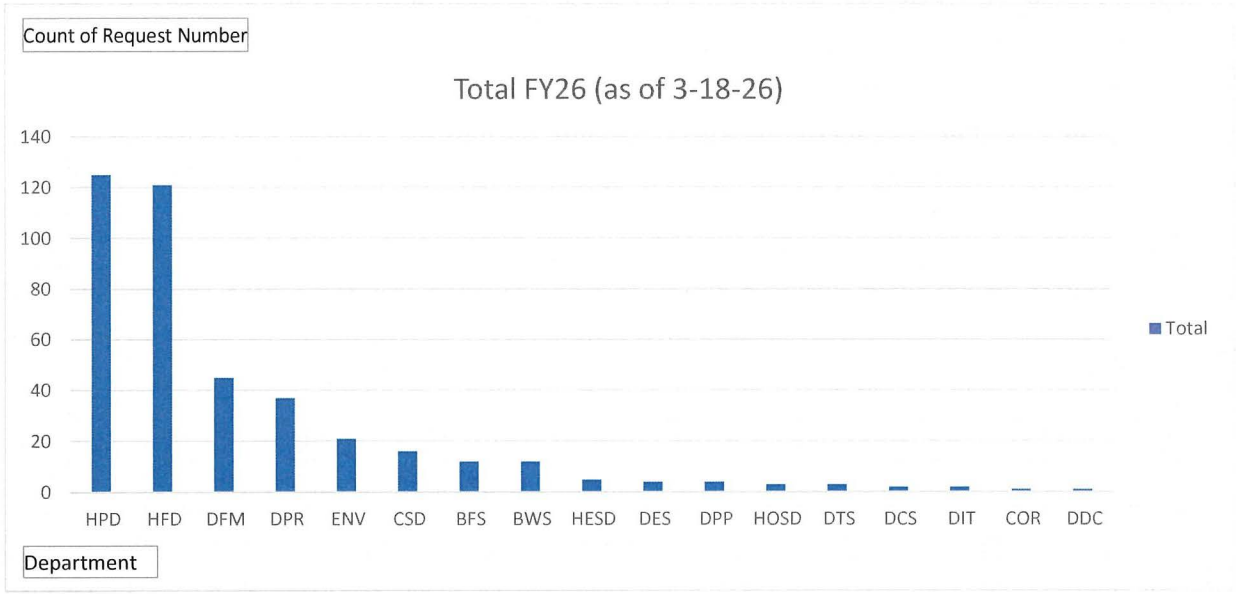
Dept	New Hire Count	CS Vacant	Hire/Vacant Percentage
BFS	29	53	35.37%
BWS	57	181	23.95%
CLK	3	10	23.08%
COR	4	11	26.67%
CSD	48	34	58.54%
DCS	11	102	9.73%
DDC	15	43	25.86%
DEM	2	3	40.00%
DES	41	42	49.40%
DFM	51	224	18.55%
DHR	9	5	64.29%
DIT	9	20	31.03%
DLM	2		100.00%
DPP	30	66	31.25%
DPR	81	187	30.22%
DTS	19	29	39.58%
ENV	90	288	23.81%
ESD	30	28	51.72%
HFD	77	140	35.48%
HLM	2	12	14.29%
HPD	149	619	19.40%
HRT	0	16	0.00%
LIQ	11	18	37.93%
MED	2	3	40.00%
OSD	0	28	0.00%
PAT	12	47	20.34%
RHB	2	1	66.67%
Sum:	**786**	**2210**	

FY25 Intra Department Competitive Examinations
By Department

Count of Request Number	
Department	Total
HPD	92
HFD	73
DPR	46
ENV	41
BWS	29
DFM	25
BFS	22
CSD	20
DIT	12
HESD	10
DDC	7
DPP	6
PAT	4
LIQ	3
DHR	2
COR	1
DTS	1
DCS	1
DES	1
Grand Total	396



Count of Request Number	
Department	Total
HPD	125
HFD	121
DFM	45
DPR	37
ENV	21
CSD	16
BFS	12
BWS	12
HESD	5
DES	4
DPP	4
HOSD	3
DTS	3
DCS	2
DIT	2
COR	1
DDC	1
Grand Total	414



DEPARTMENT OF INFORMATION TECHNOLOGY
KA 'OIHANA 'ENEHANA
CITY AND COUNTY OF HONOLULU

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STEPHEN COURTNEY
DEPUTY DIRECTOR
HOPE PO'O

March 19, 2026

TO: Michael D. Formby, Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Brian McKee, Director and CIO
Department of Information Technology

Digitally signed by McKee, Brian
Date: 2026.03.20 14:16:56 -10'00'

SUBJECT: Budget Communication No. 11 – Committee on Budget Follow-Up Questions to Departmental Briefings

The following is our agency's response to the questions on the FY2027 Budget received from the Committee on Budget via Chair Okimoto's letter dated March 17, 2026. Please see our attached response.

Attachment

Department of Information Technology
Question(s) of March 19, 2026

Attachment

1. **Question - Please provide a list of positions in your department that have been deactivated since January 2025. For each position, include the classification, grade, P/T/C, FTE, salary, # of years vacant, and justification for deactivating the position.**

   The Department of Information Technology (DIT) has no positions that were abolished or deactivated.

2. **Question - Please provide a list of positions in your department that have been reactivated since January 2025. For each position, include the following information: classification, grade, P/T/C, FTE, total salary, and function this position will play in the department**

   DIT has no positions that were reactivated.

3. **Question - What are the department's priorities for FY27? a. What is the Department doing to reduce costs for city taxpayers? b. What is the Department doing to increase city revenues? c. Identify performance metrics used to evaluate department success**

   - Roll-out of M365 to all agencies.
   - P25 Emergency Radio – Console replacements that support critical departments as HPD, ESD, and HFD.
   - Surveillance Camera Upgrades.

   The Department of Information Technology is using Microsoft 365 to standardize tools, cut license waste and lower IT expenses, thereby stretching taxpayer dollars and avoiding future cost growth. Replacing legacy applications boosts interoperability, cuts downtime and extends system life. Upgrading cameras speeds incident response, reduces manual monitoring and lowers long-term storage and maintenance costs.

   These upgrades improve public safety response and prevents system failures which will benefit the taxpayers by delivering better service and lowering long-term cost.

4. **Question -- a. Provide total number of authorized FTEs, filled positions, vacancies, and salary savings balance. b. Identify positions vacant longer than three years and explain whether they should be deleted or reprogrammed. c. Identify positions vacant longer than five years and explain whether they should be deleted or reprogrammed. d. For each of the last five fiscal years and cumulatively for the entire 5 FYs, how many vacancies did the department have at the beginning of the year, how many positions did they fill in that FY, and what percentage of positions were filled in that time? e. How many of the vacancies were due to retirements? i. How does the department account for projected retirements each FY in its budget? ii. Should we set aside additional funds to account for projected retirements? f. What other solutions, other than filling positions, does the department use to accomplish all its work?**

   - IS257 – Computer Programmer II vacant 2/16/2023 – Currently will be hiring
   - IS247 – Computer Programmer II vacant 5/23/2023 – Will hire after filling another critical position in this department.
   - There were no vacancy over 5 years.
   -

Vacancies Beginning of the YR	Vacancies Filled End of Year	%	Retirement	FTE
FY22 - 27			2	153
FY23- 21	6	22%	4	154
FY24- 23	3	11.50%	7	159
FY25- 21	2	8.70%	2	164
FY26- 17	4	10.29%		175

   - Department accounts for projected retirements by not filling the position right away. If the position is filled by an internal, salary savings from that vacated position will be used to fund the current position.
   - We could set aside funds for projected retirements, if we are budgeted with the funding.
   - Department accomplishes its backlog with overtime to complete tasks.

5. **Question – a. How much does the department need to account for the new collective bargaining agreements? b. For new hires and open positions, how does the department budget? Are the positions budgeted at the lowest end or the highest end of the pay scale for high priority positions? i. Would budgeting at the higher end of the pay scale provide more flexibility in hiring, especially for more senior positions that require expertise?**

   a) We are looking to account approximately $1,200,000 for the CBA salaries.
   b) We are budgeting with the vacant positions and using the salary savings from the open positions. Most open positions are budgeted at the lowest end.

   For our high-priority position, such as the Chief Information Security Officer (CISO), we have requested budgeting at the high end of the pay scale to attract the most qualified candidate. Yes, budgeting at the higher pay scale will provide more flexibility.

6. **Question – a. Provide total carryover/lapsed funds for FY25 and FY26 and explain causes. i. What is the projected lapse amount for FY27? ii. Identify any reliance on one-time revenues in FY27.**

   We show a lapse FY25 for about $1,661,702. This is primarily due to vacancies within the department. Contributing to this lapse is our push to downgrade and hire for senior positions, and oftentimes, it is hard to find qualified, experienced candidates willing to work for the City.

   There are no revenues that DIT can rely on for FY27.

7. **Question - a. Identify percentage and dollar amount of federal funding and contingency plans if funding is reduced. b. How much in state and/or federal funds has your department received in FY26 and how much is projected for FY27? i. For FY26, how many private, state or federal grants has your department applied for and how much was received? ii. Does the department have any positions assigned to seeking additional funding sources – grants or other funding?**

   DIT's one and only federal funding is budgeted with the Department of Community Services which funds an Information Technology Support Technician II, which supports primarily DCS. We have not applied for any other funding.
   F390 – Federal Grants Fund (FG)
   Total Funds for the permanent ITST II position - $81,924

8. **Question - Identify projected tariff/inflation impacts and estimated cost increases.**

   Tariffs and inflation will drive double-digit increases in IT costs. We may have to plan for higher replacement and upgrade expenses.

9. **Question - a. Identify measurable efficiency or technological improvements expected in FY27 or future years. b. How can technology be used by the department to increase efficiency, lower costs and better serve the public? c. When was the department's last review of the best practices regarding the use of technology in the department's purview? What did this review indicate?**

   a. Identify measurable efficiency or technological improvements expected in FY27 or future years.

   Below is a list of measurable efficiency-or-technology improvements that the Department of Information Technology (DIT) has set for FY 27, and the expected downstream benefit for each metric.

#	Improvement	FY 27 Target (or later-year target)	How it is measured	Why it matters (benefit)
1	Online-payment volume via HNL Pay	≈ 231,000 transactions (≈ 2 % increase vs. FY 26)	Count of successful payment events recorded in the HNL Pay transaction log each fiscal year.	More citizens pay online → lower processing-paper cost, faster cash-flow, reduced manual reconciliation.
2	Citizen accounts on HNL Info	≈ 283,000 accounts (≈ 2 % increase vs. FY 26)	Number of unique user-ids in the HNL Info authentication database.	Larger self-service base → fewer call-center contacts, higher citizen satisfaction, better data for analytics.

3	Departments using HONU for training	9 departments (add 1 department each FY)	Count of department-level training programs that have been built, published, and delivered through the HONU learning-management system.	More staff up-skilled → higher productivity, reduced reliance on external contractors, stronger cross-department knowledge sharing.
4	Robotic Process Automation (RPA) processes	7 RPA processes (add 2 each FY) – FY 27 adds 2 new processes to the 4 already in production.	Number of distinct, automated end-to-end workflows (e.g., invoice processing, billing, data entry) that are live in the RPA platform and handling production volume.	RPA cuts manual labor, speeds up transaction times, and reduces error rates; each new process typically saves 0.5-1 FTE per year.
5	Phishing-simulation failure rate	≤ 12 % (average failed ≈ 1,150 employees) – keep the failure-rate at or below the "susceptible rate" of 12 % by FY 27.	% of total city staff who click a simulated phishing email in the quarterly test (tracked by the security-awareness platform).	Lower failure rate → stronger cyber-hygiene, reduced risk of a real breach, lower potential cost of incident response.

b. How can technology be used by the department to increase efficiency, lower costs and better serve the public?

DIT can significantly increase efficiency, reduce costs, and improve public service by implementing AI-powered chatbots for 24/7 service, digitizing documents to reduce paper usage, and adopting robotic process automation (RPA) for repetitive tasks. Data analytics and cloud technologies optimize resource allocation, while digital platforms enable faster, accessible interactions that improve the constituent experience.

c. When was the department's last review of the best practices regarding the use of technology in the department's purview? What did this review indicate?

The department's most recent best-practice review took place in the first quarter of 2025, soon after the new Director started in January 2025. The review uncovered two key problems.

First, several applications were still running on outdated software that no longer receives security patches, creating a clear cyber-security risk. The review triggered the use of Microsoft 365 (cloud-based, continuously patched, built-in security controls) as a first step toward modernizing the software stack. Second, the review found that many city departments did not have any formal work-management tools, forcing staff to coordinate tasks through email and ad-hoc spreadsheets. In response, the Director pushed for the deployment of modern work-management applications, giving employees a consistent, efficient way to plan, execute, and monitor work.

10. **Question - Identify and provide details for major equipment purchases. Please provide the justification for the expenses. a. Provide details about the department's equipment replacement cycle and its impact on the budget**

Miscellaneous Data Processing ($1,955,000)
Miscellaneous Communication Equipment ($2,7963,870)
Replace 20K BTU A/C Unit at Kapolei Data Center ($20,000)

- **Lifecycle-Driven Funding:** The department follows a **planned-replacement schedule** (3-8 years depending on asset type). Budget allocations are made annually to meet the expected retirements, which smoothes out large spikes in spending.

- **Risk Management:** Replacement timing is tied to risk assessments (e.g., UPS modules, server aging, switch end-of-life). Delaying replacement would increase the probability of service interruptions and higher emergency repair costs.

- **Budget Planning:** The total five-year forecast for the items listed is ≈ **$3.14 M**. By spreading purchases across fiscal years (e.g., 2024-2028), the annual impact ranges from **$500 k–$700 k** – well within the DIT capital-budget envelope when accounted for in the multi-year capital plan.

- **Predictable Capital Requests –** By adhering to a defined lifecycle (3-8 years), DIT can forecast capital needs 3-5 years ahead, allowing the City's budgeting office to allocate funds in advance rather than reacting to emergencies.

- **Avoidance of Emergency Repairs** – Timely replacement of UPS modules, servers, and switches eliminates costly "break-fix" incidents that often exceed the original purchase price (e.g., data-center downtime, lost productivity).

- **Leverage Bulk Purchasing** – Grouping similar items (e.g., 48-port campus switches) in the same fiscal year yields volume discounts and reduces procurement overhead.

- **Depreciation & Asset Management** – The equipment is recorded with a straight-line depreciation matching its service life, providing transparent financial reporting and ensuring capital expenses are not double-counted.

11. Question - For the last five (5) fiscal years, how many employees left the department due to retirements or reasons and how many new hires were added to the department?

We had 26 employees leave and we had 57 new hires.

Department of Information Technology
Question(s) of March 19, 2026

Budget Follow-Up Questions to Departmental Briefings FY27

Department Specific Questions

DIT Question 1 – System Modernization. Can information technology modernization reduce revenue leakage or vacancy reliance? What is being done in these two areas?

Answer: Yes—modernizing the City and County of Honolulu's IT environment directly curbs revenue leakage and reduces the need for temporary staff, and the department is already leveraging its own in-house capabilities to do it. By using the internally built HNL Pay platform for online fees and more, the city eliminates third-party licensing costs and gains a single, real-time data feed that automatically posts every transaction to the finance ledger. This eliminates the manual, paper-based reconciliation steps that previously allowed payments to slip through the cracks, capturing an estimated 3-5 % more revenue each year without incurring any subscription fees. At the same time, the department continues to develop and maintain all critical applications—including HNL Pay—in-house, which avoids costly vendor licenses and eliminates the reliance on external contractors for upgrades or bug fixes. Coupled with a city-wide robotic-process-automation (RPA) program and a unified workflow engine, routine data-entry and invoice-processing tasks are automated, freeing permanent staff to focus on higher-value work and dramatically cutting the need for temporary hires. Together, these initiatives tighten the city's revenue capture, lower operating expenses, and make the workforce more efficient and self-sufficient.

DIT Question 2 – System Modernization. How can information technology modernization save taxpayer dollars?

Answer: Information-technology modernization saves taxpayer dollars by eliminating costly legacy hardware, reducing software license fees, and automating manual processes. Consolidating aging mainframe and server farms into a single, energy-efficient cloud-native platform cuts power, cooling, and real-estate expenses while also lowering maintenance labor. Replacing proprietary licenses with open-source stacks and moving routine services (email, backup, document ATTACHMENT 3 management) to subscription-based SaaS eliminates large upfront purchase costs and includes ongoing updates and support as part of the subscription fee. Deploying workflow automation, digital forms, and robotic-process-automation (RPA) removes repetitive data-entry tasks, freeing staff to handle higher-value work and reducing the need for temporary hires or overtime. A unified, real-time payment gateway and automated reconciliation ensure that fees, taxes, and other revenues are captured promptly, preventing revenue leakage that would otherwise require additional tax levies. Together,

these efficiencies lower operating expenses, reduce the need for external contractors, and improve service delivery—all of which translate directly into lower taxes or the ability to re-allocate saved funds to other city priorities.

DIT Question 3 – System Modernization. What is the overall information technology modernization strategy and plan? What is the estimated cost and timeline?

Answer: 1. Assessment and Strategic Planning Audit Current Infrastructure: Create an inventory of all hardware, software, network configurations, and data storage to identify critical vulnerabilities, technical debt, and inefficiencies. Define Goals and Roadmap: Align IT initiatives with citywide strategic goals (e.g., better citizen service, improved efficiency) rather than just upgrading for technology's sake. Conduct Gap Analysis: Identify gaps in technology, resources, and staffing needed to reach the desired future state.
2. Strengthen Security and Infrastructure Embrace Zero Trust & Cloud-First: Migrate to cloud services (e.g., SaaS, AWS GovCloud) for scalability and improved security. Implement "security-by-design" and Zero Trust frameworks to protect against ransomware and threats. Modernize Legacy Systems: Refactor, re-platform, or rebuild legacy applications. Use container platforms (e.g., Kubernetes) to make applications more portable and scalable. Consolidate Networks & Systems: Move to shared services models to break down functional silos between city departments.
3. Focus on People and Process (Culture Change) Invest in Upskilling: Provide training to existing staff on modern tools (cloud, cybersecurity, AI) to close the digital skills gap. Adopt DevOps and Agile: Implement DevOps (combining development and operations) for faster, more reliable software releases and IT service management (ITSM) to automate manual tasks. Maintain Executive Leadership Buy-in: Ensure strong support from city leaders to manage the change and secure necessary, often phased, funding. Shift development resources: As AI takes over the 'coding' part of system development, it will be imperative for our development staff to transition into business analysts, data scientists and solutions experts.
4. Improve Citizen and Operational Experience Adopt Digital Citizen Services: Prioritize user experience (UX) by moving services online (e.g., permitting, tax payments) to reduce in-person visits and increase efficiency. Utilize Data Analytics: Implement data management practices that allow city officials to leverage AI and analytics for smarter decision-making, such as predictive maintenance and better resource allocation. Implement Smart City IoT: Integrate sensors and AI-powered edge platforms to manage traffic, energy, and waste in real time.
5. Implementation and Monitoring Start Small and Iterate: Use phased implementations to gain quick wins, building momentum before tackling larger systems. Test and Validate: Use sandboxes to test new technologies to ensure they work within the existing environment before full implementation. Continuous Optimization: Monitor performance with real-time analytics to identify bottlenecks and ensure the system remains secure and efficient, reviewing at least annually Modernization is a continuous process that will be in place through the rest of the Blangiardi Administration. DIT is working on a master schedule and strategic plan, but considering where we are now,

consolidation, change management, modernization and migrations will be ongoing into the foreseeable future.

DIT Question 4 – RISR and DART. What funding is proposed in the FY27 budget to overhaul the RISR and DART system?

Answer: Funding proposed in the FY 27 budget for the RISR and DART overhaul. The DART and RISR applications, which currently run on legacy software platforms, are slated to be re-engineered and replaced by the end of 2026. The redevelopment will be carried out in-house by DIT software developers; no external vendor contracts or large-scale software purchases are planned for these two systems. Consequently, the only software-related expense earmarked in the FY 27 budget for this effort is a subscription to Google Pub/Sub, which will be used as the messaging backbone for the new implementations. (Need cost) All other costs for the RISR/DART modernization (development labor, testing, deployment, etc.) are covered by existing DIT staffing and are not reflected as separate line-item purchases in the FY 27 budget.