



Department of Human Resources

Fiscal Year 2025 Annual Report

July 1, 2024 – June 30, 2025

Annette L. Anderson
Director

DEPARTMENT OF HUMAN RESOURCES

I. MISSION STATEMENT

The Department of Human Resources (DHR) shall provide timely and quality service to the public, county employees and departments/agencies, which will enhance the achievement of Countywide goals.

II. DEPARTMENT GOALS

- A. To support all County departments, employees, and the public with the full range of human resource functions, and which fosters a system of personnel administration based upon merit principles, devoid of any bias or prejudice, and generally accepted methods governing classification of positions and the employment, conduct, movement, and separation of public officers and employees.
- B. To streamline, standardize and centralize various human resource functions that will lead to greater efficiencies.
- C. To attract, support, and retain a qualified and diversified workforce by fostering employee development and providing a safe environment.
- D. To enhance the quality and efficiency of services with technological advancements.

III. PROGRAM DESCRIPTION

A. Objectives

The following demonstrate DHR's commitment to the County's six levels of RISE, "Mobility," "Home," "Connections," "Money," "Freedom," and "Heart."

Recruitment and Examination Division

The Recruitment and Examination Division provides responsive, fair, and consistent recruitment and examination to departments, employees, and job applicants. Various recruitment strategies are used to increase the applicant pool, especially in hard to fill positions.

Classification and Labor Division

The Classification and Labor Division provides responsive, fair, and consistent classification and pay services to departments, employees, and job applicants. Job classifications are continuously reviewed to standardize minimum education requirements to alleviate misinterpretations.

Administrative Services and Benefits

Provide an efficient and accurate Human Resources Management System (HRMS) pertaining to payroll, employee time and attendance, and personnel records.

Provide comprehensive review of benefits/leave for employees, including guidance to all departments in benefits/leave administration and processing.

Employee Development and Health Services

Provide guidance and recommendations to departments on employee related challenges including employee conflicts, management of performance issues, workplace violence, harassment, discrimination, and retaliation, reasonable accommodation assessments, and investigations of complaints.

Provide training resources that departments may use in addition to in-person training. Facilitate safety assessments of work sites to ensure safe working environments.

Equal Employment Opportunities and Reasonable Accommodations Pursuant to the Americans with Disabilities Act

Provide guidance, resources, and recommendations to departments on employee related challenges including harassment, discrimination, and retaliation, reasonable accommodation assessments, and investigations of complaints.

Stress the importance of providing great customer service to both external (e.g., public) and internal (e.g., employees) customers, including accessible programs and services.

Payroll

Continue to develop Countywide consistent logic and configuration based on the current union Collective Bargaining Agreements and plan for future implementation of changes as they arise.

Continue to centralize payroll by having central payroll staff take on additional department responsibilities as they pertain to time entries, accurate pay and end user functionality.

Regularly reevaluate and automate payroll functions, time calculations, and earnings calculations respectively (within the limitations of configuration) to avoid likelihood of human errors. Offer open door policy for questions/concerns of current system configuration and create a positive experience (as much as possible) for end users.

Continue to provide learning and training tools for payroll support staff and employees (on an as needed basis) by central payroll and/or departmental subject matter experts as employees continue to familiarize themselves with the HRMS Workday payroll access, reporting, and time entry functionality.

Continue reevaluating and using efficient Workday system report to analyze data for internal and external purposes. Allow the payroll systems manager and payroll systems assistant manager to establish a sound foundation and understanding of basic report building skills while working hand in hand with respective Information Technology staff. Regularly reevaluate and modify integrations and reports as needed and requested by third party vendors.

Keep an open mind approach and creative solutions to develop in-depth understanding and upkeep of the new Workday system.

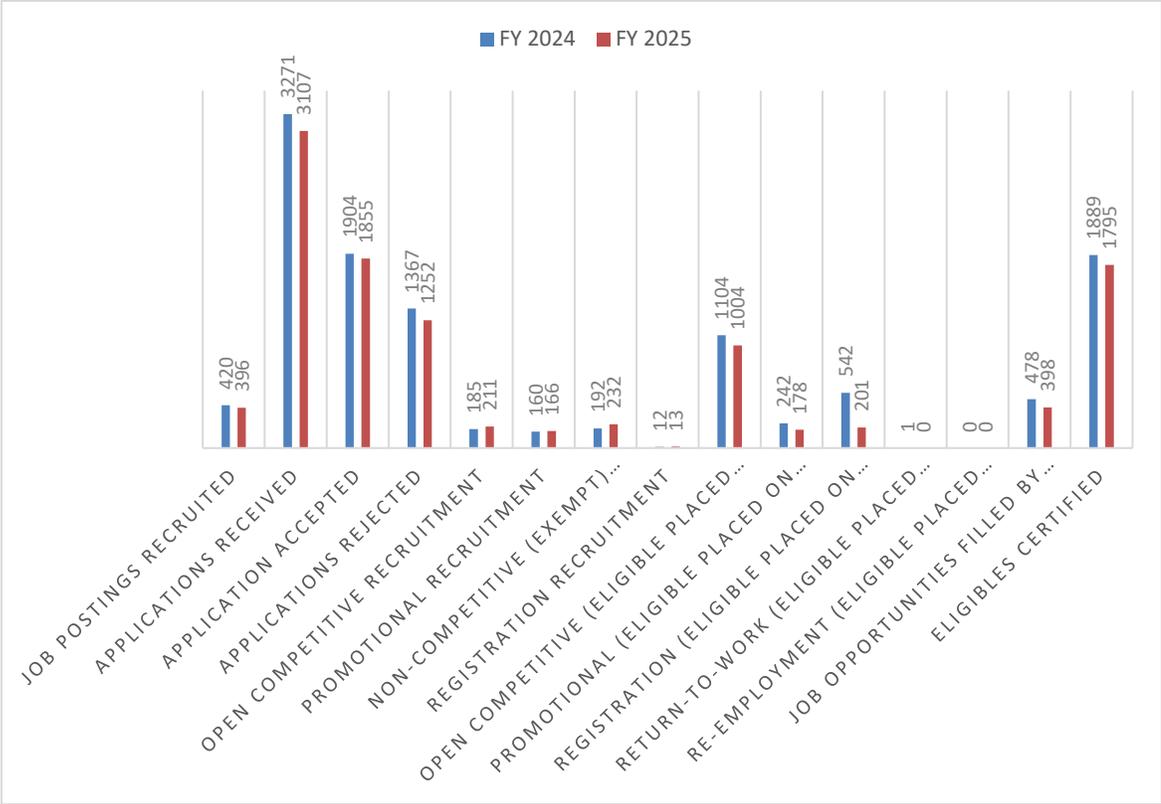
IV. HIGHLIGHTS OF VARIOUS DIVISIONS INCLUDING ACCOMPLISHMENTS/STATISTICS

Recruitment and Examination Division

The Recruitment and Examination Division continue to provide essential support to County departments in filling vacancies across civil service, appointed, and exempt positions. These included full-time, part-time, seasonal, short-term, and temporary roles. Our efforts this fiscal year were aimed at ensuring that departments have the workforce needed to provide vital services to the public.

Recruitment Activity

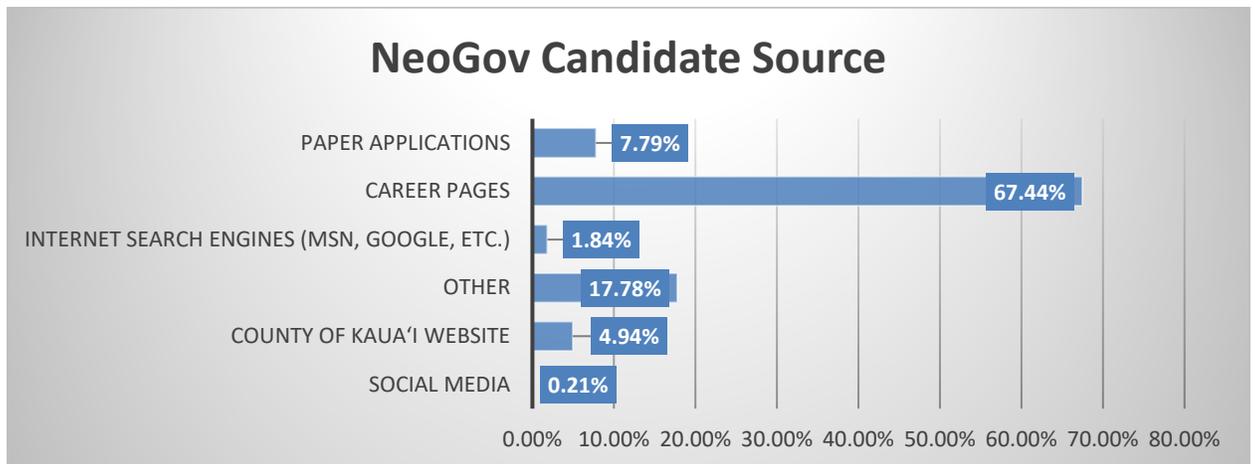
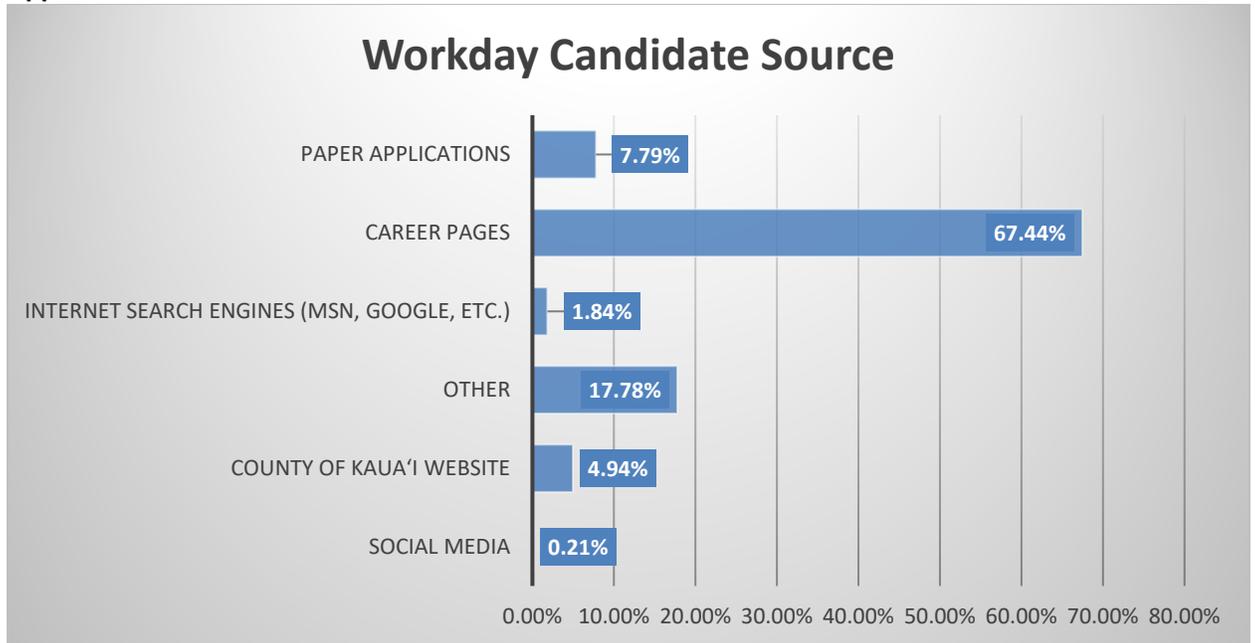
During FY 2025, the division processed a total of 408 recruitment requests, of which 396 job postings were actively recruited. Twelve (12) requests were cancelled for various reasons.



The division administered:

- 102 written examinations
- 13 oral examinations
- Multiple performance-based assessments, including testing for specialized roles such as Ocean Safety Officer I, Pool Guard, Fire Fighter II, Fire Fighter Trainee, Veteran’s Cemetery Caretaker, Tractor Mower Operator, Refuse Collection Equipment Operator, Equipment Logistics Crew, Transfer Station Operator I, Solid Waste Worker II, and various Equipment Operators.

Application Source Statistics



Community Outreach and Events

The division participated in a range of community recruitment efforts, including:

- 1 Job Fair – Department of Labor & Industrial Relations Workforce Development
- 3 Career Exploration Fairs – Held at public high schools
- 1 Engineering Career Expo – University of Hawai'i
- 1 Kaua'i Construction Career Day – Hawai'i Construction Career Day

Administrative Reviews

The division received **three (3) Administrative Review requests** from applicants contesting the decision on their job applications.

One (1) review was accepted, and no appeals were made to the Civil Service Commission.

Technology & Policy Initiatives

The division is actively implementing Workday recruitment and updating internal policies to reflect this implementation, including policies for:

- Distributing announcements
- Conducting performance evaluations
- Scoring examinations

The division continues to collaborate with Accenture to design the Workday recruitment module, ensuring a modernized and efficient hiring process.

Student Summer Internship Program

The Student Summer Internship Program provided college students with opportunities to work in their fields of study within County departments. Twenty-nine (29) summer interns were hired and placed in offices including: County Attorney, Prosecuting Attorney, Department of Water, Parks and Recreation, Planning, Police, Finance, Fire, Liquor Control, Human Resources, Council Services, Office of the Mayor, Office of Economic Development, and Public Works.

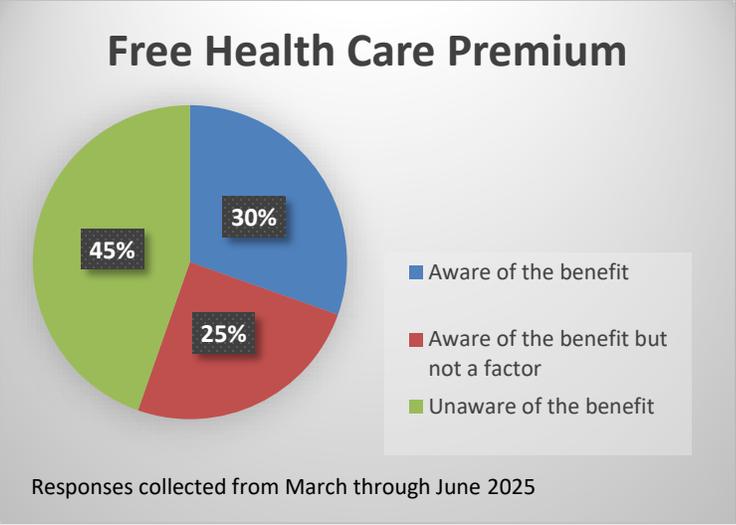
Free Health Care Premium Coverage Benefit

The County of Kaua'i announced FREE HEALTH CARE PREMIUM COVERAGE for employees and their families which began on September 1, 2024. This includes medical, prescription drug, vision, and dental plans for employees and their families.

In November 2024, the Recruitment Division began tracking data to determine whether this additional benefit impacts the number of applications received and improves recruitment outcomes.

Initially, each application included a question asking whether the new benefit was a factor in applying for a position with the County of Kaua'i. Over time, this question evolved into a three-part inquiry:

- The applicant was aware of the benefit, and it was a factor in applying.
- The applicant was aware of the benefit, but it was not a factor.
- The applicant was not aware of the benefit.



A summary of the results is shown above.

Recruitment and Examination Looking Ahead

The Recruitment and Examination Division remains committed to streamlining recruitment, improving and increase candidate outreach, and aligning procedures with the Workday platform to enhance efficiency and service to both applicants and County departments.

Labor Relations Overview

The department continued to provide labor relations assistance and guidance to County departments and agencies in contract administration activities. During this fiscal year, ten (10) employer-level grievances were filed.

Collective Bargaining Agreements

All bargaining units had valid contracts through June 30, 2025. The following adjustments took effect on July 1, 2024:

Bargaining Unit	Adjustment(s)
UPW – Unit 1	5% ATB increase
HGEA – Unit 2	5% ATB increase
HGEA – Unit 3	5% ATB increase
HGEA – Unit 4	5% ATB increase
HGEA – Unit 13	Step movement plan continued; 3.59% ATB increase
HGEA – Unit 15	Step movement plan continued; 4% ATB increase
HFFA – Unit 11	Step movement plan continued 4% ATB increase
SHOPO – Unit 12	Step movement plan continued; 5% ATB increase; lump sum \$1,800 - \$2,000 based on service years

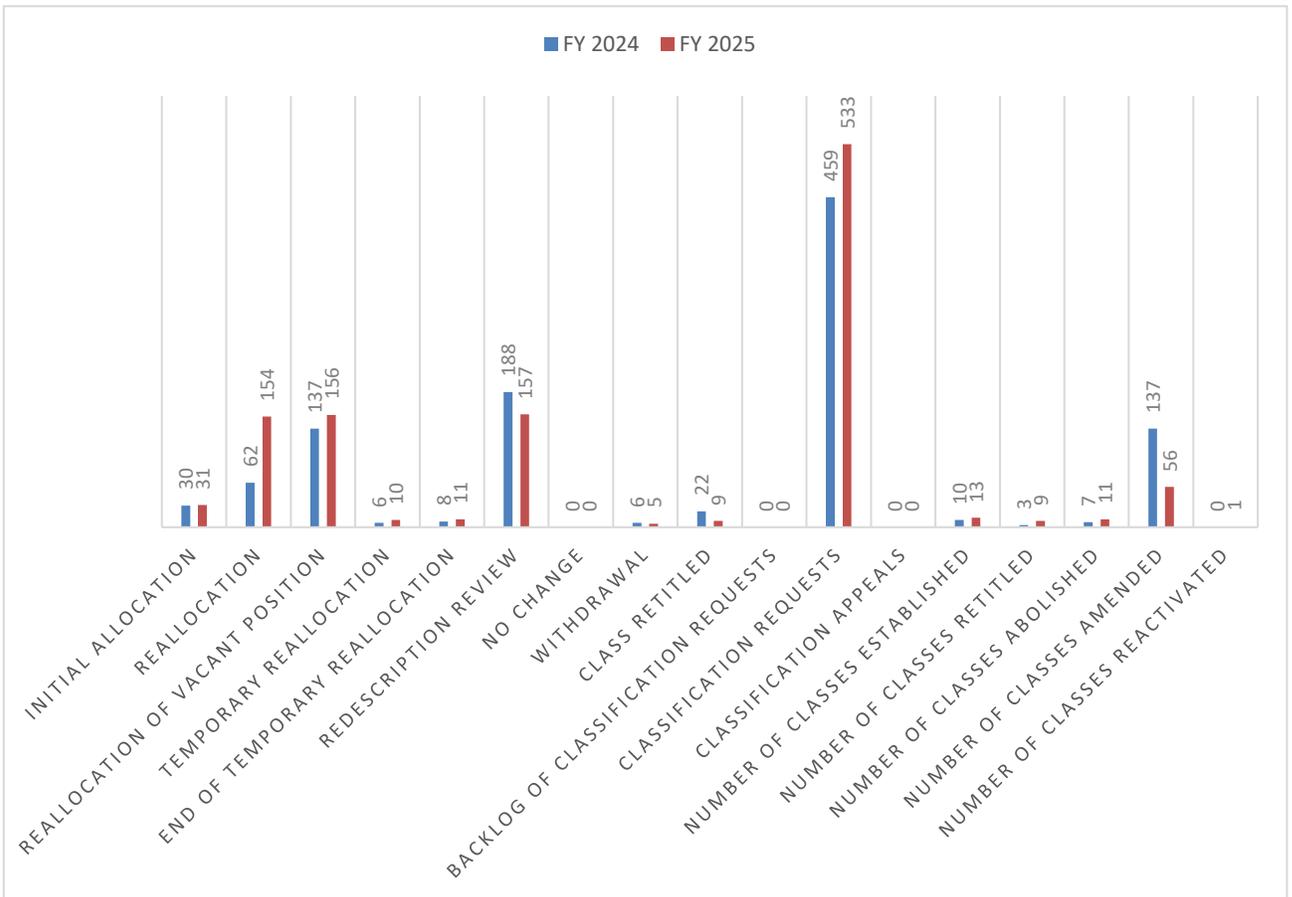
Labor Relations Looking Ahead

In the upcoming fiscal year, the department will continue to support County departments and agencies in all areas of labor relations and contract administration.

Classification and Pay Overview

This fiscal year, the Classification & Pay Division processed 533 classification actions and established 13 new job classes to support evolving departmental needs. The division also reviewed 42 class pricing proposals from various jurisdictions, including the State of Hawai'i, Department of Education, HHSC, Judiciary, and the counties of Honolulu, Maui, and Hawai'i.

To ensure consistency and broaden access to job opportunities, the division began updating classification specifications to include acceptable substitutions for minimum qualifications (e.g., education for experience and vice versa). This initiative has already led to the revision of numerous classification specifications, with more underway.



Classification and Pay Looking Ahead

The division will continue refining classification processes to ensure fair and competitive compensation, and update class specifications to provide the flexibility and clarity needed to attract and retain a diverse, qualified workforce.

Administrative Services and Benefits

The Administrative Services and Benefits Division provides support to employees, County departments, as well as members of the public. The division focuses on the day-to-day operations related to processing transactions including hire/onboarding, personnel, personal data, benefits, leaves, and other employee changes and/or requests, and terminations/offboarding.

Transactions Activity

One hundred forty-eight (148) hires attended the on-boarding orientation program this past fiscal year. Additionally, fifty-five (55) seasonal hire transactions were processed for the Parks and Recreation Enrichment Program, and thirty (30) intern hire transactions were processed in this past year.

The Administrative Services and Benefits Division also assists with the offboarding of employees exiting County employment. Included in the exit process, we assist employees retiring from County (government) employment with their paperwork. The processing of deferred compensation rollover, retiree health enrollment, retiree life insurance beneficiary, Social Security/Medicare enrollment, and other forms can be cumbersome. This fiscal year, of the one hundred thirty-seven (137) employees separating from the County (not including intern/seasonal hires), thirty-four (34) of those employees retired.

The division continued to assist employees with processing of health insurance benefits enrollment forms at the time of hire, during the annual open enrollment, termination of employment, and/or when employees experience mid-year qualifying events such as marriage or birth of a child. In addition, the Division assisted employees with Flexible Spending Plan benefits and voluntary insurance plans' enrollments. A special Open Enrollment period was held in July 2024 due to the free Health Care Premium Coverage Benefit. A total of one hundred eighty-six (186) employees made changes during this special Open Enrollment period.

Leave Benefits Activity

A primary task of the Administrative Services and Benefits Division staff is to assist employees with their leave benefits. One of those leave benefits is Family Leave. We prepare various approval and denial forms, including personalized letters to employees addressing their specific requests for family and/or medical leave benefits pursuant to the Hawai'i State Family Leave Law (HFLL) and the Family Medical and Leave Act (FMLA). A total of one hundred fifteen (115) family leave requests were reviewed and approved, and a total of three (3) that were denied.

Another leave benefit is Temporary Disability Insurance (TDI). The County has a self-insured TDI plan that provides income replacement benefits for qualified employees for a set period of time. The review of TDI benefits involves multiple steps including obtaining information on sick leave accruals from our Payroll division. Similar to family leave benefits, our division will prepare the necessary paperwork including personalized letters to employees on the determination of their eligibility and approval/denial of benefits. However, prior to sending TDI claim forms to employees regarding TDI benefits, our staff

checks on the employees' eligibility. While we do not stop employees from submitting TDI claim forms, we have tried to be proactive in providing them with this information before they spend the time and money to complete the forms. Of those who have submitted claim forms, there were a total of seven (7) employees who qualified for TDI benefits and two (2) who were denied.

Lastly, the Leave Sharing Program provides the opportunity for employees to donate leave time to assist fellow co-workers or their co-workers' family members who are suffering from a serious personal illness or injury. Our division reviews requests, and if approved for leave share benefits, we will coordinate the leave donations. This year, we approved four (4) leave sharing requests and denied one (1) request.

Other Activity

Unfortunately, this year, a long-time employee with the Parks and Recreation Department passed away due to illness. Our division assisted his family (beneficiaries) with the payment of last paychecks and insurance benefits.

The County offers all employees access to Employee Assistance Program (EAP) services through a third-party vendor. EAP provides counseling and case management for employees. The top reasons for EAP individual counseling this past year were related to the following issues: work-related (21%), drugs/alcohol abuse (21%), marital/relationship (12%), and critical incident/trauma (9%). Our division has worked with managers on several supervisory EAP referrals for employees who have experienced a decline in performance and/or behavioral issues that have affected the workplace.

The Administrative Services and Benefits Division handles other miscellaneous requests and inquiries. This year, we processed over one hundred thirty-seven (137) reference checks for potential new hire candidates and also processed one-hundred fifty-eight (158) employment verifications. Verification of employment requests could include employees submitting requests for a detailed breakdown of pay information for mortgage company requests, which take time to complete. With the Workday system, we have been able to pull data more easily than in our previous HRMS system, which has helped considerably.

Technology & Policy Initiatives

The Administrative Services and Benefits Division successfully implemented the Talent module of our Human Resources Management Systems (HRMS) Workday system on January 1, 2025. The Talent module introduced supervisors and employees to online/electronic Job Performance Review forms. With this implementation, manual notification and paper forms were replaced with automated notifications and electronic forms and approval routing. Additionally, Notice of Disciplinary Action (NoDA) forms and Performance Improvement Plan (PIP) forms were made electronic. This has allowed for efficient processing and notification. A great benefit that has come from this implementation is that managers have easy access to their employees' records, now online, to view, monitor, and take necessary action regarding employee performance.

As part of the Workday Recruiting module implementation, we successfully replaced manual/paper offer of employment and welcome/congratulatory letters with online letters that automatically generate as the recruitment process transitions to the hiring

process in Workday. Additionally, processes that were previously manually done were automated, including 89-day temporary hire notification and processing.

Free Health Care Premium Coverage Benefit

As mentioned in the Recruitment Division highlights, as of September 1, 2024, the County of Kauai began offering free health care premium coverage to employees. The Administrative Services and Benefits Division asked new hires whether the free health insurance premiums influenced their decision in accepting employment with the County. Of the 80 benefits-eligible hires from October 16, 2024 through June 30, 2025, 11% were aware of the benefit but said that it was factor in their decision to apply. 60% stated that they were aware as well but that it was not a factor in their applying for County employment.

We also asked employees who were leaving the County for various reasons whether the free health insurance premiums made a difference in their decision to stay employed longer with the County. 25% of the 28 employees who responded to our inquiry stated that they either planned on leaving the County earlier or seriously contemplated staying with the County because of the free health care premiums benefits. 61% stated that it did not factor in their decision to leave the County but felt that the benefit was great and hoped that it would continue to remain as a benefit.

Administrative Services and Benefits Looking Ahead

The division continues to find ways to improve the hiring experience for those entering the County workforce. We are revisiting the online onboarding procedures to streamline the review and policy acknowledgement process. We are also implementing more automated notifications that will further support departmental staff in ensuring that deadlines are met in various processes.

Employee Development and Health/Safety Services

The Employee Development and Health and Safety Services Division coordinates and conducts general staff development training for employees and leadership and supervisory-related training for managers ensuring individuals have the necessary skills and knowledge to grow professionally while working in a safe and healthy environment. The division strives to proactively manage workplace safety by working with departments on eliminating or mitigating hazards and workplace injuries for employees and to ensure compliance with government regulations, such as those from the Hawai'i Occupational Safety and Health Administration (HIOSHA).

Safety-Related Training Activity

One hundred and eight (108) trainings were provided to employees under the Vehicle and Equipment Operator's Training Program. Significant effort and time continue to be spent on training employees to get their commercial driver's licenses. We continue to provide classroom-type (theory) training as well as behind-the-wheel training. As part of the annual driver improvement program, classes are required for all Commercial Driver's License holders and those driving a vehicle with a Gross Vehicle Weight Rating in excess of 10,000 pounds. Seventy-six (76) drivers completed the program this year.

To promote safety standards, we again coordinated training on Occupational Safety and Health Administration (OSHA) standards. Safety information was provided to one hundred and forty-one (141) employees. Representatives from the Hawai'i Occupational Safety and Health (HIOSH), our Risk Management Broker, Atlas Insurance, and Fire Department staff presented information to employees and supervisors of various safety topics including Hazard Communication, Personal Protective Equipment, Fall Protection, Ladder Safety, Fire Extinguisher, and Back Safety.

Additional safety training provided throughout the year included Bloodborne Pathogens training and first aid training. Conducted by HR Staff, a total of sixty-seven (67) employees attended a Bloodborne Pathogen safety training session. Certified HR staff also conducted first aid/CPR training for seventy-one (71) employees throughout the County.

Along with our third-party administrators of our Employee Assistance Program (EAP), WorkLife Hawai'i, we presented our annual Drug and Alcohol Reasonable Suspicion Training to County supervisors. The four (4) hour training provided supervisors information on signs/symptoms of substance abuse to enable them to recognize the signs of drug and/or alcohol abuse and take appropriate action when substance abuse is suspected. The training also covered specific procedures/rules in accordance with the various collective bargaining unit agreements. A total of eighty-three (83) supervisors attended.

Active Shooter Training sessions were provided by the Kauai Police Department. Employees within various departments including the Agency on Elderly Affairs, Housing Agency, and our department were trained on how to handle workplace violence/active shooter situations.

Leadership and Supervisory Training Activity

With continued support from our Mayor and Managing Director, we were able to again offer leadership training for new supervisors and managers. The training program, conducted by Glenn Furuya and Debbie Bacon of Leadership Works was exclusive to those who desired to become a leader, those who were in leadership roles and wished to improve their skills, and those who supervised and/or directed leaders within various levels of management. "The Five Seeds of Effective Leadership" training required commitment from the attendees as they attended six (6) full-day training sessions. The 2nd County of Kauai Leadership cohort was completed on May 7, 2025, with fifty-six (56) employees receiving training completion certifications.

Leadership Training for Police Department leaders was provided by Dale Carnegie beginning on July 8, 2024 and continuing for eight (8) weekly sessions ending on August 26, 2024. A total of eighteen (18) employees completed the training that was specifically tailored for those in leadership positions in law enforcement.

We were fortunate to have Alt Kagesa from Pacific Facilitation and Training return to conduct "Thriving in Hawai'i's Culture" training for Fire Department personnel on September 27, 2024. The training included team-building exercises that allowed participants to see how others were similar as well as differed in how they best learned and strived when facing challenging situations. Twenty-seven (27) employees attended.

“Exceptional Customer Service” training was provided and conducted by Alt Kagesa on October 15, 2024. Seventy-five (75) employees from various departments attended. Human Resources Staff provide Customer Service Training on an ad hoc basis for individual employees requiring retraining following incidents.

Part of the Human Resources staff’s role is to provide guidance and support for departments when addressing personnel issues. We have seen the need for managers to receive training on how to handle and resolve conflicts. In working with our EAP provider, WorkLife Hawai’i, Conflict Resolution Training was provided on February 25, 2025 to eighty (80) supervisors and managers.

General Supervisory training was provided by Human Resources management staff to various departments. While the focus was on new supervisory staff (i.e., those recently promoted to supervisory roles), we also provided training to all supervisory levels on various topics including general supervisor roles/responsibilities, basic laws/policies, collective bargaining rules, job performance reviews, performance improvement plans, conducting internal investigations, etc.

Other Training Activity

Policy Against Discrimination, Harassment, and Retaliation video was redone. We procured Attorney Sarah Wang to create the training videos. We began using the updated Employee training video (1 hour long) in new hire orientations replacing the outdated version as of March 17, 2025. The Supervisory training video (2 hours) has also been utilized.

Greg Stube, 23-year veteran of the U.S. Army Green Berets, led two (2), four (4)-hour training sessions on leadership, on September 4, 2024 and September 6, 2024. The presentation discussed leadership, as well as team dynamics and resiliency. A total of three hundred twenty-six (326) employees attended.

Other Safety Activity

This past fiscal year, the division coordinated several safety inspections at County facilities. Atlas Insurance risk management personnel assisted in these inspections and provided detailed reports of potential hazards that required corrective action. The reports included recommendations on mitigation efforts, while also outlining potential problems if the hazards were not corrected, including possible HIOSH fines and penalties. We take pride in being able to offer this service to departments as a proactive approach in ensuring a safe workplace.

Atlas Insurance risk management personnel also assisted in assessing workstations for County personnel. They were able to identify and evaluate risks in employees’ workstations in hopes of preventing musculoskeletal disorders (MSDs), improving employee comfort and well-being, and increasing overall productivity and efficiency. By analyzing factors like posture, repetitive motions, and force, these assessments provide data-backed recommendations to create a healthier, safer, and more productive work environment for employees.

Workers Compensation Activity

One hundred fifty-nine (159) workers’ compensation claims were actively worked on this year by the County’s third-party administrator, TRISTAR Risk Management. There were seventy-two (72) new reportable claims, which is an increase in claims as compared to last fiscal year when there were sixty-four (64) new claims. Of the total claims, seventy-two (72) claims remained open, and eighty-seven (87) claims were closed.

Worker’s Compensation benefits paid this fiscal year was \$1,748,100.36 which was up from \$1,189,129.22 from last fiscal year. Reserve amounts also increased from \$2,993,210.53 to \$3,008,711.84.

Workers’ Compensation Claims and Costs by Department

Department/ Agency	Open	Closed	Total Claims FY 2025	Total 2024	Department/ Agency	Claims FY Cost FY 2025	Cost FY 2024
Attorney (County)	0	0	0	0	Attorney (County)	\$ -	\$ -
Clerk/Council	0	1	1	0	Clerk/Council	\$ 29.95	\$ -
Economic Development	0	0	0	0	Economic Development	\$ -	\$ -
Elderly Affairs	1	0	1	1	Elderly Affairs	\$ 11,374.38	\$ 4,831.37
Finance	2	1	3	3	Finance	\$ 74,723.67	\$ 45,831.32
Fire	9	15	24	22	Fire	\$ 439,177.06	\$ 230,875.21
Housing	1	1	2	0	Housing	\$ 1,274.67	\$ -
Human Resources	0	0	0	0	Human Resources	\$ -	\$ -
KEMA	0	0	0	0	KEMA	\$ -	\$ -
Liquor	0	0	0	0	Liquor	\$ -	\$ -
Mayor’s Office	0	0	0	0	Mayor’s Office	\$ -	\$ -
Parks & Recreation	17	15	32	41	Parks & Recreation	\$ 468,474.61	\$ 246,887.60
Planning	0	0	0	0	Planning	\$ -	\$ -
Police	11	30	41	52	Police	\$ 205,492.26	\$ 183,390.63
Prosecuting Attorney	1	0	1	1	Prosecuting Attorney	\$ 61,237.84	\$ 28,020.88
Public Works	22	17	39	40	Public Works	\$ 441,206.61	\$ 319,168.52
Transportation	6	6	12	13	Transportation	\$ 42,802.36	\$ 111,269.27
Water	2	1	3	4	Water	\$ 2,306.95	\$ 18,854.42
Total	72	87	159	177	Total	\$1,748,100.36	\$1,189,129.22

Workers' Compensation Costs and Reserves by Benefit Type

BENEFITS	COSTS INCURRED			RESERVE AMOUNTS		
	Costs FY 2025	Costs FY 2024	Change	Reserves FY 2025	Reserves FY 2024	Change
Medical	\$431,304.40	\$604,822.13	\$173,517.73	\$1,025,921.52	\$835,723.87	-\$190,197.65
Temporary Total Disability	\$478,214.00	\$507,789.84	\$29,575.84	\$686,680.52	\$378,970.85	-\$307,709.67
Permanent Partial Disability	\$137,874.68	\$362,059.91	\$224,185.23	\$912,014.76	\$1,366,973.45	\$454,958.69
Vocational Rehabilitation	\$0.00	\$ 308.27	\$308.27	\$38,772.04	\$24,791.87	-\$13,980.17
Other Allocated Expenses	\$141,487.14	\$273,120.21	\$131,633.07	\$323,746.31	\$397,097.88	\$73,351.57
Administrative Expenses	\$ 249.00	\$0.00	-\$249.00	\$6,075.38	\$5,153.92	-\$921.46
Total Costs	\$1,189,129.22	\$1,748,100.36	\$558,971.14	\$2,993,210.53	\$3,008,711.84	\$15,501.31

Employee Development and Health and Safety Services Looking Ahead

The division continues to find ways to improve worksite safety, and we plan on coordinating additional safety inspections and providing support to departments. We will be coordinating and conducting various trainings, focusing on leadership and development. With connections built with managers and leaders within the other departments, we have opened the communication door so that these individuals can contact us for guidance and support. While easier said than done, we have seen growth in supervisors in taking action in addressing potential problems in their infancy stage as opposed to allowing issues to fester.

Payroll

Central Payroll staff continued to communicate with employees and/or managers often to assist them with questions and concerns regarding the Workday system and transfer knowledge to ensure employees grasp a deeper understanding of time entry and pay slip functionality.

ADP payroll tax services continue to file and process state and withholding taxes on a semimonthly, quarterly, and annual basis. The automation of these submissions greatly reduces the chances and likelihood of late submissions and likelihood of transposing figures that were priorly handled by manual submission/uploads to various state websites.

New & Continued Support Channels for Staff:

Training

On-Demand training was held with various departments, divisions, managers and even directly one-on-one. Routine trainings for various departments continued as was done in the past.

Payroll Help Line

Central Payroll established a direct help line (with the assistance of IT) that rotates incoming calls to Central Payroll's Technicians and Payroll Specialists. This line was created with an easy-to-remember extension number and to ensure that employees have their concerns addressed and answered immediately and without delay.

MS Teams Channels Created to Better Support Departments & Processes

Due to the nature of constant schedule changes for our Police Department, MS Teams Channels have been established and used to assist in training for future KPD audits (to begin 7/1). This Channel allows authorized viewers/editors to have access to changes to staff's schedule changes and updates. It also allows multiple people to be in the same file at once and has shown to be a very efficient and effective tool in conducting payroll audits.

Continued Savings in Check Printing for Employees and ACH Payments

Direct deposits for all employees (even part-time and seasonal hires) have continued during this time. Overall, it has cut down on the costs of checks and staff time to obtain wet signatures from approved signers, and/or reissue manual or lost checks.

As of June 30, 2025, ACH vendor payments represent twenty-four (24) out of our thirty-six (36) Payroll AP vendors.

Help Ticket Payroll System In Progress

Central Payroll is currently working on creating a Help Ticket system for employees to submit payroll and absence questions. Each ticket will be assigned to respective payroll support staff of that Department and will also be used to track the types of issues end users are seeing and experiencing. The results will be used to help identify what areas or categories of training are needed and whether certain processes need to be reevaluated and/or revisited.

FY25 Payroll Achievements & Statistics:

Payout of COVID-19 Hazard Pay

A huge undertaking this FY was the payment of COVID-19 Hazard pay to eligible employees. Payments were made in February (UPW), March (HGEA), and May (KPD) of 2025. A total of \$14.5 million was paid out. As a direct result of the Hazard Pay Settlements, Central Payroll calculated and processed over 1,000 physical checks between July 2024 - June 2025, compared to 7 the year prior (a 1,418% increase). Accompanying these checks were also summarized breakdowns of the pay calculated. Checks were cut and distributed to both active and terminated workers. Given the new manual check processing with the Workday system, County checks could be printed with

electronic signatures and no longer needed to obtain wet signatures from authorized signers (as was done in the past).

Continued Centralization of Payroll Across the County

This Fiscal Year, the Department of Public Works was added to the list of Centralized Departments DHR Central Payroll oversees. Along with this new task came many challenges that Central Payroll staff overcame. Intensive training was held for 200+ Public Work employees from Kekaha to Hanalei. Central Payroll staff made themselves available to all workers regardless of their locations, ensuring that Training sessions were as convenient as possible. Refresher trainings were also made available on an as needed basis.

In preparation of the July 1st transition of Police payroll centralization, monthly knowledge share meetings were scheduled throughout the year, regular touch base meetings with KPD Admin occurred, and DHR Central Payroll was tasked with new recruit and manager trainings (December 2024 & January 2025).

As of June 30, 2025, DHR payroll centralized 15 of the County's 18 departments. As mentioned above, the next department to be centralized will come over effective July 1 (leaving just two departments left to be centralized).

As DHR continues its journey to centralize payroll services to increase standardization and efficiencies, staff continues to work closely with various departments to build positive relationships and develop better understanding in how specific business processes are established and followed. In addition to greater efficiencies, it allows for consistent contract interpretations across the different bargaining units County of Kaua'i employees fall under. As relationships continue to flourish, payroll support staff have been able to communicate better and recognize certain department payroll processes that could be standardized across the County. With DHRs guidance, a few departments have transitioned away from (and have made corrections to) poorly grandfathered timesheet, approval, and absence practices because of this centralization. The knowledge learned and obtained from centralizing has allowed Central Payroll to revisit certain 'work arounds', update Workday system configuration, and update and recommend employees of best practices. Auditing practices have also unveiled misunderstandings or common practices that have been done incorrectly within various departments. DHR was able to immediately address these issues and schedule training to educate employees on the accurate ways to enter their time or do specific processes. DHR Central Payroll staff have also been able to work closely with Departments that central payroll staff do not currently oversee but provide guidance to when needed/asked.

Statistics:

EUTF – Domestic Partners

This year, the County, along with other state jurisdictions, continued to implement tax deductions for imputed income which would account for the portion of employer paid medical/Employer-Union Health Benefits Trust Fund (EUTF) benefits for domestic partners (and their children). This was to ensure that those employees were taxed accordingly for the employer portion of medical benefits paid on behalf of the employee's

domestic partner/family. This year, there were a total of twenty-four (24) employees that had domestic partners. All paid additional taxes on behalf of employer paid benefits for their domestic partners/family. Procedures were put in place to request employees to submit annual documentation from the Internal Revenue Service (IRS) stating whether a partner/family was considered IRS qualified or not. If deemed IRS qualified, no additional taxes were withheld from employee paychecks.

EUTF - Employee and Employer Savings by Offering Free Medical & Medical Incentive Participation

Free medical was offered to employees that enrolled in the HMSA 75/25 or Kaiser Standard plans. Each employee saved between \$52 to \$67 in Medical, \$15 to \$49 in Dental, and \$2 to \$4 in Vision, totaling \$69 to \$120 per month or \$690 to \$1,200 this Fiscal Year (**Based on 10 months as Free Medical Coverage began September 1, 2024*).

A total of 167 employees took advantage of the medical incentive program which in lieu of taking medical insurance coverage through the County, employees would receive \$200 per month. Although this program cost the County \$410,324 in additional pay to workers, had these workers elected for medical coverage in FY25, it potentially saved the County anywhere from \$843,283 to \$2,708,640 in Medical, \$61,590 to \$202,604 in Dental, and \$7,014 to \$17,068 in Vision for a total of \$911,887 to \$2,928,312 in medical coverage throughout the Fiscal Year. (**Note that the basis of these calculations was on Employer minimum and maximum costs of medical coverage plans for 10 months (Free Medical Coverage began September 1, 2024)*)

Part Time Seasonal Savings

The County has continued to realize savings from the Part-time, Temporary, and Seasonal (PTS) Deferred Compensation Program that started in September 2017. PTS employees do not contribute to Social Security and instead, a PTS deferred compensation account is set up for their contributions. The County's savings are obtained by the lowered Social Security taxes that are paid based on a reduced gross payroll. This year, a total savings of \$82,131 was recognized. This was an increase of 14% compared to last fiscal year's total savings of \$71,858.

Pre Tax Savings

The County has other pre-tax programs including retirement contributions, deferred compensation, and flex spending including medical premiums in which employees may elect to have these various deductions taken before taxes from their paychecks. By allowing these employees to take such pre-tax deductions, they were able to lessen their taxable incomes collectively by \$16,801,829 during the fiscal year. Likewise, the County's taxes were reduced by \$1,102,366 because of these pre-tax options.

V. BUDGET

	FY 2025-Budgeted	FY 2025-Actual*
Salaries	1,968,141.00	1,933,256.98
Employee Benefits	1,157,618.00	1,108,546.20
Operations	1,117,733.00	1,203,335.78
Total	4,243,492.00	4,245,138.96

* Actuals are unaudited and subject to change.

Payroll

Payroll	FY 24	FY25
Gross Payroll	\$108.5m	\$129.8m
Employer Union Trust Fund (EUTF)	\$27.7m	\$30.8m
Active	\$10.8m	\$13.1m
Retirees	\$9.2m	\$7.4m
OPEB (Other Post Employment Benefits)	\$8.4m	\$10.3m
Employee Retirement System (ERS)	\$27.3m	\$30m
Social Security	\$4.3m	\$5.4m
Medicare	\$1.6m	\$1.8m

Bargaining Unit	# of Employees
Unit 1	375
Unit 2	18
Unit 3	219
Unit 4	15
Unit 11	139
Unit 12	133
Unit 13	189
Unit 13 Excluded	79
Unit 15	64
Non-Represented	137
*Total	1,368

Number of County Employees as of June 30, 2025

Department	Probationary/ Permanent	Provisional/ Limited Term (CS)	Elected/ Appointed (LT-Non-CS)	Contract	Total
Auditor's Office	0	0	0	0	0
County Attorney	5	0	13	0	18
County Clerk	4	0	29	4	37
Economic Development	0	0	8	0	8
Elderly Affairs	0	8	7	0	15
Emergency Management Agency	6	1	0	0	7
Finance	87	5	4	1	97
Fire	188	23	3	0	214
Housing Agency	0	0	1	25	26
Human Resources	19	0	2	0	21
Liquor Control	5	0	1	0	6
Mayor's Office **	0	0	17	0	17
Parks and Recreation	173	4	3	0	180
Planning	22	4	2	0	28
Police	171	0	3	5	179
Prosecuting Attorney	21	1	16	1	39
Public Works	217	5	7	0	229
Transportation	0	0	84	0	84
Water	90	0	3	0	93
Total	1,008	51	203	36	1,298

**Mayor's Office includes Boards and Commissions staff