

THE SENATE
THE TWENTY-FIFTH LEGISLATURE
INTERIM OF 2009

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COMMITTEE ON LABOR
Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

'09 SEP 17 P 3:17

NOTICE OF INFORMATIONAL BRIEFING

DATE: Thursday, September 24, 2009
TIME: 5:30 pm
PLACE: Kanihale Community Center
74-5100 Haloeolono
Kailua- Kona, Hawai'i 96740

A G E N D A

The purpose of this informational briefing is to provide the public an opportunity to inform lawmakers about difficulties or problems in obtaining information or accessing their Unemployment Insurance benefits. The Committee is interested in exploring ways to improve the Unemployment Insurance benefits system in light of the more than \$200 million in federal assistance provided to date.

Testimony

Persons wishing to testify should submit testimony in one of the following ways by 4:00 p.m. the day prior to the hearing:


- **By Email:** Testimony may be emailed if less than 5 pages in length, to the Committee at LBRTestimony@Capitol.hawaii.gov. Email sent to individual offices or any other Senate office will not be accepted.
- **In person:** 1 copy of their testimony to the committee clerk, Room 204, State Capitol.
- **By fax:** Testimony may be faxed if less than 5 pages in length, to the Senate Sergeant-At-Arms Office at 808-586-6659 or 1-800-586-6659 (toll free for neighbor islands), at least 24 hours prior to the hearing. When faxing, please indicate to which committee the testimony is being submitted and the date and time of the briefing.

Please note: If you submit your written testimony after 4 :00 p.m. the day prior to the hearing, please sign-in at the staff table to testify orally. A copy of your testimony may not be available during the hearing but will be posted online for the public after the hearing.

All testimony received by the Hawaii Senate will be posted on the Hawaii Legislature's Website. Documents made available through the Testimony hyperlink(s) above may not be posted until after the briefing.

If you require special assistance or auxiliary aids and/or services to participate in the informational briefing (i.e., sign language interpreter or wheelchair accessibility), please contact the Committee Clerk at 808-586-7335 to make a request for arrangements at least 24 hours prior to the briefing. Prompt requests help to ensure the availability of qualified individuals and appropriate accommodations.

For further information, please call the Committee Clerk at 808-586-7335.



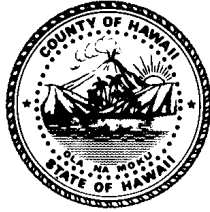
Senator Colleen Hanabusa
Senate President



Senator Dwight Y. Takamine
Chair



William P. Kenoi
Mayor



William T. Takaba
Managing Director

Walter K.M. Lau
Deputy Managing Director

County of Hawai'i Office of the Mayor

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(808) 327-3602 • Fax (808) 326-5663

September 24, 2009

Chairman Dwight Takamine
And Members of the Senate Committee on Labor
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Aloha, Chairman Takamine and Members of the Senate:

Thank you for this opportunity to present testimony on the needs of the growing number of unemployed persons in our community during this economic downturn.

Like you, we receive calls at county offices from residents who have been laid off. They have mortgages and bills to pay and families to support, and they need to be able to quickly access and maintain their unemployment benefits until they can find new jobs. They are worried about the complexities of filing claims for unemployment benefits, and wonder when their payments will end. They are asking for our help.

Their stories of hardship are disturbing, and we all owe it to them to ensure the unemployment compensation system delivers assistance quickly and with compassion. These are hard-working people who have become victims of hard times, and we must serve as their advocates.

Any steps you can take to streamline the filing process, increase efficiency in claims processing and remove barriers from the paths of our unemployed workers will be deeply appreciated by our entire community. If there was ever a time the system needed to function smoothly and efficiently, this is it.

Mahalo for providing support for our working families during this difficult time.

Aloha,

William P. Kenoi
MAYOR



INTERNATIONAL LONGSHORE & WAREHOUSE UNION

LOCAL OFFICE • 451 ATKINSON DRIVE • HONOLULU, HAWAII 96814 • PHONE 949-4161

HAWAII DIVISION: 300 West Lanikaula Street, Hilo, Hawaii 96720 • OAHU DIVISION: 451 Atkinson Drive, Honolulu, Hawaii 96814
MAUI COUNTY DIVISION: 896 Lower Main Street, Wailuku, Hawaii 96793 • KAUAI DIVISION: 4154 Hardy Street, Lihua, Hawaii 96766

LOCAL 142

September 24, 2009

Senator Dwight Takamine, Chair
Committee on Labor
Hawaii State Capitol
Honolulu, Hawaii 96813

Dear Chairman Takamine and Members of the Labor Committee:

The International Longshore and Warehouse Union (I.L.W.U.), Local 142, Hawaii Division, represents nearly 4,000 members in various trade groups here on the Big Island of Hawaii. None have been hit harder by the lingering economic downturn than our hotel and tourism industry workers. We represent hotel and tourism workers from Keauhou to the Kohala Coast.

Over the past eight months, many of our members have had to apply for and rely on unemployment insurance benefits from the Department of Labor. In that time, we have been inundated with complaints from our members that describe how difficult it is to get through to the Unemployment Office through the Claims phone line. Many have complained of spending hours waiting for assistance.

We were especially disappointed with the Department of Labor's inability to send a team to assist in a large layoff situation. The Mauna Lani Bay Hotel and Bungalows closed on September 1, 2009 for renovations. Many of the employees of the hotel had requested that we invite the Department of Labor to the Hotel to assist them with the crucial documents and protocols needed to apply for unemployment insurance benefits.

Prior to the closure, my team sent a letter inquiring as to whether or not the Department of Labor could assist these workers during a very tense situation. Though there were between 300-400 employee requiring assistance, the Department of Labor did not even respond to our request.

This is not only disrespectful to the workers, but it is disrespectful to our members' perception of the Department of Labor which, until recently, has been quite efficient and accommodating.

We are respectfully requesting that the Department of Labor review its policies with regard to assisting workers in a respectful and reasonable manner. Thank you.

Very truly yours,

ILWU LOCAL 142, HAWAII DIVISION

Richard Baker, Jr., Division Director

cc: Hawaii Division files
Wallace A. Ishibashi, Jr., Division P.A.C. Coordinator
Gregory Gauthier, Business Agent

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“AN INJURY TO ONE IS AN INJURY TO ALL”

Operating Engineers Local Union NO.3
50 Waiianuene Avenue, Hilo Hawaii 96720 (808)935-8709

SENATE COMMITTEE ON LABOR

Senator Dwight Takamine, Chair

Senator Brian Taniguchi, Vice Chair

Thursday, September 24, 2009, 5:30pm

Kaniohale Community Center

Kailua-Kona, HI

Chair Takamine, Vice Chair Taniguchi, and Members of the Committee:

On behalf of our membership of Operating Engineers Local Union No. 3, I would like to address the concerns and complaints about the Unemployment office in Hilo as follows;

1- **Unorganized** - Misplaced Registration of Verification that are faxed to them by our dispatcher (Oahu)

Forms are signed and faxed directly to Unemployment. Members do not find out that they have not received it until their check is not received. Members are having to come back into town to pick up a blank form from the unemployment office and drive back to our office for paperwork to be re-faxed to Oahu for signature. Some of them are having to do it two or more times. There seems to be no tracking as far as who receives their faxes and members are not assigned to any staff in particular. Many times when members return back to unemployment with a second signed form, members are told then that it was found.

2- **Prolonged Waiting** - Members are having to wait for a long period of time for attention. Meanwhile, having to listen to loud out bursting arguments between clients and unemployment staff (No privacy and very frustrating).

3- **Automated Phone System** - Members are told to call in on the automated line to avoid waiting in line at the office. Members are complaining that the automated lines are too long of a wait and at times not available. Unemployment office lines are too busy to call in a complaint regarding the automated system. Members feel that it is best to go in person and wait, hoping there will be a better way to handle the situation.

Solution: It would be much less difficult for members and staff at the unemployment office if they could simply fax the registration of verification to our dispatcher in Oahu, rather than having the members report back to them to pick up the form. It would save them time and stress from having to serve more people just to hand over a blank form. (It was asked many times by members and the answer was "NO").

It would be easier if each staff would be assigned to customer/clients by last names alphabetically, so the members would be able to report directly to a particular staff to verify receipt of signed forms.

Mahalo for the opportunity to testify on behalf of the Operating Engineers Local NO. 3

Leilani Kimura

Operating Engineers Local NO.3 - Secretary

TESTIMONY

Obtaining information or accessing Unemployment Insurance benefits
By Farrah-Marie Gomes

SENATE COMMITTEE ON LABOR

Senator Dwight Takamine, Chair
Senator Brian Taniguchi, Vice Chair

Thursday, September 24, 2009, 5:30pm
Kaniohale Community Center
Kailua-Kona, HI

Chair Takamine, Vice Chair Taniguchi, and Members of the Committee:

Thank you for this opportunity to provide testimony on the issue of obtaining information or accessing unemployment benefits. My name is Farrah-Marie Gomes and I am here today to provide testimony on behalf of my boyfriend, Tim Ferreira. A former employee in the field of construction, he became unemployed 14 months ago. We own a home and have one child in preschool in addition to other normal living expenses.

Although not easy, we have adjusted to the change in income level based on his unemployment. For the most part, money is not an issue, *except* when he doesn't receive his bi-weekly check when we expect it. This has happened approximately three times in the past 14 months. Each time, we have called into the Kona office to inquire about the reason why and what steps were necessary to remedy the situation. Trying to call in to the Kona office has proven to be a nightmare. On one occasion, Tim started calling at 8:00 in the morning and every 15 minutes thereafter until he got through at 1:15. This means that there were a total of 21 phone call attempts, all resulting in a busy signal, before he finally got through. On two other occasions, 17 and 14 attempts were made before getting through. Is the assumption that people who are unemployed have free time on their hands and therefore, it's okay that they have to spend so much time just trying to access a real person to talk to about their unemployment issues?

When finally getting through to the office, there is often another issue that we have had to deal with. On two occasions specifically, we spoke with staff in the Kona office who were short fused and rude. It almost appears that they tend to forget who they might be talking to. They use terminology that the normal person doesn't understand and when we ask them to explain the process, they get "cocky" and "sassy". While we understand that the staff probably field questions all day long from many people about benefits, it is not acceptable that any amount of attitude be given to those who are unemployed. The unemployed are already frustrated that they don't have a job. They are anxious about making ends meet. They are uncertain about their future. They are worried about their families. They are terrified about losing their homes. The staff in the unemployment office should first be thankful that they have a job, then second, remember that it is their job to assist those who aren't as fortunate as them who don't have jobs.

This doesn't mean that the unemployed have the right to be rude or have an attitude toward those in the office either, but wouldn't *you* be frustrated if you were trying for

over 5 hours to call the office and all you got was a busy signal? Perhaps a systemic solution might be to add additional phone lines to the office allowing people more access which might thereby result in less frustration on behalf of the callers when they finally get through, thus a positive result for your staff as well.

The proposed idea of additional phone lines may also mean having to hire additional staff to man those phones. At what point do we consider hiring more people to assist the continuously increasing number of individuals who get unemployed? Are these possible uses for the more than \$200 million in federal assistance that our state has received?

Most recently, when Tim had to re-qualify for unemployment because he started tapping into emergency unemployment funds, we encountered a situation where on three separate days in a row he received 3 notices containing inconsistent information about his weekly eligible amount. Does this mean that someone, either the same person or different people on different days, was reviewing his case on separate days and each day there was new information that affected the outcome? Can you imagine how confusing this was to one day think that he was getting less than the max weekly amount, then the next day, feeling relieved because he was informed that he qualified for the max weekly, and then the next day, get bummed out again because he actually didn't qualify for the max amount. Is there not a set process in place to determine what affects one's eligibility amount? Shouldn't this all be considered before a written statement is sent out to the claimant? Is there a way to streamline this part of the process so as not to cause anymore confusion to claimants?

I prefer not to delve any deeper into further issues that we have encountered. I think this information captures the essence of what I wanted to share – our current State Unemployment Insurance benefits system is not user friendly. It creates a lot of frustration that has negative spillover effects in people's lives.

If I could, I'd like to provide several suggestions as to what might help make this process more user friendly for all of those involved.

1. Add additional phone lines to the local offices.
2. Add more staff to help with the increase in number of unemployed being assigned to each office.
3. While I didn't mention anything about the automated claims filing phone system, additional lines for that system would be so helpful as well.
4. Provide training for staff in effectively dealing with callers, realizing that most calls come in only when there is a problem.

It is my hope that in sharing our experiences and suggestions with you, you will be able to assist in finding possible solutions that will benefit all those impacted through the Unemployment Insurance system.

Thank you again for this opportunity to testify,

Farrah-Marie Gomes

TO: SENATE LABOR COMMITTEE
Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

FROM: Alfred Berdon, III

DATE: September 24, 2009

RE: Unemployment Insurance benefits

ON: Thursday, September 24, 2009, 5:30pm

Thank you for this opportunity to share about my Unemployment issues. My name is Alfred Berdon, III. I have been unemployed since May 2009. I collect full-time Unemployment benefits when I am able to get through on the phone system. I'd like to share specifically what I need to do to successfully get into the system with less than five phone call attempts.

1. Call before 7am Sunday morning. If I don't get in before then, it becomes an all day battle.
2. Call after 11pm Sunday evening. By this time everyone else who had the patience or time to try all day has either gotten through or given up and gone to sleep.

I do these things because it's necessary to get my claim filed. However, it is problematic to have to plan my life around filing my Unemployment claims.

Then, getting into the system is only the first part of the issue. There have been many times when I called into the system and encountered further difficulties outlined below.

1. Half way through the claims process the system just stops responding. I use a landline to file my claims so I know my end of the call is not the one that's cutting out.
2. At the very end, I get the message, "We are unable to file your claim at this time. Please call again later."
3. On a few occasions, I have called and received a static sound on the line. It interfered so much with my hearing that questions that I had to hang up and start all over again.

Any assistance you can provide in making this system easier for us to access would be greatly appreciated.

Sincerely,

Alfred Berdon, III

DATE: September 24, 2009

TO: Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

FROM: Chad Tolentino

RE: Accessing Unemployment Insurance benefits

Chair Takamine and members of the Labor Committee,

Thank you for allowing me to testify. My name is Chad Tolentino. I have been unemployed for one year now. I file my claims every two weeks. My major issue that I'd like to share with you is that tele-claims system is inefficient. I cannot get through when I try to call to file my claims. I have to keep calling and keep calling. I spend most of my day just trying to call and get into the system. If there is any way that you can improve the tele-claims system, that would improve the efficiency of the state system as well as the frustration for me and so many of my friends who also encounter this very same issue. Thank you for your consideration into this matter.

TESTIMONY
Unemployment benefits
By Toni-Ann Labrador

SENATE COMMITTEE ON LABOR
Senator Dwight Takamine, Chair
Senator Brian Taniguchi, Vice Chair

Thursday, September 24, 2009, 5:30pm
Kaniohale Community Center
Kailua-Kona, HI

Senator Takamine Members of the Labor Committee:

My name is Toni-Ann Labrador and I would like to thank you for allowing me to provide my testimony in regards to Unemployment. I have been unemployed since October 2008. I am currently collecting partial unemployment, although there was a short period of time when I collected full-employment because of no work available.

I file my claims bi-weekly and thank goodness because I don't think I'd be able to do it weekly. The process is just so frustrating. What should be as simple as picking up the phone and making a 5 minute phone call has been drawn out to be an all day process sometimes.

If I know I have to go somewhere on Sunday, I get up and start calling first thing in the morning. If I don't get through, then I keep calling throughout the day. If one of my children has a soccer or basketball tournament, between games I will sit in the car and keep trying. It takes me NUMEROUS attempts to get through to the system.

I realize that I'm not the only one who is unemployed in this state. I just wonder if there isn't a way to increase the capacity of the automated system somehow. Each day more and more people are getting unemployed. The phone access is just keeps getting worse. Can you look into possible solutions to help us all?

This is my source of income. I am a single mother of three children and I rely on my income to provide for our family needs. If it means giving up parts of my day just to file my claims, then a mother's got to do what a mother's got to do, right?

Thank you,
Toni-Ann Labrador

DATE: September 23, 2009

TO: Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

FROM: Tanya Botelho

RE: Obtaining information or accessing Unemployment Insurance benefits

TO BE HEARD: Thursday, September 24, 2009, 5:30pm

My name is Tanya Botelho and I would like to thank you for this opportunity to testify. I am a lifelong resident of Hawai'i Island. I am a mother of 3 young children. Three years ago, when I changed careers and became a truck driver, I also became the breadwinner in my household.

Unfortunately, due to the economy, I have only been working intermittently. This means that I have been trying to collect Unemployment benefits intermittently for those periods when I qualified.

This past summer was extremely devastating for me and my family. My employer didn't have employment for a period of weeks. I completed the requirements for filing my claim and waited patiently for my check. First week, no check. I thought it was because of a waiting period. Second week, no check. I tried to call the Kona office. For three days, I called at least 10 times each day and couldn't get through. I gave up. Third week, no check. I tried to call the Kona office again. This time, I kept calling until I was able to get through. After about a fifteen attempts, I finally got through. I wasn't given any concrete reason as to why I wasn't receiving my checks. I was told the matter would be looked into and I would be contacted. No follow-up contact was ever made. Fourth week, no check. This time, I called Kona and when they told me they still didn't know why, I called Oahu myself. At that point, Oahu acknowledged that there was "some type of oversight" and that everything they needed to process my claim was received so they were going to put in for the payment immediately. They never said what the oversight was or for how long they had everything they needed. At that point, I was just happy to know I was getting my checks that I didn't even bother to ask.

While this was all going on, I had fallen behind on my electricity and other bills. My phone was disconnected. However, worst of all, if it weren't for my family's assistance in loaning me some money, I wouldn't have been able to buy school supplies and clothes for my children to go back to school with. As a mother, I have had to tell my children no before. But in this situation, it just broke my heart thinking about what I'd have to tell my children and their teachers.

Senator and committee, I support many efforts of local government and appreciate all that you do. I urge you to please find a better way to operate the State's Unemployment process.

Testimony
Obtaining information or accessing unemployment benefits
By Roxane Kalilikane

SENATE COMMITTEE ON LABOR
Senator Dwight Takamine, Chair
Senator Brian Taniguchi, Vice Chair

Thursday, September 24, 2009, 5:30pm
Kaniohale Community Center
Kailua-Kona, HI

Chair Takamine, Vice Chair Taniguchi, and Members of the Committee:

Thank you for the opportunity to share with you my experiences with our State of Hawai'i Unemployment Insurance system. I am a lifelong resident of Hawai'i Island. Like many others, I had my work hours cut at my place of employment last year.

On most days, I feel very lucky to still be employed part-time. However, when it comes to the Unemployment Insurance process and accessing my benefits, because of the added layer with partial claims, this is when I sometimes feel it would be better if I were not employed at all.

The process of having to submit verification of hours worked has proven to be the most difficult for me. My employer contracts our payroll services to an outside agency who diligently submits my paperwork to the Unemployment office on Oahu. I have proof from Proservice of when they submit the information so I know that it's getting done.

Somehow there appears to be a delay at the State level of processing this information which ultimately results in delays in MY check. And how coincidental that this hearing is happening now since I am currently waiting to get paid for claims submitted over 5 weeks ago. This means I haven't gotten paid for 4 weeks. **Yes, the last check I received was for the week ending 8/15/09.** I rely on these checks to supplement my income. I think it's also important to note that this ISN'T the first time that this has happened to me either.

To make matters worse, when I try to call to inquire about not receiving my check, I am either put on hold for a very long time (over 40 minutes once) or can't get through on the phone line because it's busy.

And finally, on Sundays, sometimes I spend half the day trying to get through on the automated phone system. On 8/23, the systems were unavailable from 6:30am to 6:00pm. With the more than \$200 million in federal assistance provided to date, is it not possible to add more phone lines or the capacity to effectively deal with the increasing number of folks who are still unemployed?

LINDA LINGLE
GOVERNOR



DARWIN L.D. CHING
DIRECTOR

COLLEEN Y. LaCLAIR
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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Email: dlir.director@hawaii.gov

To: The Honorable Dwight Y. Takamine, Chair
and Members of the Senate Committee on Labor

Date: September 24, 2009
Time: 5:30 p.m.
Place: Kaniohale Community Center
74-5100 Haloeolono
Kailua- Kona, Hawaii 96740

From: Darwin L.D. Ching, Director
Department of Labor and Industrial Relations

A handwritten signature in cursive script that reads "Darwin L.D. Ching".

DLIR Testimony for September 24, 2009 Informational Briefing

The Department of Labor and Industrial Relations would like to clarify misleading statements made in a Senate Majority news release about the delivery of unemployment benefits and services at our Kona Office.

The Senate Majority's news release said West Hawai'i claimants waiting in line were turned away. Kona claims supervisor Katherine Perry confirms that the office often remains open past its regular business hours (4:30 p.m.) to assist claimants who are waiting in line, and we do not turn people away.

The Senate's news release also said claimants were unable to submit automated claims due to a phone system "outage." This is not accurate. The Hawai'i Teleclaim system, which allows unemployment claims to be filed by phone, was down for planned maintenance from 5:30 p.m., Thursday, August 20, 2009 until 4:00 p.m., Sunday, August 23, 2009. This maintenance was necessary to guard against a lengthy system failure. Claimants who called Hawai'i Teleclaim while the system was down, were notified of the maintenance and informed that the system we be back up after 4:00 p.m. on Sunday. The Department scheduled this maintenance for Thursday through Sunday to minimize the impact on the public because these are typically days with a lighter volume of calls.

Contrary to Senator Dwight Takamine's comments that the system is "falling down" or "failing to help these people," the state is working harder than ever to assist our residents who are out of work and seeking benefits.

Over the last year-and-a-half the Department's unemployment insurance workload has more than doubled as unemployment statewide has risen. To address the increased workload the Department has added phone lines, hired additional staff, and implemented Phase I of its internet claims filing. Phase II of internet claims filing is underway and when implemented will allow 80 percent of weekly claims to be filed online. Currently claimants who are Hawai'i residents and earned wages in Hawai'i can file their initial claims online at www.hawaii.gov/labor/ui.

I encourage members of the public to contact Katherine Perry at Kona Office at 808-322-4822 or Director Ching at 808-586-8844 to let us know of any difficulty they might be experiencing with the unemployment benefits process and how we can improve our services.

The Department is always willing to work with the legislature and claimants to address the efficient delivery of unemployment benefits. The Department remains committed to providing greater service to residents of West Hawai'i and we welcome the opportunity to hear the community's concerns.