

Honolulu, Hawaii

MAR 21 2013

RE: H.B. No. 925

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 925 entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYMENT SECURITY  
APPEALS REFEREE'S OFFICE,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the  
processing of unemployment insurance claims by:

- (1) Revising the minimum notice period for an unemployment  
insurance appeal hearing from fifteen days to twelve  
days before the initial hearing date; and
- (2) Authorizing a claimant or party to an appeal to elect to  
receive notices and appeal documents from the Employment  
Security Appeals Referee's Office electronically in lieu  
of mail.

Your Committee received testimony in support of this measure  
from the Department of Labor and Industrial Relations.

Your Committee finds that section 91-9.5(a), Hawaii Revised  
Statutes, requires that written notice of a hearing be mailed to  
all parties at least fifteen days prior to the hearing date,  
unless otherwise provided by law. This is a statutory requirement  
that applies to the Employment Security Appeals Referee's Office  
in providing notice of unemployment insurance appeal hearings.  
The Department of Labor and Industrial Relations testified that  
pursuant to the Social Security Act, procedures for appeals and

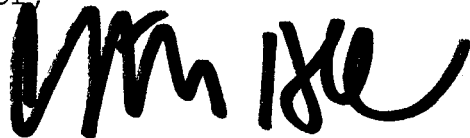


hearings are required to be reasonably calculated to pay benefits promptly when due. Thus, applicable federal performance standards require that the Referee's Office complete sixty percent of its decisions within thirty days of the appeal request and eighty percent within forty-five days. Accordingly, the existing fifteen day statutory notice requirement consumes half of the thirty-day completion period. Failure of the Referee's Office to meet federal performance standards could potentially result in federal oversight of the appeals program. Furthermore, the Department testified that in implementing the same federal unemployment appeals program, other states have notice periods ranging from five to eleven days. Hawaii is the only state with a statutory notice requirement of fifteen days. This measure reduces the notice period for unemployment insurance appeals to twelve days prior to the hearing date, thereby allowing the parties to receive an earlier hearing date and appeal decision and providing the Referee's Office greater flexibility in meeting federally required performance standards.

Your Committee further finds that existing law does not specifically allow the Referee's Office to electronically provide hearing notices, decisions, and other appeal documents in lieu of notice by mail. The Department testified that the Referee's Office will shortly launch an online appeals filing, scheduling, and maintenance system. This measure permits the delivery of appeal notices and documents through a faster, more efficient, and more cost-effective means for individuals who voluntarily elect to receive notification electronically.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 925, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,




CLAYTON HEE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:* <b>HB 925</b>	Committee Referral: <b>JDL, WAM</b>	Date: <b>3/13/13</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>5</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes