

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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May 11, 2020

To: The Honorable Sylvia Luke, Chair,
The Honorable Ty J.K. Cullen, Vice Chair, and
Members of the House Committee on Finance

Date: Monday, May 11, 2020

Time: 2:00 p.m.

Place: Auditorium, State Capitol

From: Scott T. Murakami, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. No. 75 S.D. 2 Proposed H.D. 1 RELATING TO APPROPRIATIONS

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Scott T. Murakami, and I am the Director of the Department of Labor and Industrial Relations. I am testifying in support of Section 5 of the proposed House Draft 1 of SB75. The DLIR has faced unprecedented challenges during the ongoing COVID19 pandemic. As such, the DLIR is seeking additional funding and positions to address both the ongoing and future challenges before it.

The following are brief descriptions of the department's estimated appropriations requests for your consideration.

1. General Administration (ASO, LBR902) – Departmental IT Modernization

The DLIR is requesting \$10.00 million in funding to design and implement a web services infrastructure that would interface existing applications to new cloud-based systems for 2020 and includes 5 FTE for information technology staff support as the COVID-19 pandemic has demonstrated, the DLIR must quickly modernize its UI program. DLIR also requests \$2.554M and 3 FTE to cover costs incurred for recent enhancements to the UI information infrastructure, support and maintenance.

2. Administrative Services Office (ASO, LBR902) — Security for DLIR offices

The DLIR is requesting \$11.00 million in funding to cover the cost of security for the DLIR locations statewide for calendar year 2020. As a result of the unprecedented rise in unemployment claims, the DLIR offices statewide have faced security issues that include angry individuals attempting to come into closed offices, employees being followed, and employees receiving death threats. The DLIR currently has National Guard personnel serving as a security presence and sheriff support at its offices statewide. To date, the cost of this security presence and security upgrades that the

department has undertaken from March 2020 has cost almost \$1.00 million. However, due to the ongoing COVID-19 pandemic, the DLIR will require ongoing security support after the government reopens to ensure the safety and wellbeing of its employees.

3. Unemployment Insurance Division (UI, LBR171) — Staffing Support

The DLIR is seeking an additional 300 temporary federally funded positions to assist in the processing of unemployment claims. Under the CARES Act, individuals may receive up to 52 weeks of unemployment insurance benefits. As demonstrated by the numerous volunteers from the Legislature and Executive Branch departments as well as the redeployed state employees, the DLIR will continue to require assistance in processing the unemployment claims and pandemic unemployment assistance.

4. Employment Security Appeals Referees' Office (ESARO, LBR871) – Staffing Support

The DLIR is requesting an additional 10 FTEs for ESARO to adjudicate unemployment insurance and pandemic unemployment assistance appeals. Due to the increase dramatic increase in unemployment filings and creation of the pandemic unemployment assistance program, the DLIR anticipates that there will be an increase in the number of appeals to the ESARO. The 10 FTEs, which include 8 additional hearings officers and 2 office assistants, will enable to the ESARO adjudicate the appeals in an efficient and fair manner.

5. Unemployment Insurance Division (UI, LBR171) – Facility Support

The DLIR is seeking an additional \$500,000 to fund a temporary facility to process unemployment insurance claims.

We look forward to continuing to work with the Committee and staff to support our requests to preserve and enhance our services to the community.