

Program Structure Number: 020303

Program ID and Title: LBR 871, Employment Security Appeals Referees' Office

Page Reference in the Executive Budget Supplement, Vol. I: None

I. Introduction

A. Summary of Program Objectives

To provide due process to claimants and employers who file appeals from determinations issued by the Unemployment Insurance Division (UID) of the Department of Labor and Industrial Relations (DLIR).

B. Description of Program Objectives

The ESARO is the appellate branch of the UI program, which was established to alleviate the economic hardship of unemployed individuals. This agency is the final administrative reviewing body for contested benefit and tax determinations rendered by the UID. ESARO hearing officers conduct quasi-judicial hearings which are followed by written decisions that affirm, reverse, or modify the appealed UI determination.

C. Explain how the Program intends to meet its objectives within the Biennium Budget.

The UI appellate program intends to meet its objectives by:

1. Securing adequate permanent full time staff, hearing officer and clerical support, to meet base workload demands;
2. Secure an adequate level of permanent per diem hearing officers to meet changes in workload levels;
3. Providing appellants with a scheduled hearing within 30 days of appeal.
4. Issuing a written decision within 30 days of the hearing.

II. Program Performance Results

A. Discuss the performance results achieved by each program in FY 2008.

The UI appeals program is evaluated by the U.S. Department of Labor (USDOL) for appeals promptness and quality. The USDOL criterion for promptness is measured by decisions issued at two levels: 60% within 30 days of appeal and 80% within 45 days of appeal. For quality of the hearing and decision based on the USDOL's 32 elements, the measurement is 80% of the evaluated cases, scoring 85 or better.

The ESARO met promptness and quality standards in FY 2008:

Promptness:	<u>30 days</u>	<u>45 days</u>
FY 2008	68.9%	85.5%
Quality:		
FY 2008	91%	

- B. Explain how these results relate to the program's objectives and department's mission.

By achieving USDOL standards, benefits are paid when due, which promotes the basic UI program objective of providing economic security for Hawaii's unemployed population.

- C. Explain how the effectiveness of the Program is measured (i.e., outcome, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

To measure the effectiveness of the program in FY 2008, 95% of the hearings scheduled were within the 30 days of the appeal request and 95% of the appeals decisions were issued within 30 days following the hearing.

- D. Discuss actions taken by each Program to improve its performance results.

The USDOL award of supplemental funds to improve performance by reducing case backlog was successfully achieved in early 2008. The ESARO used the \$18,000 award to hire temporary per diem hearing officers and pay overtime to current staff. The added support of the new director in Aug 2007 to temporarily redirect personnel and approve resources to maintain and continue normal appeals operations concurrent with the effort to reduce case backlog, contributed to the elimination of the backlog and reduction of the average age of pending cases from 1000+ days in 2006 to 28 days by the end of March 30, 2008. Maintaining

adequate staff to meet workload demands as it fluctuates because of the condition of the State and/or National economy is the key to meeting program objectives.

Periodic refresher training to improve the efficiency in the quality of the hearing officers' performance is another important element that will improve performance results. However, due to the FY 2009 budget allocation of five positions to ESARO, it is unlikely that funds can be reallocated for staff training.

- E. Identify all modifications to your program's performance measures and discuss the rationale for these modifications.

Internally, the scheduling of hearings within 30 days of appeal and issuing a final decision within 30 days of the completed hearing are implemented measurements to complement USDOL standards and ensure cases are resolved in a timely manner.

### III. Problems and Issues

- A. Discuss Problems and Issues Encountered if Any.

UI appeals are a high volume operation affected by changes in the economy. It is essential that adequate funds are allocated to enable proper staffing levels, commensurate with workload volume. This is best accomplished with a permanent full time staff at a base level and part-time staff whose hours can be regulated (increased or decreased) as needed depending on the workload.

The DLIR budget restriction to five full time positions may hamper the ESARO's ability to meet program objectives. New cases may not be scheduled within 30 days of appeal, and consequently the measurement for the percentage of decisions issued within 30 days of hearing may decline in FY 2009.

- B. Program Change Recommendations to Remedy Problems

Allow existing staff to work overtime, as needed.

- C. Identify any program issues or problems that affected or will affect the implementation of the program, and corrective measures or remedies established or planned.

None.

IV. Expenditures for Fiscal Year 2008-2009

	Acts 213/07,158/08 FY 2008 - 2009	Collective * Bargaining	Transfers Restriction	Available Resources	Est. Total Expenditures
Pos. Count	10.80			10.80	10.80
Personal Services	\$ 844,402	\$ 50,130		\$ 894,532	\$ 894,532
Current Expenses	60,000			60,000	60,000
Equipment					
Motor Vehicles					
<b>Total</b>	<b>\$ 904,402</b>	<b>\$ 50,130</b>	<b>\$ -</b>	<b>\$ 954,532</b>	<b>\$ 954,532</b>
Less:					
Pos. Count					
Special Fund					
Pos. Count	10.80			10.80	10.80
Federal Fund	904,402	50,130		\$ 954,532	\$ 954,532
Pos. Count					
Other Funds					
Pos. Count					
Gen. Fund					

\* No Transfer In/Out

- A. Explain all transfers within the Program ID and its impact on the Program.  
None.
- B. Explain all transfers between Program IDs and its impact on the Program.  
None.
- C. Explain all Restrictions and its Impact on the Program.  
None.

V. Biennium Budget Request for FY 2010 – FY 2011

	Budget Request FY2009-2010	Budget Request FY2010-2011	Biennium Budget FY2010-2011
Pos. Count	10.80	10.80	10.80
Personal Services	\$ 894,532	\$ 894,532	\$ 1,789,064
Current Expenses	60,000	60,000	120,000
Equipment			
Motor Vehicles			
Total	<u>\$ 954,532</u>	<u>\$ 954,532</u>	<u>\$ 1,909,064</u>
Less:			
Pos. Count			
Special Fund			
Pos. Count	10.80	10.80	10.80
Federal Fund	954,532	954,532	1,909,064
Pos. Count			
Other Funds			
Pos. Count			
Gen. Fund			

A. Workload or Program Request

1. Description of request, reason for the request, and desired outcomes or objectives to be accomplished.

None.

2. Listing/description of positions requested, and funding requirements by cost category and source of funding.

None.

3. For all lump sum requests, please provide a breakout indicating specific purposes for all planned expenditures.

None.

B. For all position count reductions, please specify whether the positions were filled, or vacant.

None.

VI. Identify restrictions carried over from FY 2008-2009 as well as additional reductions due to the Department of Budget and Finance's budget ceilings for FY2010-FY2011.

A. Description of the reduction, the reasons for the reduction and the impacts to the objectives to be accomplished by the program.

None.

B. Listing/description of the positions cut including source of funding; please specify whether the positions were filled or vacant.

None.

VII. Capital Improvement Request for FY2010-FY2011

None.

VIII. Proposed Lapses of Capital Improvement Program Projects

None.