

JAN 27 2021

A BILL FOR AN ACT

RELATING TO UNEMPLOYMENT INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that, according to the
2 department of labor and industrial relations, 3,472 initial
3 unemployment claims covering 29,103 weeks claimed were filed in
4 Hawai'i in December of 2020. These figures signify a 176.7 per
5 cent increase from initial unemployment claims filed in December
6 2019 and a 395.7 per cent increase in the number of weeks
7 claimed filed in December 2019.

8 The legislature further finds that these substantial
9 increases are largely a result of the COVID-19 pandemic.
10 However, they also reflect a surge in fraudulent claims from
11 cybercrime rings that have targeted the State's unemployment
12 office, which have allegedly stolen millions of dollars from
13 other states' unemployment funds by using stolen identities.

14 The legislature further finds that the department of labor
15 and industrial relations reported that nearly \$16,000,000 in
16 unemployment benefits in Hawai'i may have been lost to fraud and
17 identity theft as of June 2020. Additionally, the department of



1 labor and industrial relations also reported blocking more than
2 \$76,500,000 in possibly fraudulent unemployment claims.

3 The legislature further finds that it is important to hear
4 from members of the public who have been victims of fraudulent
5 unemployment insurance claims in order to help thwart cybercrime
6 and ensure that out-of-work Hawai'i residents receive
7 unemployment benefits as quickly as possible.

8 The legislature further finds that independent oversight of
9 the State's unemployment insurance system is needed to provide
10 clarity regarding unemployment insurance determinations and
11 transparency regarding the internal policies and guidelines of
12 the department of labor and industrial relations.

13 Accordingly, the purpose of this Act is to establish a
14 Hawai'i unemployment insurance advisory board independent of the
15 department of labor and industrial relations to be housed under
16 the department of the attorney general.

17 SECTION 2. The Hawaii Revised Statutes is amended by
18 adding a new chapter to be appropriately designated and to read
19 as follows:

20 "CHAPTER

21 HAWAII UNEMPLOYMENT INSURANCE ADVISORY BOARD



1 § -1 Hawaii unemployment insurance advisory board;
2 membership; appointment; chairperson; reimbursement of expenses.

3 (a) There is established within the department of the attorney
4 general for administrative purposes only, a Hawaii unemployment
5 insurance advisory board, independent of the department of labor
6 and industrial relations, consisting of three members who shall
7 be residents of this State and appointed as follows:

- 8 (1) One member shall be appointed by the governor;
9 (2) One member shall be appointed by the president of the
10 senate; and
11 (3) One member shall be appointed by the speaker of the
12 house of representatives.

13 The Hawaii unemployment insurance advisory board members
14 shall annually elect one of the members to serve as chairperson
15 of the advisory board.

16 (b) Preferred qualifications for the Hawaii unemployment
17 insurance advisory board members shall include possessing
18 knowledge in unemployment insurance determinations.

19 (c) Any member of the Hawaii unemployment insurance
20 advisory board may be removed from office by the attorney



1 general for cause upon notice and opportunity to be heard at a
2 public hearing.

3 (d) The members of the Hawaii unemployment insurance
4 advisory board shall serve without compensation but shall be
5 allowed their actual and necessary expenses incurred in the
6 performance of their duties. No member of the Hawaii
7 unemployment insurance advisory board shall be made subject to
8 the financial disclosure requirements of sections 84-13 and
9 84-17 solely because of that member's participation as a member
10 of the Hawaii unemployment insurance advisory board. The terms
11 of the Hawaii unemployment insurance advisory board members
12 shall be as provided in section 26-34.

13 § -2 Hawaii unemployment insurance advisory board;
14 powers and duties. (a) The Hawaii unemployment insurance
15 advisory board shall meet virtually not less than once each
16 quarter to make recommendations to the director of labor and
17 industrial relations.

18 (b) The Hawaii unemployment insurance advisory board shall
19 oversee the State's unemployment insurance system and provide
20 recommendations to the director of labor and industrial
21 relations. To achieve these ends, the Hawaii unemployment



1 insurance advisory board shall adopt rules in accordance with
2 chapter 91.

3 (c) The Hawaii unemployment insurance advisory board may
4 hold public meetings it deems necessary and may exercise the
5 exemptions in section 92-5.

6 § -3 Access to records by the Hawaii unemployment
7 insurance advisory board. The department of labor and
8 industrial relations shall provide full access to all
9 information requested by the Hawaii unemployment insurance
10 advisory board.

11 § -4 Annual reports. The Hawaii unemployment insurance
12 advisory board shall submit an annual report to the legislature
13 on January 1st of each year beginning in 2022. The annual
14 report shall include a full and complete statement of actions
15 taken by the Hawaii unemployment insurance advisory board for
16 the preceding years, and recommendations, including any proposed
17 legislation, that the Hawaii unemployment insurance advisory
18 board deems necessary or desirable.

19 § -5 Studies and investigations; procedures. (a) The
20 Hawaii unemployment insurance advisory board shall conduct an



1 ongoing study and investigation of the unemployment insurance
2 system for the following purposes:

3 (1) To ascertain any provisions in chapter 383 or in its
4 rules through which any abuses in the administration
5 and operation of the unemployment insurance system or
6 any evasion of chapter 383 or its rules may arise or
7 be practiced;

8 (2) To formulate recommendations for changes to chapter
9 383; and

10 (3) To ensure that chapter 383 and its rules are in a form
11 and are administered to serve its true purposes.

12 (b) The Hawaii unemployment insurance advisory board shall
13 conduct an ongoing study and investigation of the operation and
14 the administration of the unemployment insurance system laws in
15 effect in other states or countries, any literature on the
16 subject that may be published or available, any federal laws
17 that may affect the operation of the unemployment insurance
18 system, in order to recommend or effect changes that will tend
19 to serve the purposes of this chapter or chapter 383.

20 (c) The Hawaii unemployment insurance advisory board shall
21 be required to maintain confidentiality in respect to all



1 matters and the identities of the complainants or witnesses
2 coming before the Hawaii unemployment insurance advisory board
3 except so far as disclosures may be necessary to enable the
4 unemployment advisory board to carry out its duties and
5 recommendations."

6 SECTION 3. This Act shall take effect upon its approval.

7

INTRODUCED BY:





S.B. NO. 1406

Report Title:

Hawaii Unemployment Insurance Advisory Board

Description:

Establishes the Hawaii unemployment insurance advisory board, independent of the department of land and industrial relations that is housed under the department of the attorney general.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

