HAWAII GOVERNMENT EMPLOYEES ASSOCIATION AFSCME Local 152, AFL-CIO



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The Twenty-Eighth Legislature, State of Hawaii The Senate Committee on Ways and Means

Testimony by Hawaii Government Employees Association

April 4, 2016

<u>H.B. 2605, H.D. 1, S.D. 1 – RELATING TO</u> LABOR

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The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 2605, H.D. 1, S.D. 1 which addresses the pending unemployment and dislocation of employees due to the closure of Hawaiian Commercial & Sugar Company and to offset the expiration of federal funding to establish, administer and support on-the-job training on Maui.

The transition of thousands of acres of farmland on Maui to diversified agriculture will affect the local economy in significant ways. As these employees lose their jobs, there will be economic hardship for them and the larger Maui community. Therefore, retraining Maui's workforce is critical to mitigating the effects of large scale job losses on the local economy.

Thank you for the opportunity to testify in support of H.B. 2605, H.D. 1, S.D. 1.

ibmitted.

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The Twenty-Eighth Legislature, State of Hawaii Hawaii State Senate Committee on Ways and Means

> Testimony by Hawaii State AFL-CIO April 4, 2016

H.B. 2605, H.D.1, S.D.1 – RELATING TO LABOR

The Hawaii State AFL-CIO supports H.B. 2605, H.D.1, S.D.1, which appropriates funds to establish, administer, and support on-the-job training for individuals who are unemployed and dislocated due to the closure of Hawaiian Commercial & Sugar Company (HC&S) on Maui.

When HC&S ends their sugar operations on Maui this year, hundreds of employees will be permanently laid off and will face a very difficult and challenging time as they begin to seek new employment in completely different industries. Ultimately, many former HC&S employees will need to be trained and educated for new jobs and those who continue working in the agricultural industry may be required to learn completely new skill sets. Fortunately, H.B. 2605, H.D.1, S.D.1 will help many of these dislocated workers by providing on-the-job training to ensure they have the proper skills sets moving forward.

Thank you for the opportunity to testify.

ctfully submitted.

'Randy Perreira President



The Twenty-Eighth Legislature Regular Session of 2016

THE SENATE Committee on Ways and Means Senator Jill N. Tokuda, Chair Senator Donovan M. Dela Cruz, Vice Chair State Capitol, Conference Room 211 Monday, April 4, 2015; 2:00 p.m.

STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2605, HD1, SD1 RELATING TO LABOR

The ILWU Local 142 **strongly supports** H.B. 2605, HD1, SD1, which appropriates funds to establish, administer, and support on-the-job training for individuals who are unemployed and dislocated due to the closure of Hawaiian Commercial & Sugar Company (HC&S) on Maui.

The announcement by HC&S on January 6 that the sugar plantation on Maui would shut down by year's end came as a huge blow to everyone. The company's struggles over the years were many—low yield, financial losses, and challenges from water rights activists and caneburning opponents. Yet the company seemed to be plugging away, trying various crops and holding out hope for a turnaround. So the announcement of closure, while not entirely unexpected, was a shock nonetheless.

The closure of HC&S means the end of sugar in Hawaii. It also means the loss of employment for more than 600 workers, many of whom have worked for HC&S their entire lives. Adjustment to a new job or a new career will be difficult, if not impossible, without a good deal of help.

With the recent determination that HC&S was affected by foreign competition and the certification of the ILWU's petition for federal Trade Adjustment Assistance (TAA) for HC&S workers, more federal monies are now available to assist HC&S workers. However, federal funds are restrictive and may not be suitable for all of the HC&S workers needing help to find a new job.

Furthermore, the TAA support is only available for workers laid off prior to November 16. Another petition is being filed for 300 workers being laid off in December, roughly half of the total number in the company, but the second petition will undergo more rigorous scrutiny than the first, which was approved as a result of an International Trade Commission ruling.

In addition, Makena Beach and Golf Resort recently announced it would close on July 1, leaving 385 employees jobless. Some 350 of them are members of the ILWU. While many Maui employers may have jobs to offer, the fit may not be ideal for worker and employer. These hotel workers will also need assistance, either through on-the-job training or other skills upgrades, to transition into suitable employment.

The Department of Labor and Industrial Relations has proposed amending H.B. 2605 to include not only HC&S employees but any worker who is dislocated from employment in Maui County. We agree with this amendment. The impact of these mass layoffs at HC&S and Makena Beach and Golf Resort on a county the size of Maui is tremendous.

The ILWU urges passage of H.B. 2605, HD1, SD1 with the proposed amendment to apply the appropriation to all dislocated workers in Maui County. Thank you for the opportunity to testify on this important measure.



April 4, 2016

Senator Jill N. Tokuda, Chair Senator Donovan M. Dela Cruz, Vice Chair Senate Committee on Ways and Means

Comments and Proposed Amendments in Support of HB 2605 HD1, SD1 Relating to Labor (Appropriates \$850,000 to establish, administer, and support on-the-job training for individuals who are unemployed and dislocated due to the closure of Hawaiian Commercial & Sugar Company on Maui. The effective date of this measure is January 7, 2059.)

WAM Hearing: Monday, April 4, 2016, 2:00 p.m., Conference Room 211

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **comments and proposed amendment in support of HB 2605, HD1, SD1,** and to offer encouragement to the displaced workers of Hawaiian Commercial & Sugar Company (HC&S) on Maui.

HB 2605, HD1, SD1. This measure appropriates \$850,000 to establish, administer, and support the on-the-job training for individuals who are unemployed and dislocated due to the closure of HC&S. The purpose of this bill is to address the pending unemployment and dislocation of individuals due to the closure of HC&S and offset the expiration of Job-Driven National Emergency Grant funds by appropriating funds to establish, administer, and support on-the-job training programs on Maui. The effective date of this measure is January 7, 2059.

LURF's Position. LURF **supports** this appropriation measure, and **respectfully recommends that the effective date be amended to** <u>July 1, 2016</u>. LURF understands that this bill will help to address the closure of the HC&S, which will cause the loss of employment for approximately six hundred seventy workers on Maui.

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According to the State Department of Labor and Industrial Relations, this appropriation bill is necessary due to the expiration of federal funding for the United States Department of Labor's Job-Driven National Emergency Grant to the State to implement or expand job-driven training programs for dislocated workers, including but not limited to, opportunities for on-the-job training and apprenticeships. LURF further understands that the expiration of federal funds on June 30, 2016 is likely to make such on-the-job training programs unavailable for a large group of displaced and unemployed HC&S workers who are scheduled to be laid off in the latter part of 2016.

By recognizing the significance of, and need to provide on-the-job training for displaced and unemployed agricultural workers on Maui, LURF believes that this bill could assist in the goals of the continued employment of agricultural workers and attaining economically viable agriculture in Hawaii.

Thank you for the opportunity to present testimony **in support** of this measure.

<u>HB2605</u>

Submitted on: 4/4/2016

Testimony for WAM on Apr 4, 2016 14:00PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments: On the job training should be required matter of fact should have its own account to increase flow of businesses.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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