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

H.B. 2722, H.D. 1, S.D. 1 – RELATING TO UNEMPLOYMENT

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 2722, H.D. 1, S.D. 1 which creates a temporary program, limited to counties with a population under 200,000, to provide additional benefits to unemployed workers by extending their unemployment insurance benefits.

With the recent large scale closures and economic disruption, many employees within the Maui County will be significantly affected. As these employees lose their jobs, there will be economic hardship for them and the larger Maui community. Therefore, extending unemployment benefits to Maui's workforce is critical in mitigating the effects of large scale job losses on the local economy.

Thank you for the opportunity to testify in support of H.B. 2722, H.D. 1, S.D. 1.

ubmitted.

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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

<u>H.B. 2722, H.D.1, S.D.1 – RELATING TO</u> <u>UNEMPLOYMENT</u>

The Hawaii State AFL-CIO supports H.B. 2722, H.D.1, S.D.1, which creates a temporary program, limited to counties with a population under 200,000, to provide additional benefits to unemployed workers by extending their unemployment insurance benefits.

When Hawaiian Commercial and Sugar (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. Creating a temporary program that provides additional unemployment benefits will financially help these workers continue to pay their mortgages, rent, and many other bills while they search for new jobs.

Thank you for the opportunity to testify.

ctfully si bmitted,

' Randy Pérreira 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, 2016; 2:00 p.m.

STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2722, HD1, SD1 RELATING TO EMPLOYMENT SECURITY

The ILWU Local 142 **supports** H.B. 2722, HD1, SD1, which creates a temporary program, limited to counties with a population under 200,000, to provide additional benefits to unemployed workers by extending their unemployment insurance benefits.

Unemployment Insurance (UI) is provided to eligible workers for a maximum of 26 weeks of full benefits during a benefit year. The unemployment rate in Hawaii may be the lowest in the nation with the assumption that laid-off workers in Hawaii will have an easy time finding new jobs. However, in smaller counties where a large number of employees are laid off at virtually the same time, the challenge of finding a new job becomes greater.

When this bill was first introduced, the concern was on Maui for 675 workers of Hawaiian Commercial & Sugar (HC&S) Company, the last remaining sugar plantation in Hawaii. HC&S announced in January that the plantation would close by year's end, leaving an estimated two percent of Maui's population without a job. Almost 600 of the affected workers are members of the ILWU.

The ILWU has been working with various state and federal partners and recently petitioned and was certified for HC&S workers to be eligible for federal Trade Adjustment Assistance (TAA), which would allow them to be eligible for additional unemployment insurance benefits if they participated in approved job training. This would seem to mitigate the need for unemployment benefit relief, but in truth, approved training is limited on Maui and many workers are not likely to participate in formalized job training. In addition, the TAA certification applies only to HC&S workers who are laid off prior to November 16. The majority of the workers will be laid off at the end of December. The ILWU is filing another TAA petition, but unlike the first petition, certification is not guaranteed.

Also in March, Makena Beach and Golf Resort on Maui announced that it would be shutting its doors on July 1 and laying off 385 employees, 350 of whom are members of the ILWU. These workers are not eligible for federal funds to extend their unemployment benefits. Although it is said that hotels and resorts on Maui have jobs to offer, finding the right fit will take time.

We support H.B. 2722, HD1, SD1 to provide for additional benefits to support these laid-off workers on Maui. The funds will come from the UI Trust Fund, which was healthy enough to reward employers recently with a "holiday" from contributions. Since this proposal is a temporary program for additional UI benefits, it is unlikely that the adequacy of the UI Trust Fund will be impacted. To further reduce the impact, we recommend that the bill be amended to apply only to workers receiving unemployment benefits in Maui County.

The ILWU urges passage of H.B. 2722, HD1, SD1 with the proposed amendment. Thank you for the opportunity to testify on this measure.

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	tabraham08@gmail.com
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<u>HB2722</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:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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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