

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

March 1, 2016
1:30 P.M.
CONFERENCE ROOM 211

SENATE BILL NO. 3081
RELATING TO LABOR

Chairperson Tokuda and Members of the Committee:

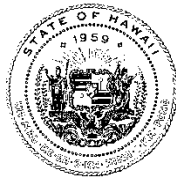
Thank you for the opportunity to testify on Senate Bill No. 3081 that assists the Department of Labor and Industrial Relations in providing on-the-job training to the dislocated sugar workers on Maui. The Department of Agriculture supports the intent of this measure and defers to the Department of Labor and Industrial Relations.

The closure of the Hawaiian Sugar and Commercial Company will mark the end of over 40 years of sugarcane and pineapple plantation shutdowns that spanned the length of Hawaii - from Ka'u on the Big Island to Kilauea on Kauai. Each closure was painful to the employees, and the many others affected throughout the community and island.

Now we look forward to new agricultural businesses of all sizes from family farms to plantation-scale operations to prepare and cultivate the land with crops and animals that they determine will be profitable and benefiting from the sugar plantation infrastructure. In doing so, they will improve the State's food security and self-sufficiency, bring in income by exporting food and non-food products to the mainland and abroad, and maintain the green and living carpet between the slopes of Haleakala and the West Maui mountains.

Thank you for the opportunity to present our testimony.





**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.labor.hawaii.gov
Phone: (808) 586-8844 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

February 29, 2016

To: The Honorable Jill N. Tokuda, Chair,
The Honorable Donovan M. Dela Cruz, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Tuesday, March 1, 2016
Time: 1:30 p.m.
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. No. 3081 Relating to Labor

I. OVERVIEW OF PROPOSED LEGISLATION

SB3081 proposes to appropriate the sum of \$850,000 or so much thereof as may be necessary for Fiscal Year (FY) 2016-17 to establish, administer, and support on-the-job training (OJT) for individuals who are unemployed and dislocated due to the closure of Hawaiian Commercial & Sugar Company (HC&S).

DLIR estimates that the sum of \$850,000 in general funds would provide OJT services to about 85-90 workers who lose their jobs as a result of the HC&S closure. OJT programs involve reimbursing employers who hire and train new workers up to 50% or more of the wages paid for a limited period. This costly, but effective training option historically has resulted in a 90% retention rate after the reimbursement period ends. The department supports the bill provided it does not replace or adversely affect priorities identified in the Governor's Supplemental Budget request.

II. CURRENT LAWS

Federal funds currently available are projected to be insufficient to serve the large numbers scheduled for layoff from HC & S. The amount allocated for Maui's dislocated worker program under the federal Workforce Innovation and Opportunity Act (WIOA) this year is \$140,000, which includes funds for staff

support and participant training. This may serve 30-40 individuals. A federal Dislocated Worker Training grant and Job-Driven National Emergency Grant, provides a total additional \$200,000 to serve about 25-35 dislocated workers on Maui County. The first grant expires June 30, 2016, and the second grant expires September 30, 2016.

III. COMMENTS ON THE SENATE BILL

The closure of HC&S will result in the termination of about 670 workers over the period from March to December 2016. DLIR is working with the International Longshore and Warehouse Union (ILWU), HC&S, Maui County, Maui Workforce Development Board, U.S. Department of Labor/Employment and Training Administration, and other agencies to gather data on workers' needs and provide services as appropriate with the funds available.

That data will provide the basis for developing grant proposals to seek additional federal funds to address workers' needs for retraining and facilitate their successful transition to other jobs. DLIR notes that funding decisions by the federal government are contingent on funds available as well as other national priorities, including natural disasters.

Therefore, this bill would be very useful to supplement limited federal funds to ensure that workers can access the services they need when they lose their jobs. OJT, which this bill provides, would expand the number of workers that can benefit from this relatively costly but effective training option. OJT programs involve reimbursing employers who hire and train new workers up to 50% or more of the wages paid for a limited period. This reimbursement is an incentive to employers to hire an employee who lacks all of the skills or experience needed. OJTs are a very powerful tool that has resulted in a 90% retention rate after the reimbursement period ends.

DLIR supports this bill to assist the workers so they may continue to contribute to the economy of Maui, provided it does not replace or adversely affect priorities identified in the Governor's Supplemental Budget request.



**Testimony to the Senate Committee on Ways and Means
Tuesday, March 1, 2016 at 1:30 P.M.
Conference Room 211, State Capitol**

RE: SENATE BILL 3081 RELATING TO LABOR

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 3081, 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 on Maui.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The HC&S closure greatly impacted the state's economy and more significantly, Maui County's workforce. The Chamber supports SB3081 as it is greatly needed to help those 600+ employees resulting from the plantation's closure. The funds provided in this bill to establish an on-the-job training program in Maui will not only help address the dislocated workers directly affected by the closure, but also help the local economy bounce back from this setback.

Thank you for the opportunity to testify.

**SB 3081
RELATING TO LABOR**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

MARCH 1, 2016

Chair Tokuda and Members of the Senate Committee on Ways & Means:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on SB 3081, “A BILL FOR AN ACT RELATING TO LABOR.” We support this bill.

Hawaiian Commercial & Sugar Company (HC&S) has been in operation for over 140 years and is Hawaii’s last remaining sugar plantation. Regretfully, HC&S will be transitioning out of farming sugar by the end of this year, and will instead pursue a diversified agricultural model for the 36,000 acres presently in cultivation. For many years, A&B has made every possible effort to keep HC&S in operation and did so far longer than any other sugar company in the state. Unfortunately, we are unable to sustain the kind of financial losses that HC&S has realized over the past two years, with no significant improvement in performance anticipated in the future.

A&B is fully committed to support its impacted employees. The Company is providing a team of transition coordinators whose sole responsibility will be to assist HC&S employees on a one-to-one basis in finding alternate employment opportunities, training or re-education, as appropriate. The coordinators will identify and coordinate available Federal, State, County, and private job assistance programs, including employment counseling, job training, financial counseling, job placement, and education

services. A&B also intends to offer all employees enhanced severance and benefit packages. Retirement benefits accrued by eligible employees, retirees, and past employees will not be affected by the transition out of sugar.

A&B supports this bill as it will provide funding to establish, administer, and support on-the-job training for HC&S employees. Any additional initiatives and funding authorizations that will assist in better preparing HC&S employees to meet the qualifications and requirements of new employment opportunities is greatly welcomed. Over the years, HC&S employees have exhibited a strong commitment and dedication towards their jobs and responsibilities, which has been an essential component in enabling HC&S to continue its sugar operations long after the closure of many of the other sugar plantations in Hawaii. We are certain that with proper training and retraining, the many positive attributes of HC&S employees will be of great benefit to other entities and businesses.

Based on the aforementioned, we respectfully request your favorable consideration on this bill.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

February 29, 2016

The Honorable Jill N. Tokuda, Chair
The Honorable Donovan Dela Cruz, Vice Chair
and members
Committee on Ways and Means
Hawai'i State Senate
Honolulu, Hawai'i 96813

RE: Strong Support for SB3081, Relating to Labor

Dear Chair Tokuda, Vice Chair Dela Cruz, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.


We are strongly supportive of SB3081, Relating to Labor, which would appropriate \$850,000 to establish, administer, and support on-the-job training for individuals who are dislocated due to the closure of Hawaiian Commercial & Sugar Company on Maui..

We are proud to be a member of Mayor Arakawa's Sugar Operators Work Assistance Task Force, which was convened following the announcement that Hawaiian Commercial & Sugar Company would be shutting down sugar production in 2016. The purpose of the task force is "to assist the displaced sugar workers with their transition by identifying and coordinating available employment opportunities, programs and services (including but not limited to training, counseling, job placement, entrepreneurial programs, etc.) and safety net programs (including but not limited to financial counseling, mental health, food and mortgage assistance, etc.), and maximizing their availability to the displaced employees."

Through the task force, we have been collaborating with other stakeholders including DLIR and the Maui County Office of Economic Development to find ways to provide job training and retraining to the workers who will be laid off as a result of the HC&S closure. Additional funding will help to support these efforts and encourage businesses to hire and retrain these workers.

For the above reasons, we respectfully request your committee's favorable action on **SB3081, Relating to Labor**.

Mahalo,



Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 1, 2016

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 3081
RELATING TO LABOR

Room 211
1:30 PM

Aloha Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFB is in strong support of SB 3081, 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 on Maui.

The announcement by HC&S on the same day as a similar announcement by Hamakua Springs of their closure clearly demonstrates the challenges faced by commercial agriculture. Yet, Hawaii wants to see agriculture as part of their plan for increased self sufficiency and sustainability.

HFB strongly supports this measure to provide training assistance in adapting to job opportunities. Employees will need to find other jobs and require training to enhance their skills to become successful in new job opportunities. However, at the same time A&B's diversification plans will also require workers in the future. General horticultural knowledge which quite different from sugarcane will be needed.

We respectfully respect your support of this important measure while addressing the concern to ensure that confidential business information is protected. We respectfully **urge the passage of SB 3018**. Thank you for this opportunity to comment on this measure.



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

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

Telephone: (808) 597-1441
Fax: (808) 593-2149

Testimony by
Hawaii State AFL-CIO
March 1, 2016

S.B. 3081 – RELATING TO LABOR

The Hawaii State AFL-CIO supports S.B. 3081 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 later 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, S.B. 3081 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.

Respectfully submitted,

Randy Perreira
President

THE SENATE

Committee on Ways and Means

Senator Jill N. Tokuda, Chair

Senator Donovan M. Dela Cruz, Vice Chair

State Capitol, Conference Room 211

Tuesday, March 1, 2016; 1:30 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 3081
RELATING TO LABOR**

The ILWU Local 142 **strongly supports** S.B. 3081, 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 ILWU represents the majority of the workers at HC&S.

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 shock 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 only 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.

Federal funds are currently available for dislocated workers (i.e., workers being laid off) to use for job training and other services. However, one federal grant is set to expire in June and cannot be extended. The other federal grant is set to expire in September, well before December 31 when the last half of the employees are expected to be laid off.

S.B. 3081 proposes to appropriate funds to assist HC&S workers with funding to allow the State Department of Labor and Industrial Relations to help these workers into a new job or career. The key program for this assistance is On-the-Job Training (OJT). Under this program, an employer with a job to offer enters into a contract with DLIR to hire an HC&S worker in a job sufficiently dissimilar to what he did for HC&S. The employer must be willing to train the new employee upon hire and agree to retain the employee in a permanent position. In exchange, the employer is entitled to be reimbursed 50% of the employee's wages for up to six months.

We see this as a win-win situation. The employer will benefit from an incentive to hire an HC&S worker and provide on-the-job training. The HC&S worker will have a chance at a new job in a new career path. The funds provided by the State will be an investment in workers, who will be gainfully employed and not require government assistance for support, and in the community's interest with more individuals contributing to the economy.

The question will undoubtedly be raised: Why HC&S workers? There are several reasons.

First, HC&S is a large employer. At least 650 employees will be laid off this year, roughly two percent of the working population on Maui. The impact of even a fraction of this many people being unable to find suitable employment at one time is potentially enormous to the community.

Second, the demographics of this population of workers require additional assistance. From experience, we know that this has been the case in every other plantation closure.

Third, the OJT program will potentially allow HC&S workers to retain the income level they had been accustomed to. Instead of having to settle for multiple low-wage jobs in order to maintain the same level of income, through the OJT program, workers can secure stable, permanent positions that will sustain them and their families into the future.

The ILWU urges passage of S.B. 3081. Thank you for the opportunity to testify on this important measure.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: ashman.janet@gmail.com
Subject: Submitted testimony for SB3081 on Mar 1, 2016 13:30PM
Date: Monday, February 29, 2016 12:56:18 AM

SB3081

Submitted on: 2/29/2016

Testimony for WAM on Mar 1, 2016 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
J Ashman	Individual	Support	No

Comments: Strong support. Thank you.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: pili.nahooikaika@mauicounty.gov
Subject: Submitted testimony for SB3081 on Mar 1, 2016 13:30PM
Date: Monday, February 29, 2016 2:17:36 PM
Attachments: [SB 3081 Relating to Labor MD.pdf](#)

SB3081

Submitted on: 2/29/2016

Testimony for WAM on Mar 1, 2016 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Pili Nahooikaika	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Megan Spath, RN
2526 Main Street
Wailuku, Maui, HI 96793

TO: Honorable Sen. Jill Tokuda, Chair
Members of the Senate Committee on Ways & Means

FROM: Megan Spath, RN

HEARING: Senate Committee on Ways and Means
Tuesday, March 1, 2016
1:30 p.m. (Conference Room 211)

RE: **SUPPORT FOR SB 3081, RELATING TO LABOR**

Aloha and thank you for this opportunity to testify in **SUPPORT of SB 3081**, which would appropriate 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 on Maui.

I am a resident of Maui, a healthcare worker, and I support this bill for the following reasons:

1. As HC&S will be closing Hawaii's last sugar plantation, it is sad to hear that over 650 workers will lose their jobs. As I've read, that this is about two percent of Maui's workforce, with the about 170 of our family members and friends being laid off as early as March 7, 2016.
2. Not only is this sad, but it is concerning that people will be anxious, worried about how they will pay their rent, mortgages, and bills. Parents are wondering if they will be able to continue sending their children to day-care and pre-school. Friends are hoping that they'll be able to continue going to college, make their car payments, and simply make ends meet.
3. There are many who have been working for HC&S for over twenty years, as well as those who are younger. In order for any of these individuals to find new jobs they will need to learn new skills. It is my understanding that this bill involves an "on-the-job training program" that will provide an incentive for employers to hire and train new workers (former HC&S employees) as employers will be reimbursed up to 50% if they hire and train new employees.
4. Hawaii already has a homeless crises with an estimated 7,620 people living on the streets, parks, beaches, in their cars, and in shelters. The homeless are exposed to the elements - rain, wind, and chilly nights. They are also vulnerable to physical, sexual, and substance abuse, and are at risk for mental health problems. It concerns me that there are many who are living on a month-to-month basis and barely making ends meet already. If they lose their jobs and cannot find new employment right away, they might become homeless. I also wonder what impact this may have on our clinics and hospitals as we may see an increase in individuals needing medical assistance. An increase in unemployment and uninsured individuals may add to the high health disparity rates and cause increase in health care costs

in Hawaii. People without insurance may be more reluctant to seek early medical care due to fear of medical bills which may contribute to increased emergency room visits that would have otherwise been prevented through regular visits to their preferred care provider.

As a concerned resident and healthcare worker, I thank you for taking the time to read my testimony and humbly ask that you support SB 3081.