WILLIAM G. KUNSTMAN DEPUTY DIRECTOR



STATE OF HAWAI'I KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS KA 'OIHANA PONO LIMAHANA

February 7, 2024

To: The Honorable Henry J.C. Aquino, Chair,

The Honorable Sharon Y. Moriwaki, Vice Chair, and

Members of the Senate Committee on Labor and Technology

Date: Wednesday, February 7, 2024

Time: 3:00 p.m.

Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director

Department of Labor and Industrial Relations (DLIR)

Re: S.B. 2188 RELATING TO UNEMPLOYMENT BENEFITS

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR offers comments** on this measure. SB2188 proposes to amend section 383-30, Hawaii Revised Statutes (HRS), by removing the provision that disqualifies individuals who are unemployed because of a labor dispute from collecting unemployment insurance benefits.

II. CURRENT LAW

§383-30(4) disqualifies individuals from receiving unemployment insurance (UI) benefits during a labor dispute if they are found to be directly participating or directly interested in the labor dispute that caused the stoppage of work and belong to the grade or class of workers employed at the premises immediately before the commencement of the work stoppage.

The intent of the statute is for the unemployment compensation system to remain neutral in labor disputes, such that the payment or denial of UI benefits shall not affect the outcome of the collective bargaining process.

III. COMMENTS ON THE SENATE BILL

The department offers the following comments:

- This measure broadens the eligibility criteria for UI benefits and will result in increased benefit payouts from the Unemployment Compensation Trust Fund.
- An increase in benefit payouts negatively affects the solvency of the fund, which in turn could trigger higher employer contribution rates.

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> The ability for striking workers to collect UI benefits will impact labormanagement relations and collective bargaining.



HAWAII STATE AFL-CIO

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The Thirty-Second Legislature, Hawaii
The Senate
Committee on Labor & Technology

Testimony by Hawaii State AFL-CIO

February 7, 2024

TESTIMONY ON SB2188 - RELATING TO UNEMPLOYMENT BENEFITS

Chair Aquino, Vice Chair Moriwaki, and members of the committee:

The Hawaii State AFL-CIO is a federation of 74 affiliate labor organizations who represent over 68,000 union members within the State of Hawaii. The Hawaii State AFL-CIO serves its affiliates by advocating for workers and their families before the state legislature and other branches of state and county government.

The Hawaii State AFL-CIO is in <u>strong support</u> of SB2188 which would allow striking workers to be eligible for unemployment benefits. This bill reinforces the principle of collective bargaining, a fundamental pillar of workers' rights and it empowers workers to negotiate for better working conditions and fair compensation without the looming fear of immediate economic repercussions.

Furthermore, this bill is an affirmation of Hawaii's commitment to promoting fair labor practices. It sends a resounding message that our state prioritizes the well-being and rights of its workforce.

Respectfully submitted,

Randy Perreira

President

Cade Watanabe, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Eric W. Gill, Senior Vice-President

February 5, 2024

Committee On Labor and Technology Senator Henry Aquino, Chair Senator Sharon Moriwaki, Vice Chair

Testimony in support of SB2188

Chair Aguino, Vice Chair Moriwaki, and Members of the Committee,

UNITE HERE Local 5 represents 10,000 working people in the hotel, food service and health care industries across Hawaii. We are in full support of SB2188, which would allow striking workers to receive unemployment benefits. When workers make the choice to go on strike, they do not do so lightly. They do it not just for themselves, but for the good of their coworkers, their families, and future generations of working people. They are the community, and they have a long-term interest in the health of the community. They are the key force that ensures that the benefits of our industries stay in our communities, rather than accruing to a few wealthy investors.

We believe this measure will help to ensure labor peace by removing incentives for employers to engage in protracted labor disputes. Meanwhile, it will serve as a valuable lifeline in workers' time of need. We urge you to pass SB2188.

Thank you for your consideration.



The Senate Committee on Labor, and Technology February 7, 2024 3:00 PM Room 224

RE: SB 2188, Relating to Unemployment Benefits

Attention: Chair Henry Aquino, Vice Chair Sharon Moriwaki and

Members of the Committee

The University of Hawaii Professional Assembly (UHPA) **supports SB 2188**, relating to unemployment benefits.

SB 2188 will provide workers involved in labor disputes the eligibility to receive unemployment benefits under certain conditions. The ability to strike is a fundamental and necessary bargaining tool for workers to maintain job security, and to prevent the Employer from forcing and unilaterally implementing policies, practices, and demands that adversely and negatively impact wages, hours, and working conditions. Without challenge, the impact could also hurt and negatively impact the customers and the community it serves.

By allowing workers the eligibility to receive income while participating in labor disputes to provide basic needs for themselves and their families, the Employer will hopefully be encouraged to engage in meaningful and productive collective bargaining sessions, and discourage the introduction of unilateral adverse action that runs contrary to having a highly efficient and productive workforce. In these times, where wage inequality continues to grow due to corporate greed, our society and communities will continue to struggle and the wage divide will multiply exponentially.

UHPA supports and requests the passage of SB 2188.

Respectfully submitted,

Christian L. Fern

Executive Director

University of Hawaii Professional Assembly

University of Hawaii Professional Assembly



House Committee on Labor and Government Operations Senator Henry J.C. Aquino, Chair Senator Sharon Y. Moriwaki, Vice Chair Wednesday, February 7, 2024, at 3:00 P.M.

RE: SB2188 Relating to Unemployment Benefits

Aloha Chair Henry J.C. Aquino, Vice Chair Sharon Y. Moriwaki, and members of the Committee on Labor & Technology:

A Coalition comprised of the Chamber of Commerce Hawaii and the Society of Human Resource Management – Hawaii ("SHRM") respectfully opposes SB 2188 Relating to Unemployment Benefits.

The unemployment insurance system is designed to provide financial support to terminated employees, typically, at no fault of their own. This measure, however, would require that unemployment benefits be extended to employees that choose to actively participate in a labor strike even though work is available to them.

When a labor strike occurs, employers incur additional expenses to hire temporary employees, cover unexpected operational costs and manage labor negotiation expenses. Mandating an additional expense on employers that requires them to provide unemployment benefits during a strike is unreasonable and would have many unintended consequences, such as:

- Small businesses participate in the unemployment insurance fund but are typically not subject to labor strikes. These businesses are still reeling from COVID, inflation and supply chain issues and would also have to pay for increased unemployment benefit expenses under this bill. Typically, union organizations provide resources to support employees during strikes.
- The bill may encourage employees to strike and extend the length of strikes by providing the assurance of financial assistance that is ultimately financed by employers. The longer strikes continue, the more businesses and the community at large are negatively impacted.

SHRM Hawaii serves and represents nearly 600 members and employers' statewide and human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the needs of



both the employers and employees and caring for businesses' most valuable asset: the working people of our state.

Thank you for this opportunity to provide testimony.

Erin Kogen and Rosanne M. Nolan Co-chairs, SHRM Legislative Affairs Committee



A F S C M E

HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Second Legislature, State of Hawaii
The Senate
Committee on Labor and Technology

Testimony by Hawaii Government Employees Association

February 7, 2024

S.B. 2188 — RELATING TO UNEMPLOYMENT BENEFITS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of S.B. 2188 which allows striking workers to be eligible for unemployment benefits.

Although our members are not afforded the right to strike, we feel that this measure is important and significant for the labor community. It's particularly important for employees who have a right to strike because they'll be provided with some financial relief when they are exercising their right to fight for better pay, benefits, and other conditions of work.

Thank you for the opportunity to testify in support of S.B. 2188.

Respectfully submitted,

Randy Perreira

Executive Director

SB-2188

Submitted on: 2/5/2024 9:43:51 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill. Striking is a critical tool of the working class to fight for its rights against corporate greed and domination of our political process. Striking is never done except when absolutely necessary to protect these rights. And these rights are enjoyed by more than just union workers. All workers benefit from the rights unions have fought for over the decades, from safe working conditions to the concept of a weekend. While these workers are sacrificing pay to fight for all our rights, we should create a way for their families to get by. Unemployment insurance makes sense as a mechanism to do this.

SB-2188

Submitted on: 2/3/2024 11:21:24 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Olderr	Individual	Support	Written Testimony Only

Comments:

I support this bill, as it allows protection for the workers when they demand better working conditions and enforces the right to unionize in the state by giving more power to workers.