

LINDA LINGLE
GOVERNOR



DARWIN L.D. CHING
DIRECTOR

COLLEEN Y. LaCLAIR
DEPUTY DIRECTOR

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

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.hawaii.gov/labor
Phone: (808) 586-8842 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

January 28, 2010

To: The Honorable Karl Rhoads, Chair,
and Members of the House Committee on Labor & Public Employment

Date: Friday, January 29, 2010

Time: 9:30 a.m.

Place: Conference Room 309
State Capitol

From: Darwin L.D. Ching, Director
Department of Labor and Industrial Relations

**Testimony in Opposition of
H.B. 2202, Relating to Employment Security**

The Department of Labor and Industrial Relations opposes this bill for the following reasons:

- Eliminating the requirement that claimants register for work with the public employment office is very likely to reduce the number of claimants who do. As of September 30, 2009, over 37,000 claimants (of a total 83,000 jobseekers) were registered in the Department's electronic job-matching system. During the same period, over 11,000 job openings were listed. Claimants who decline registration will not have access to the jobs listed and will not be among the 44% of claimants who secure work after registering in the Department's job-matching system.
- Often, UI claimants are the most employable set of jobseekers because they have the skills, experience, and work habits that are more relevant to today's businesses than someone out of work for several years. Reducing this pool of workers in the job matching system may make the system less attractive to employers for listing job openings because the quality of candidates may suffer. It also will preclude employers from contacting claimants for consideration for job openings, if these claimants are not registered in the system. Thus, claimants who are not registered may never be contacted by these employers although they may fit the employers' hiring needs.

- The registration process includes collecting data on work history, educational levels, jobs sought, and other demographics, and includes identification of skills possessed. These skills and other factors are matched to requirements or preferences for jobs listed. If a claimant does not have the skills required for jobs available, the individual will be advised of retraining opportunities and/or provided career counseling, with possible in-depth skills and interest assessments and information about other services available. For example, former plantation workers who registered for services and received retraining were able to transition into new careers outside of agriculture. Without the data collection and skills assessments that were automatically performed during registration, they would not have been able to take advantage of these opportunities.
- Data gathered for groups of affected workers are used to develop grant applications for federal funds, such as those sought and received to assist workers laid off from Del Monte, Aloha Airlines, Molokai Ranch, and various sugar plantations. The registration process also collects contact information so that the individual may be notified of additional services available if a federal grant is awarded. If the claimant is not registered, the individual may never be included in the pool to be served.
- Internet based job matching is the most efficient method of matching a jobseeker's skills and interests with job openings. The volume of jobseekers and jobs, each with requirements or preferences for skills, experience, hours of work, and other conditions, requires technology for storing databases, sorting, and matching. Many employers, including the federal government and some larger private employers, require job applications to be submitted via internet. As an estimated 15-25% of jobseekers require some assistance in using the Department's job-matching system, helping claimants and other users is an integral part of providing services and exposes them to internet applications in their job search. If the individual is unfamiliar with computers or the internet, the claimant may be encouraged to enroll in training for basic computer applications to become acquainted with keyboarding or other common computer uses in today's jobs.

For the reasons stated above, the Department opposes this measure.