

The Twenty-Sixth Legislature  
Regular Session of 2011

HOUSE OF REPRESENTATIVES  
Committee on Finance  
Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair

State Capitol, Conference Room 308  
Monday, February 28, 2011; 3:30 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 169, HD1  
RELATING TO EMPLOYMENT SECURITY**

The ILWU Local 142 supports H.B. 169, HD1, which enacts the optional total unemployment rate trigger and provides funds for an automated extended benefit claims system.

For many years, Hawaii's unemployment rate had been the lowest in the country. However, during the recent economic downturn (i.e., "recession"), our unemployment rate had crept up to more than 6%, resulting in the Unemployment Insurance Trust Fund going broke and necessitating a loan from the federal government.

Today, Hawaii's economy is improving and prospects look hopeful. However, the unemployment rate is at 6.4%, a far cry from the 2% and 3% of the past. While we are hopeful that the UI rate will not increase, we cannot be certain that a new economic crisis will not hit, leaving more people requiring unemployment benefits.

H.B. 169, HD1 is intended as a hedge against that dire possibility. With this measure, if the unemployment rate exceeds 6.5%, the State can access federal extended benefits to allow unemployed workers to receive benefits beyond the 26 weeks provided by the State. This measure may not be needed if Hawaii's economy continues to improve and the unemployment rate goes down. However, it would be foolish not to act now in the event that unemployment goes up.

H.B. 169, HD1 also calls for an appropriation of \$145,000 for an automated extended benefit claims system. We suggest that your Committee consider for this purpose use of the \$2,180,480, which was distributed to the State through the ARRA and is addressed in H.B. 1076, rather than appropriate additional General Fund monies. By deleting this appropriation from H.B. 169, the bill will revert to its original purpose—that is, to allow the State to access federal extended benefit funds in the event that Hawaii's UI rate exceeds 6.5%.

With this amendment, the ILWU urges passage of H.B. 169. Thank you for the opportunity to testify.



Randy Perreira  
President

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The Twenty-Sixth Legislature, State of Hawaii  
Hawaii State House of Representatives  
Committee on Finance

Testimony by  
Hawaii State AFL-CIO  
February 28, 2011

H.B. 169, HD1 – RELATING TO EMPLOYMENT  
SECURITY

The Hawaii State AFL-CIO supports H.B. 169, HD1 which enacts the optional total unemployment rate trigger.

Currently, Hawaii's unemployment rate stands at 6.4%. We hope that this number continues to decline, but must accept that predicting what the unemployment rate will be in the months ahead is nearly impossible. As a result, it is critical that Hawaii pass H.B. 169, HD1 which would extend the benefit period an additional thirteen weeks or twenty weeks if the unemployment rate reaches 6.5% or 8% respectively.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira  
President