

Testimony to the Senate Committee on Judiciary and Labor

Thursday, February 3, 2011; 11:00 a.m.

Conference Room 016

LATE TESTIMONY

RE: SENATE BILL 1089 RELATING TO DISLOCATED WORKERS

Chair Hee, Vice Chair Shimabukuro, and members of the committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). The Chamber does not support Senate Bill 1089, relating to Dislocated Workers.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 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 its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure authorizes the department of labor and industrial relations to exercise enforcement powers against an employer in a covered establishment. The bill amends the definition of a "covered establishment" subject to chapter 394B, HRS, relating to dislocated works, to include any business entity that employs at least one person within the previous year.

In Hawaii, small businesses are the engine for Hawaii's economy. They account for a majority of all new jobs and embody the spirit of innovation, entrepreneurship and individual initiative. They reflect all industries and a wide range of employment. Because of the significant role they play in Hawaii's economy, the challenges faced by this segment cannot be overlooked.

In the past couple of years, as a result of the downturn in the economy, small businesses have faced difficulty in obtaining financing and experienced a loss in business while facing an increase in the cost of doing business. As a result, many have been forced to shut down on short notice. Owners or management often do not have the foreseeability that they will close their doors within the timeframe that the statute requires for them to provide notice. Furthermore, because many shut down due to the lack of sudden financial resources, it will be difficult for them to pay the penalties required by the statute. This measure will have an undue harm and economic impact on small business owners.

For these reasons, The Chamber of Commerce of Hawaii respectfully requests that this measure be held.

Thank you for the opportunity to testify.

The Twenty-Sixth Legislature
Regular Session of 2011

THE SENATE
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair

State Capitol, Conference Room 016
Thursday, February 3, 2011; 11:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 1089
RELATING TO DISLOCATED WORKERS**

The ILWU Local 142 supports S.B. 1089, which authorizes the Department of Labor and Industrial Relations to exercise enforcement powers against an employer in a covered establishment and amends the definition of a "covered establishment" to include any business entity that employs at least one person within the previous year.

The 2007 Legislature amended the Dislocated Worker Act to include penalties against an employer for failure to provide notice in the event of a closure, divestiture, partial closing or relocation of a business. However, to enforce the penalties, an aggrieved worker must file a claim in court, subjecting the worker to expense and delays that ultimately serve as a disincentive to seeking compliance and the penalties.

S.B. 1089 will authorize the Department of Labor and Industrial Relations to enforce the penalties section of the Dislocated Worker Act. While the Department's resources may have been diminished due to budget cuts, it still has far more resources at its disposal than a dislocated worker who has lost his job and may not know what lies ahead for him in the future.

The ILWU urges passage of S.B. 1089. Thank you for the opportunity to testify on this matter.