

TESTIMONY

HB2169 HD2

LATE

WRITTEN TESTIMONY ONLY (IN SUPPORT)

THE SENATE

COMMITTEE ON LABOR

THE HONORABLE DWIGHT Y. TAKAMINE, CHAIR
THE HONORABLE BRIAN T. TANIGUCHI, VICE CHAIR

COMMITTEE ON WAYS AND MEANS

THE HONORABLE DONNA MERCADO KIM, CHAIR
THE HONORABLE SHAN S. TSUTSUI, VICE CHAIR

HOUSE BILL NO. 2169, HOUSE DRAFT 2, scheduled for hearing on February 26, 2010

Testimony of Dean Kapoi,

Vice President of Human Resources and Labor Relations,

Young Brothers, Limited

Chair Takamine, Vice Chair Taniguchi, and Members of the Senate Labor Committee, and Chair Mercado Kim, Vice Chair Tsutsui, and Members of the Senate Ways and Means Committee:

Thank you for the opportunity to testify on House Bill No. 2169, House Draft 2 (**HB 2169 HD2**).

Young Brothers, Limited (Young Brothers or YB) supports HB 2169 HD2 in its current form.

As you may know, Young Brothers is a corporation organized and existing under the laws of the State of Hawaii. The Company is a common carrier by water, transporting property by barge between the islands of Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai of the State of Hawaii. We employ over 300 employees who are located at all of the major commercial harbors of the State. Young Brothers appreciates and supports the Legislature's efforts in addressing the unemployment insurance contribution rate increase.

Young Brothers shares the concerns of other companies that face an increase in their unemployment insurance contribution rate. The increase would come at a time when the economy has yet to begin a meaningful recovery that would lessen the impact of such an increase. As much as we would like to see a greater reduction in the base wage for insured work and an extension of the reduced contribution rate schedule beyond 2011, we support HB 2169 HD2 as reasonable and prudent. This measure will help my business during these challenging times. We believe this measure will save jobs,

preserve businesses, and spur the economy by keeping more dollars flowing into the economy through wages and purchases. We support maintaining the Adequate Reserve Fund level at the twelve-month level without any multiplier, as proposed in the present bill. Also, more study should be put into any future increases in benefits or contributions before enacting a permanent change in the law.

Thank you for this opportunity to testify.



702 Kanaha Street
Kailua, HI 96734

808-221-5955
MSteiner@SteinerAssoc.com

**Senate Committees on Labor and Ways and Means
Friday, February 26, 2010; 10:00 a.m.
Conference Room 211**

RE: HOUSE BILL 2169 HD2 RELATING TO EMPLOYMENT SECURITY - Testimony in Support

Aloha Senator Dwight Y. Takamine, Chair, Senator Brian T. Taniguchi, Vice Chair, Senator Donna Mercado Kim, Chair, Senator Shan S. Tsutsui, Vice Chair and members of the committees:

My name is Michael Steiner and my company is Steiner & Associates. I appreciate the efforts made by the chair and the committee in addressing the unemployment insurance tax increase. I support HB 2169 HD2 in its current form.

While my business is small, those with whom I consult will be hard pressed to accommodate the increased UI tax during these trying times. With margins being cut to the bone, and in many cases companies taking on unprofitable work just to keep employees and cash flow, the additional burden will create an untenable situation for many forcing possible reductions in benefits and/or lay-offs.

Although I would like to see a greater taxable wage base reduction and extend the reduced tax rate schedule beyond 2011, I support HD2 as reasonable and prudent. This measure will help those businesses with which I consult during these challenging times. I also believe this measure will save jobs, preserve businesses and spur the economy by keeping more dollars flowing into the economy through wages and purchases. I support maintaining the Adequate Reserve Fund level at the twelve month level without any multiplier as proposed in the present bill. Lastly, more study should be put into any future increases in benefits or taxes before making a permanent change in the law.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me.

Michael Steiner

Michael Steiner, CLM
Principal
Steiner & Associates

Testimony to the Senate Committees on Labor and Ways and Means

DATE: Friday, February 26th, 2010

TIME: 10:00 a.m.

PLACE: Conference Room 211

RE: HOUSE BILL 2169 HD2 RELATING TO EMPLOYMENT SECURITY

Syngenta Hawaii supports HB 2169 HD2. My name is Laurie Goodwin and I am representing Syngenta Hawaii which employs over 450 people in Kunia on Oahu and Kekaha on Kauai. We appreciate the efforts made by the Legislature in addressing the unemployment insurance tax increase and although we would like to see a greater taxable wage base reduction and an extension to the reduced tax rate schedule beyond 2011, we support HD2 as practical and sensible. This measure will save jobs, preserve businesses and maintain the growth and development of businesses currently operating in the State.

Syngenta Hawaii is part of an industry that continues to forecast growth despite the current economic climate. The seed industry is the State's #1 agricultural commodity and has grown from a \$97 million industry in 2006 to a \$146 million industry in 2008 with a forecasted estimate of \$176 million for 2009. Syngenta Hawaii created almost 200 additional full-time positions in the State in 2008, and we are continuing to grow. To encourage and maintain the growth of our Company in the State please vote to support HB 2169 HD2 in its current form.

Thank you for the opportunity to submit testimony.

Mahalo,

Laurie Goodwin

Laurie Goodwin
Hawaii State Affairs Manager
Syngenta Hawaii
7050 Kaunualii Highway | Kekaha, HI 96752
PO Box 879 | Waimea, HI 96796
office: 808-337-1408 Ext. 120 | mobile: 808-652-0768
laurie.goodwin@syngenta.com





February 25, 2010

Chair Dwight Takamine
Senate Committee on Labor
Chair Donna Mercado Kim
Senate Committee on Ways and Means
State Senate
State Capitol, Room 211
Honolulu, HI 96813

RE: HOUSE BILL 2169, HD 2 RELATING TO EMPLOYMENT SECURITY

Chair Takamine, Chair Kim and members of the Labor and Ways and Means Committees:

The Hawai'i Alliance of Nonprofit Organizations (HANO) is a professional association for nonprofit organizations, which works to strengthen and unite Hawaii's nonprofit sector as a collective voice to improve the quality of life in Hawaii. We appreciate the work by the Legislature to address the unemployment insurance tax increase this year and to ensure some relief. **We support HB 2169, HD 2.**

The nonprofit sector is already reeling from cuts to their government contracts, decreased funding from the private sector in the wake of this unprecedented economic crisis. Revenue sources—restricted and unrestricted—are limited, with demands for nonprofit sector services growing by leaps and bounds.

Nonprofit organizations, just like any for-profit business, must pay for and manage the business costs of running operations. In an informal survey that HANO conducted, 76% of the respondents said that a dramatic increase in unemployment insurance tax will adversely affect their service delivery and possibly result in workforce cutbacks. While organizations with 501(c)(3) nonprofit status can opt out of the state insurance plan and can self-insure, many have found this alternative to NOT be economical, based on their employment experience ratings and other factors. Much of a nonprofit organization's revenue is restricted by the donor – whether through government contract or private trust and foundation-- for specific projects. Often, unanticipated business cost increases like this are not factored into contracts and grant proposals, leaving the nonprofit at a loss as to how it will pay that expense.

HANO Testimony to Senate Labor and WAM Committees
February 25, 2010
Page Two

Although we would like to see a greater taxable wage base reduction and extend the reduced tax rate schedule beyond 2011, we support HD2 as reasonable and prudent. This measure will help nonprofit organizations during these challenging times. We believe this measure will save jobs, preserve businesses and spur the economy by keeping more dollars flowing into the economy through wages and purchases. We support maintaining the Adequate Reserve Fund level at the twelve month level without any multiplier as proposed in the present bill. Also, more study should be put into any future increases in benefits or taxes before making a permanent change in the law.

Thank you for the opportunity to provide testimony.

Mahalo,

Lisa Maruyama
President and CEO



TESTIMONY HB 2169 HD 2

February 26, 2010 10:00 AM Room #211

TESTIMONY TO: WAM; LBR
Senator Kim, Chair WAM
Senator Takamine, Chair LBR

Presented By: **James E. Coon, President of the Ocean Tourism Coalition**

Subject: HB 2169 HD2 Relating to Employment Security

SPEAKING WITH SUPPORT for HB 2169 HD 2

Chairs Kim; Takamine, and Members of the Committees:

I am Jim Coon, President of the Ocean Tourism Coalition (OTC), speaking with **Support for HB 2169 HD 2.**

The Ocean Tourism Coalition is the only state-wide organization that represents the more than **300 small businesses** that operate vessels out of the small boat harbors of the state. Each one of these business is **fighting for their very survival** in this very difficult economic climate.

All our **passenger counts are down significantly** in spite of the heavy discounting in the marketplace. The tourists are looking for the least expensive vacation possible. Our operating costs are up. Every time we increase the cost to do our products, we lose business. **HB 2169 HD 2 is the best option of hard choices.** It will be the most acceptable way to solve the shortfall. It will raise our costs to do business and this will raise the price we charge to the tourists. We wish we didn't have to have this increase, but we can live with the House Draft 2.

We humbly ask you to **Please pass HB 2169 HD 2.**

Sincerely,

James E. Coon, President OTC



Testimony of C. Mike Kido

External Affairs

The Pacific Resource Partnership

Senate Committee on Labor
Senator Dwight Takamine, Chair
Senator Brian Taniguchi, Vice Chair

Senate Committee on Ways and Means
Senator Donna Mercado Kim, Chair
Senator Shan Tsutsui, Vice Chair

HB 2169, HD2 – RELATING TO EMPLOYMENT SECURITY
Friday, February 26, 2010
10:00 am
Conference Room 211

Chair Baker, Vice Chair Ige and Members of the House Committee on Commerce and Consumer Protection:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Carpenters Union.

PRP supports HB 2169, HD2 – Relating to Employment Security, which sets, for calendar years 2010 and 2011, the wage base at 90% of the average annual wage. Sets, for calendar year 2010, the employer contribution rate at schedule D and for calendar year 2011, the employer contribution rate at schedule F. Retains the maximum weekly benefit rate at 75% of the average weekly wage until December 31, 2012. Returns the maximum weekly benefit rate to 70% of the average weekly wage on January 1, 2013. Establishes for recalculation of the adequate reserve fund beginning in 2011.

PRP supports the purpose of the Bill to assist employers and employees by adjusting the unemployment insurance (UI) contribution rates for employers and the benefit amounts paid to employees from the UI trust fund while maintaining adequate reserves in the UI trust fund. Adjusting the rates will help the economy maintain jobs. It will also help businesses plan expenses over a larger period of time, and minimize the impact on jobs, wage or benefit reductions.

Thank you for the opportunity to share our views with you and we respectfully ask for your support on HB 2169, HD2 – Relating to Employment Security.



Hawaii Island Chamber of Commerce

106 Kamehameha Avenue
Hilo, Hawaii 96720
Phone: (808) 935-7178
Fax: (808) 961-4435
E-mail: admin@hicc.biz
www.hicc.biz

February 25, 2010

To: The Honorable Donna Kim & Honorable Dwight Takamine
Committee Members of Ways & Means & Labor
415 South Beretania St.
Honolulu HI 96813

2009-10 Board

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Marcia Sakai
Glenn Santos
Margaret Shiba
Alice Sledge
Mele Spencer
Art Taniguchi
Ron Terry
Steve Ueda

From: Mary Begier, President 2009-2010

RE: HB 2169, HD2

My name is **Mary Begier**, I am proud to serve as the **President of the Hawaii Island Chamber of Commerce**. We appreciate the efforts made by the legislature in addressing the increase in the unemployment insurance tax.

I have been an active community member on Hawaii Island for the past 16 years. It is amazing how many of the businesses are consumed with preparing for the increase in Unemployment Insurance. Consumption is the appropriate word to describe the fear and concern that exists. And that fear and concern is based on you passing this bill. I can not even begin to comprehend what panic will occur if you do not address this aid post haste.

To quote some of the testimonies I have been provided with from Hawaii Island:

“we are 100% employee owned, the economic downturn has impacted the value of our ESOP. This has forced many employees to rethink their futures and has placed additional strain on their lives. The proposed UI rates will only serve to exacerbate this.”

“The proposed UI tax increase will have an immediate impact on the Hilo Rite Care Center as it will put us out of business”.

“The increase in taxes on our small business will likely result in the layoff of at least 2 and possibly 4 employees. We are already struggling, but have managed to keep a positive attitude and provide dependable income for our employees, many of which have come from the First To Work program, are single mothers (experiencing reduced childcare benefits) and need this job. I would be hypocritical to provide them ovr, then take it away and put them in the same if not worse position, from where they came.”

Donna Saiki ED of Pacific Tsunami Museum may have said it best, “Besides the educational value of the museum and the three jobs that it generates, it also is an important addition to the tourism attraction of Hilo that has steadily emerging these past five years. Old downtown Hilo is a collection of small businesses such as the museum and we all fill a niche that attracts visitors. We need each other to thrive. Having any of these small businesses fail affects us all.”

That really says it all, what you are witnessing today is a population begging you for life. The recent economy has taught many, many people humility. I am not ashamed to stand before you today and beg for the future of my community, my state. **Please provide the help that HB 2169 HD2 will create.** If you find a financial way for the State of Hawaii to do more great, we will be appreciative but please don't do anything less than what HB 2169 HD2 outlines. We need it, we need it now!

**TESTIMONY OF KEONI WAGNER ON BEHALF OF HAWAIIAN AIRLINES
REGARDING H.B. NO. 2169, HD 2 RELATING TO EMPLOYMENT SECURITY**

February 26, 2010

To: Chairpersons Dwight Takamine and Donna Mercado Kim and Members of the Senate Committee on Labor and the Senate Committee on Ways and Means:

My name is Keoni Wagner and I am the Vice President of Public Affairs for Hawaiian Airlines presenting this testimony on behalf of Hawaiian Airlines regarding H.B. No. 2169, HD 2.

Hawaiian Airlines is one of the largest employers in the State of Hawaii with 3,857 employees, and despite the economic downturn has been able to hire more than 350 additional workers over the past 12 months. We anticipate additional hiring this year to accommodate the introduction of new Airbus long range aircraft and expansion in our service to Hawaii from the state's largest visitor markets on the mainland.

If the changes that were made to the State unemployment insurance law last session go into effect as scheduled with an increase in the wage limit to \$38,800 per employee, Hawaiian's annual tax burden will increase by approximately \$2.7 million. This increase will put additional financial pressure on the company as it copes with rising fuel prices and continuing lackluster travel demand. Therefore, we are in support of HB 2169, HD 2 which has modified the existing law.

Thank you for the opportunity to present comments on this measure.



THE SENATE
25th LEGISLATURE
REGULAR SESSION of 2010

COMMITTEE ON LABOUR
Senator Dwight Y. Takamine, Chair

COMMITTEE ON WAYS & MEANS
Senator Donna Mercado Kim, Chair

2/26/10
10:00 AM – Room 211

SB 2169
Relating to Employment Security

My name is **Max J Sword**, here on behalf of **Outrigger Hotels**, to offer our support for this bill.

The last couple of years have not been kind to the tourism industry, as you all have realized based on the dramatic reduction in the collection of the General Excise Tax and the Transient Accommodations Tax. We have had to adjust the way we operate; unfortunately some of the adjustments come at a cost to our employees. We have had early retirement, hours and days adjusted, trying every idea to avoid what has become the inevitable, employee layoffs.

We continue to tread water and struggle to keep our head above water. We are continuing to make adjustments to try to protect the current employees and avoid further lay-offs.

Unfortunately, one of the business costs we cannot control is the Unemployment Insurance cost. While we continue to tread water, the extra weight of the upcoming higher unemployment insurance cost, will certainly be the extra weight that will drown a good number of companies.

This bill, while it certainly is not the heavy lift that the industry needs, it certainly will help in keeping companies afloat and keeping their current employees employed.

Mahalo for allowing us to testify and we urge your support for the bill and your passage as it is written.

Subject: Testimony for HB2169 on 2/26/2010 10:00:00 AM

Testimony for LBR/WAM 2/26/2010 10:00:00 AM HB2169

Conference room: 211

Testifier position: oppose

Testifier will be present: No

Submitted by: Celeste Fernandez

Organization: Island Tile Inc

Address: 300 E Uahi Way Wailuku HI 96793

Submitted on: 2/26/2010

Comments:

We need to support a gradual increase to contribute back to the reserve not one that will be taxing on the employers trying to keep their staff employed

Subject: Testimony for HB2169 on 2/26/2010 10:00:00 AM

Testimony for LBR/WAM 2/26/2010 10:00:00 AM HB2169

Conference room: 211

Testifier position: oppose

Testifier will be present: No

Submitted by: Celeste Fernandez

Organization: Lane's Carpet Service

Address: 244 Papa Pl Kahului HI 96732

Submitted on: 2/26/2010

Comments:

A substantial increase will be too much burden on employers and may cause more layoffs- please put a lower tax base for 2010

Subject: Testimony for HB2169 on 2/26/2010 10:00:00 AM

Testimony for LBR/WAM 2/26/2010 10:00:00 AM HB2169

Conference room: 211

Testifier position: oppose

Testifier will be present: No

Submitted by: Celeste Fernandez

Organization: Quill Group Inc

Address: 411 Huku Lii Pl Kihei HI 96753

Phone: 808-891-8363

E-mail: celeste@quillgroup.com

Submitted on: 2/26/2010

Comments:

Please try to keep the 2010 wage base to a minimum to keep employees working

Subject: Testimony for HB2169 on 2/26/2010 10:00:00 AM

Testimony for LBR/WAM 2/26/2010 10:00:00 AM HB2169

Conference room: 211

Testifier position: **comments only**

Testifier will be present: No

Submitted by: **Paul Laub**

Organization: **Recycledbikes and boards**

Address: 1217 Front st Lahaina

Phone: 442-2450

E-mail: carmelaub@aol.com

Submitted on: 2/26/2010

Comments:

Small businesses can not afford anymore taxes. This is about the worst state to do business by everyone's lists Please take this opportunity to reverse this trend and make it one of the best states to do business. Please do not increase the taxes!



**Testimony to the Senate Committees on Labor and Ways and Means
Friday, February 26, 2010; 10:00 a.m.
Conference Room 211**

RE: HOUSE BILL 2169 HD2 RELATING TO EMPLOYMENT SECURITY

My name is Jason Princenthal and my company is called AirCare Environmental Services Environmental Services, which specializes in indoor air quality and building sciences. We are a homegrown firm from right here in Honolulu Hawaii. We now employ nine employees although we have employed as many as fourteen people six months prior. I appreciate the efforts being made by the Legislature in addressing the unemployment insurance tax increase. I support HB 2169 HD2 in its current form.

To vote to increase the unemployment insurance taxes will be the worst decision you can make this year and especially now of all times. Now is the time when we need your help and this is not helping us, our remaining employees or will Help Hawaii's economy. Although the state government is having difficulties making ends meet, most of Hawaii's people and small businesses throughout our state are struggling too. And many small businesses right now are on thin ice with absolutely no lifelines left.

Now I include people and small businesses together, because we are the people and also tax payers who create the jobs and who are the risk takers and productive entrepreneurs and when we can grow our businesses we'll need other talent from other people who are tax payers to support and help small businesses grow and prosper so we can collect more taxes and so on.

This is not a new theory this is plain common sense. Keep in mind we are the largest source of revenue although most of us are not household names but our sheer numbers make us together the largest employer and tax collector in and for the state. But we are also your neighbors and friends and as business owners we have to wake up everyday knowing that our employees who are also family to us depend on me for their, income, security and a potential to accomplish their dreams and goals.

“Healthy Buildings Healthy People Since 1989”

Now with the poor economy as it has been in Hawaii I have had to make difficult decisions to reduce staff and other cost to continue to remain willing and able to continue in business.

I am convinced that with this unemployment tax increase proposed that there will be nothing to gain to the system by its negative impact to the overall local economy and will put myself and many other business owners in a situation that I will need to cut back more just to stay afloat. I see where I will have to likely have to decrease my staff and most certainly will not be hiring anyone. And finally I would like to add that you efforts should be placed on helping us to create jobs and not be focusing on keeping people on unemployment.

Although we would like to see a greater taxable wage base reduction and extend the reduced tax rate schedule beyond 2011, we support HD2 as reasonable and prudent. This measure will help my business during these challenging times. We believe this measure will save jobs, preserve businesses and spur the economy by keeping more dollars flowing into the economy through wages and purchases. We support maintaining the Adequate Reserve Fund level at the twelve-month level without any multiplier as proposed in the present bill. Also, more study should be put into any future increases in benefits or taxes before making a permanent change in the law.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at Jason Princenthal, President AirCare Environmental Services 1020 Auahi St, Honolulu, Hawaii 96814 808.593.9600.

Regards,

Jason Princenthal
President

“Healthy Buildings Healthy People Since 1989”

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Senator Dwight Takamine, Chair
Committee on Labor
and
Senator Donna Mercado Kim, Chair
Committee on Ways and Means
State Capitol, Room 211
Honolulu, Hawaii 96813

RE: HB2169, HD2 "Relating to Employment Security"

Dear Chairs Takamine and Kim and Members of the Committees on Labor and on Ways and Means:

My name is Greg Thielen and I am the Owner of a small construction company that employs 9 full time and one part time employee. Based on the news of the impending raise in unemployment insurance I am preparing to take the following steps; 1) Lay off my part time employee and 2) Implement pay cuts equal to the cost of the increase. Our company doesn't have the profit margins necessary to cover the cost of these increases.

Because of this I support HB2169, HD2, "Relating to Employment Security".

My employees and I appreciate the Legislature's efforts to provide some relief from the high unemployment insurance rates anticipated if nothing is done immediately. Although we would like to see a greater taxable wage base reduction and **extension of the reduced tax rate schedule beyond 2011**, we support HD2 as reasonable and prudent. This measure will help business during these challenging times. We believe this measure will save jobs, preserve businesses and spur the economy by keeping more dollars flowing into the economy through wages and purchases. We support maintaining the Adequate Reserve Fund level at the twelve month level without any multiplier as proposed in the present bill. Also, more study should be put into any future increases in benefits or taxes before making a permanent change in the law.

Sincerely,



Greg Thielen
President/RME

Hawaii State Legislature
State Senate
Committees on Labor
and Ways and Means

Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair
Committee on Labor

Senator Donna Mercado Kim, Chair
Senator Shan S. Tsutsui, Vice Chair
Committee on Ways and Means

Friday, February 26, 2010, 9:00 a.m. Room 211
House Bill 2169, HD 2 Relating to Employment Security

Honorable Chair Dwight Y. Takamine, Vice Chair Brian T. Taniguchi, Chair Donna Mercado Kim, Vice Chair Shan S. Tsutsui and members of the Senate Committees on Labor and Ways and Means,

My name is Russel Yamashita and I am the legislative representative for the Hawaii Dental Association and its 965 member dentists. I appreciate the opportunity to testify in support of HB 2169, HD2 Relating to Employment Security. The members of the Hawaii Dental Association are primarily small business persons who directly employ over 3,800 professionals, paraprofessionals and clerical staff.

The effect of this bill is to moderate the level of contributions which all employers must pay for unemployment insurance. Rather than face erratic spikes in the levels of contributions to the unemployment insurance fund, this legislation will hopefully moderate and even out the levels of contributions that have to be made. This does not diminish the amounts that will be received to provide for the unemployed, but rather evens out the contributions in order to provide for more reasonable and predicible payments that all employers must make.

Therefore, the HDA and its members urge your favorable consideration of this bill and I thank you for this opportunity to testify in support of this bill.

STARWOOD

HOTELS & RESORTS WORLDWIDE, INC.

February 26, 2010

LATE TESTIMONY

To: Honorable Dwight Takamine, Chair
Senate Committee on Labor

Honorable Donna Mercado Kim, Chair
Senate Committee on Ways and Means

From: Nona Tamanaha, Regional Director of Human Resources
Starwood Hotel & Resorts – Hawaii & French Polynesia

RE: **HB 2169 HD2 – Relating to Employment Security - Support**
LBR/WAM Committees – February 26, 2010, Conference Room 211, 10AM

Aloha Chair Takamine, Chair Kim and Members:

My name is Nona Tamanaha, Regional Director of Human Resources Starwood Hotel & Resorts, Hawaii & French Polynesia (“Starwood”). I am testifying on behalf of Starwood in support of HB 2169 HD2, Relating to Employment Security.

We understand the unique circumstances which warrant this legislation and are here to register our preference for a more gradual unemployment insurance increase. Starwood supports several of the provisions in the HD2 version of this bill as it includes most of the Hawaii Chamber of Commerce’s suggested amendments, including the following:

- Keeping the adequate reserve multiplier at 1.0, which allows funds to stay in the economy rather than sit in the unemployment insurance fund;
- Keeping the 2011 Schedule to F at 90% of the taxable wage base, which without this change would cost an employer on average \$320 per employee; and
- Keeping the permanent increase of the maximum weekly benefit rate at 75% of the average weekly wage to temporary (until 2012).

We also support the equitable distribution of interest payments on amount borrowed and principle of amount borrowed from federal programs.

For these reasons, we respectfully urge members of these committees to keep these changes in place as this bill continues to move forward. Most of all, we urge you to pass legislation that mitigates the significant unemployment insurance tax increase set to take place to keep the unemployment insurance fund solvent for future beneficiaries.

As always, we appreciate the opportunity to share our views with you.



Subject: Testimony for HB2169 on 2/26/2010 10:00:00 AM

Testimony for LBR/WAM 2/26/2010 10:00:00 AM HB2169

Conference room: 211

Testifier position: comments only

Testifier will be present: No

Submitted by: Karmeta Reinert

Organization: Laser On Inc.

Address: 73-5590 Kauhola St. D2, Kailua Kona, Hawaii

Submitted on: 2/26/2010

Comments:

We are a small business, we have been working employee on a part time basis and had hoped to make permanent. Because of the extensive taxation and employment costs along with required medical insurance we feel we cannot bring employees on board on a full time basis, and may not even be able to afford a part time basis. This means that in our 2 small businesses my husband and myself are doing more work and may have to close one of the businesses. I would request that any legislation be put on hold that affects any small business in Hawaii. The economic times do not support any tax, employment or medical increase.

Subject: Testimony for HB2169 on 2/26/2010 10:00:00 AM

Testimony for LBR/WAM 2/26/2010 10:00:00 AM HB2169

Conference room: 211

Testifier position:

Testifier will be present: No

Submitted by: Don Varni

Organization: Valley Isle Electric

Address: 1942 Main St. Ste 105 Wailuku, HI 96793

Phone: 808 242-1974

E-mail: don@valleyisleelectric.com

Submitted on: 2/26/2010

Comments:

Please Support HB2169 and HD2 as it stands. At this time I don't know how we can tolerate the increase even at 60%. This may be the straw that breaks the camels back. You MUST do things that help small business, not increase their problems.
Don Varni Electrical Contractor, Maui



**HAWAI'I HOTEL & LODGING
ASSOCIATION**

2270 Kalakaua Ave., Suite 1506
Honolulu, HI 96815
Phone: (808) 923-0407
Fax: (808) 924-3843
E-Mail: hhla@hawaiihotels.org
Website: www.hawaiihotels.org



32nd Anniversary
Are You Walking???
May 15, 2010
(Always the 3rd Saturday in May)
www.charitywalkhawaii.org

**TESTIMONY OF MURRAY TOWILL
PRESIDENT
HAWAI'I HOTEL & LODGING ASSOCIATION**

February 26, 2010

RE: HB 2169 HD 2 Relating to Employment Security

Good morning Chairpersons Takamine and Kim and members of the Senate Committees on Labor and Ways & Means. I am Murray Towill, President of the Hawai'i Hotel & Lodging Association.

The Hawai'i Hotel & Lodging Association is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 150 hotels representing over 48,000 rooms. Our hotel members range from the 2,680 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawai'i Hotel & Lodging Association strongly supports HB 2169 HD 2 Relating to Employment Security. We greatly appreciate the legislative efforts to "fast track" this bill and to seek ways to soften the blow caused by the precipitous increase in the Unemployment Insurance ("UI") Tax scheduled to take place this year. We recognize that the severity of the projected increase was caused by the magnitude of our current economic downturn and the temporary UI tax relief provided by the State to businesses prior to the downturn. The temporary relief has actually helped businesses weather some of their economic challenges and keep people employed. We are confident the proposed relief will also keep people employed. We also know the UI Trust Fund must be replenished.

We believe HB 2169 HD2 strikes a good balance of providing substantial short term relief to business and generating the necessary funds to restore the UI Trust Fund to a healthy level.

We urge you to approve HB 2169 HD 2. Again mahalo for this opportunity to testify.

**Testimony to the Senate Committees on Labor and Ways and Means
Friday, February 26, 2010
10:00 a.m.
Conference Room 211**

**SUBJECT: HOUSE BILL 2169 HD2 RELATING TO EMPLOYMENT
SECURITY**

Chairs Takamine and Mercado Kim, Vice Chairs Taniguchi and Tsutsui, and Members of the Committees:

My name is John Knorek. I am the volunteer chair of the Chamber of Commerce of Hawaii. Thank you all for your effort in addressing this unprecedented increase in unemployment taxes which imperils the jobs of thousands of employees and countless businesses.

I understand there are numerous issues other than those addressed in HB 2169, HD 2. Because timeliness in assuring tax bills are sent to businesses by April 1 in the appropriate amounts, I urge the Committees to pass HB 2169, HD 2 unamended and study those other issues before making any permanent changes in the Hawaii Employment Security Law.

Thank you for your time and speedy attention to this important issue.