

STAND. COM. REP. NO.

365

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1037
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 1037 entitled:

"A BILL FOR AN ACT RELATING TO MINIMUM HOURLY WAGE,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the
minimum wage to ensure that the lowest-paying jobs in our State
keep up with the proportional increase in inflation by:

- (1) Increasing the minimum wage to \$8.50 per hour beginning
July 1, 2011, and ending December 31, 2012; and
- (2) Adjusting the minimum hourly wage beginning January 1,
2013, and thereafter according to the Consumer Price
Index for Urban Wage Earners and Clerical Workers.

Your Committee received testimony in support of this measure
from ILWU Local 142. Your Committee received testimony in
opposition to this measure from The Chamber of Commerce of Hawaii.
Your Committee received comments on this measure from the
Department of Labor and Industrial Relations.

Your Committee recognizes that there are concerns about the
fiscal impact of an increase to the minimum wage. Your Committee
finds that the minimum wage represents a wage floor, and most
employers try to pay slightly more than the minimum wage to
recruit and retain employees. However, if the minimum wage floor
remains stagnant for years at a time, low-wage workers will remain



underpaid and need to rely on government programs like Medicaid and food stamps or private programs like the Food Bank to supplement their families' income.

Your Committee notes that, during the 2010 legislative session, a similar measure, S.B. No. 2244 (2010), was heard by the Senate Committee on Labor. At that time, there were concerns about the establishment of an automatic adjustment mechanism. Your Committee believes that this concern is well-taken.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the automatic adjustment index provision that would have adjusted the minimum hourly wage rate based on the rate of inflation in accordance with the Consumer Price Index;
- (2) Inserting an effective date of July 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1037, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,

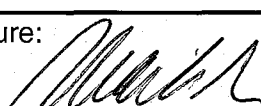


CLAYTON HEE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1037	JDL, WAM	2/8/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended <small>2312</small>				
<input checked="" type="checkbox"/> Pass, with amendments <small>2311</small>				
<input type="checkbox"/> Hold <small>2310</small>				
<input type="checkbox"/> Recommit <small>2313</small>				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike				✓
IHARA, Jr., Les	✓			
SLOM, Sam			✓	
TOTAL	3	0	1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes