

Honolulu, Hawaii  
Jan 27 , 2012

RE: H.B. No. 1691

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1691 entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

The purpose of this measure is to assist Hawaii's workers by:

- (1) Increasing the minimum wage from \$7.25 to \$8.14 per hour beginning January 1, 2013; and
- (2) Recalculating the minimum wage on July 1 of each year, beginning with 2013, by dividing the federal poverty level for a family of two persons in Hawaii by 2,080.

The Department of Labor and Industrial Relations, Hawaii Government Employees Association, and Chair of the Labor Caucus of the Democratic Party of Hawaii testified in support of this measure. The Chamber of Commerce of Hawaii, Hawaii Bar Owners Association, Retail Merchants of Hawaii, National Federation of Independent Business, Hawaii Restaurant Association, and a concerned individual testified in opposition to this measure.

The minimum wage was initially established to provide a wage floor for employees, thus ensuring the economic well-being and security of the average worker. However, increased inflation and cost of living have eroded workers' purchasing power making it difficult for individuals to meet ever-increasing financial demands.

HB1691 HSCR LAB HMS 2012-1407



The minimum wage was last increased in 2007 to the current amount of \$7.25 per hour. However, according to the Department of Labor and Industrial Relations, when adjusted for inflation, today's minimum wage of \$7.25 per hour was worth only \$6.41 per hour in 2011, and will be worth \$6.18 per hour for this current year. Your Committee notes that 18 states or jurisdictions including the western states of California, Washington, Oregon, Arizona, and Alaska have a higher minimum wage than Hawaii, and that the minimum wage in these 18 states ranges from \$7.40 per hour in Michigan and Rhode Island to \$9.04 per hour in Washington.

Hawaii's cost of living expenses have historically and consistently ranked high among all states. This measure is intended to provide a modicum of relief to Hawaii's workers from this high cost of living. Your Committee also believes that higher wages earned by the minimum wage worker will likely be spent by that worker and will therefore contribute to the economic recovery of the State.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1691 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



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KARL RHOADS, Chair



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State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HD 1691	Committee Referral: LAB, ERB, FIN	Date: 1-24-2012
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The committee is reconsidering its previous decision on the measure.

The recommendation is to:  Pass, unamended (as is)     Pass, with amendments (HD)     Hold  
 Pass short form bill with HD to recommit for future public hearing (recommit)

LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia	/			
8. OKAMURA, Tom	/			
9. SAIKI, Scott K.	/			
10. SOUKI, Joseph M.		/		
11. TAKUMI, Roy M.	/			
12. FONTAINE, George R.		/		
13. JOHANSON, Aaron Ling		/		
TOTAL (13)	10	3	-	-

The recommendation is:  Adopted     Not Adopted  
If joint referral, \_\_\_\_\_ did not support recommendation.  
committee acronym(s)

Vice Chair's or designee's signature: 

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