



**Testimony to the House Committee on Finance  
Tuesday, February 28, 2012  
12:00 p.m.  
State Capitol - Conference Room 308**

**RE: HOUSE BILL NO. 1699 HD2 RELATING TO LABOR**

Chair Oshiro, Vice Chair Lee, 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"). I am here to state The Chamber's opposition to House Bill No. 1699 HD2 relating to Labor.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 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.

HB 1699 HD2 requires employers to provide meal breaks for employees and imposes penalties for failure to provide meal breaks. The Chamber believes the Bill is unnecessary and opposes the Bill for the following reasons:

First, the Bill will cause confusion and litigation regarding the calculation of overtime payments due to the unintended effect of altering current law on calculating employees' regular rate of pay for overtime purposes. For example, under FLSA, employers can exclude premium pay given for work on holidays or weekends when calculating the employee's regular rate of pay for overtime purposes. Under Hawaii law, if the bill passes, an employer would have to factor in premium pay in calculating the regular rate because the only method of calculating the regular rate of pay under Hawaii law is to take the total earnings for the period and divide by the number of hours worked.

Second, a meal break, we believe is unnecessary. Most employers already provide meal breaks, and in many cases provide meal breaks longer than 30 minutes.

Third, the bill will hurt employees who would rather work through their lunch or take shorter breaks in order to shorten their work day. Employers who currently operate ten hour shifts would be

required to force employees to take an unpaid 30 minute meal break before the fifth and again before the tenth hour of work, thereby prolonging an already long work day.

Fourth, the bill will require employers to carefully monitor employees to ensure that they take meal breaks before 5 continuous hours of work have passed. To avoid paying this penalty, employers will have to send supervisors to every employee's cubicle and work location to make sure that employees have taken lunch breaks on time.

Finally, this bill imposes a significant administrative weight on employers, requiring them to create procedures to record meal breaks and to record whether a person elects to forego a meal break in order to obtain overtime pay. The bill may require employers to revise, rewrite or reprogram their payroll systems to recognize the one-half hour per day overtime allocation.

Hawaii's businesses are in the process of recovering from an economic stagnation. The Chamber firmly believes that the enactment of this mandate at this time will greatly hamper the efforts to revitalize the economic climate. Hawaii's business community is at a critical point -- where any additional mandates could mean the difference between continued existence or bankruptcy. As evidenced by recent media accounts, many local establishments, some of which have faithfully served consumers for generations, are going out of business.

Overall, this bill will significantly increase the cost of doing business in Hawaii. For these reasons, the Chamber opposes this measure. Thank you very much for the opportunity to testify.

LATE



DEMOCRATIC PARTY OF HAWAII

Labor Caucus

February 27, 2012

Representative Marcus R. Oshiro  
Hawaii State Capital  
House Committee on Finance  
415 South Beretania Street, Room 308  
Honolulu, Hawaii 96813

Subject: H.B. No.1699 Hearing February 28, 2012 Testimony in Support

To: Representative Marcus R. Oshiro, and the House Committee on Finance.

Aloha, my name is Steve Canales. I strongly support H.B.1699; meal breaks for workers.

Many Hawaii workers have little knowledge that meal breaks are not a given. In this day and age with longer work days and understaff employees. This bill will give workers the added security knowing that meals can be taken after five hours of work.

I strongly support H.B.1699. I would like to thank the House Committee on Finance for this opportunity to testify.

Sincerely,

Steve Canales  
Labor Caucus Chair  
Democratic Party of Hawaii  
1050 Ala Moana Blvd. Ste. #2150  
Honolulu, Hawaii 96814

## FINTestimony

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**From:** scottini1@aol.com  
**Sent:** Tuesday, February 28, 2012 11:41 AM  
**To:** FINTestimony  
**Subject:** Hold HB 1699

Scott Okamoto  
1765 Ala Moana Blvd Spc2  
Honolulu, HI 96815-1486

# LATE TESTIMONY

February 28, 2012

Chair Oshiro and Members of the Committee

Dear Chair Oshiro and Members of the Committee:

Testimony to the House Finance Committee Tuesday, February 28, 2012 12:00 p.m.  
House Conference Room 308  
Agenda #3

Please hold HB 1699 HD2.

This measure will place an undue burden on my business.

This measure will make it that much more difficult to recover from this tough economy as it will undermine my ability to run a business with already limited resources.

As a small business, It will be difficult to administer and will impose additional costs in running my business. I'm already operating on slim margins.

I take care of my employees by providing benefits and other accommodations. Please do not place another mandate on my business. This will only force me to reevaluate our benefit structure.

I respectfully request that the committee does not pass HB 1699 HD2.

Sincerely,

Scott Okamoto  
941-6669

## **FINTestimony**

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**From:** chefrsiu@live.com  
**Sent:** Tuesday, February 28, 2012 11:51 AM  
**To:** FINTestimony  
**Subject:** HB 1699 will be an undue burden on my business

russell siu  
1200 ala moanz blvd  
honolulu, HI 96814-4271

**LATE TESTIMONY**

February 28, 2012

Chair Oshiro and Members of the Committee

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Testimony to the House Finance Committee Tuesday, February 28, 2012 12:00 p.m.  
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I respectfully request that the committee does not pass HB 1699 HD2.

Sincerely,

russell siu

## **FINTestimony**

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**From:** tleong@kualoa.com  
**Sent:** Tuesday, February 28, 2012 12:11 PM  
**To:** FINTestimony  
**Subject:** HB 1699 will be an undue burden on my business

Timon Leong  
PO Box 650  
Kaaawa, HI 96730-0650

## **LATE TESTIMONY**

February 28, 2012

Chair Oshiro and Members of the Committee

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Testimony to the House Finance Committee Tuesday, February 28, 2012 12:00 p.m.  
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As a small business, It will be difficult to administer and will impose additional costs in running my business. I'm already operating on slim margins.

I take care of my employees by providing benefits and other accommodations. Please do not place another mandate on my business. This will only force me to reevaluate our benefit structure.

Another government mandate will just make doing business in Hawaii more difficult.

I respectfully request that the committee does not pass HB 1699 HD2.

Sincerely,

Timon Leong

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 28, 2012 11:08 AM  
**To:** FINTestimony  
**Cc:** bruceh@hmcmt.com  
**Subject:** Testimony for HB1699 on 2/28/2012 12:00:00 PM

LATE

Testimony for FIN 2/28/2012 12:00:00 PM HB1699

Conference room: 308  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Bruce Howe  
Organization: Individual  
E-mail: [bruceh@hmcmt.com](mailto:bruceh@hmcmt.com)  
Submitted on: 2/28/2012

**Comments:**

This bill unnecessarily intrudes on an employer's right to effectively and efficiently schedule employees. It is not necessary to protect any significant employee rights and only presents another piece of anti-business legislation for any employer thinking about doing business in hawaii.