



**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 9, 2012

To: The Honorable Marcus Oshiro, Chair, Marilyn B. Lee, Vice Chair,  
and Members of the House Committee on Finance

Date: Friday, February 10, 2012  
Time: 4:30 p.m.  
Place: Conference Room 308, State Capitol

From: Dwight Takamine, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: HB 2096 HD 1 - Relating to Employment Security**

**I. OVERVIEW OF PROPOSED LEGISLATION**

H.B. 2096 H.D.1 proposes to do the following:

- Amend section 383-22, Hawaii Revised Statutes (HRS), to retain the maximum weekly benefit amount (MWBA) at 75% of the average weekly wage (AWW) from 4/1/2012 to 12/31/2012 and return the MWBA to 70% of the AWW on 1/1/2013.
- Amend section 383-68, HRS, to extend the employer contribution rate at schedule F for calendar year 2012.
- Authorizes the DLIR director to accept loans from the State Director of Finance or from the federal government under Title XII of the Social Security Act.
- Authorizes the DLIR director to increase the employment and training assessment in increments of .01 per cent retroactive to 1/1/2012 for payment of interest on federal loans for unemployment insurance benefits. This provision will sunset on 12/31/2012 and the applicable statutes will be reenacted in the form in which they read on 12/31/2010.

The department is strongly committed to strengthening our economic recovery. A healthy unemployment system is essential to further this recovery, and provides support to

workers and their families, who have suffered layoffs due to no fault of their own. Therefore, actions that undermine the health of the unemployment insurance trust fund, and potentially increase the financial burden on the business community are of concern to the department.

DLIR notes that the balance in the Unemployment Trust Fund (UTF) as of February 9, 2012 is nearly \$30 million. The balance in the UTF rises and falls in a cycle around the quarterly contribution due dates for employers. Current projections entail the UTF being in the red again in March and April whether Schedule F or H is in effect. If the DLIR borrows from the federal government to pay unemployment benefits and pays off those loans before September 30—then no interest is due to the federal government for the loans.

DLIR projects that the UTF will enter the black again in late April or early May and stay in the black for the rest of the calendar year as long as there are no catastrophic economic events or a sudden and prolonged rise in current unemployment levels. DLIR notes that we did see a spike in initial claims and weeks claimed in early January, most likely due to the closing of the Hawaii Medical Centers East and West. However, both initial and weekly claims have again started going down, matching the over the year trend in 2011.

## II. CURRENT LAW

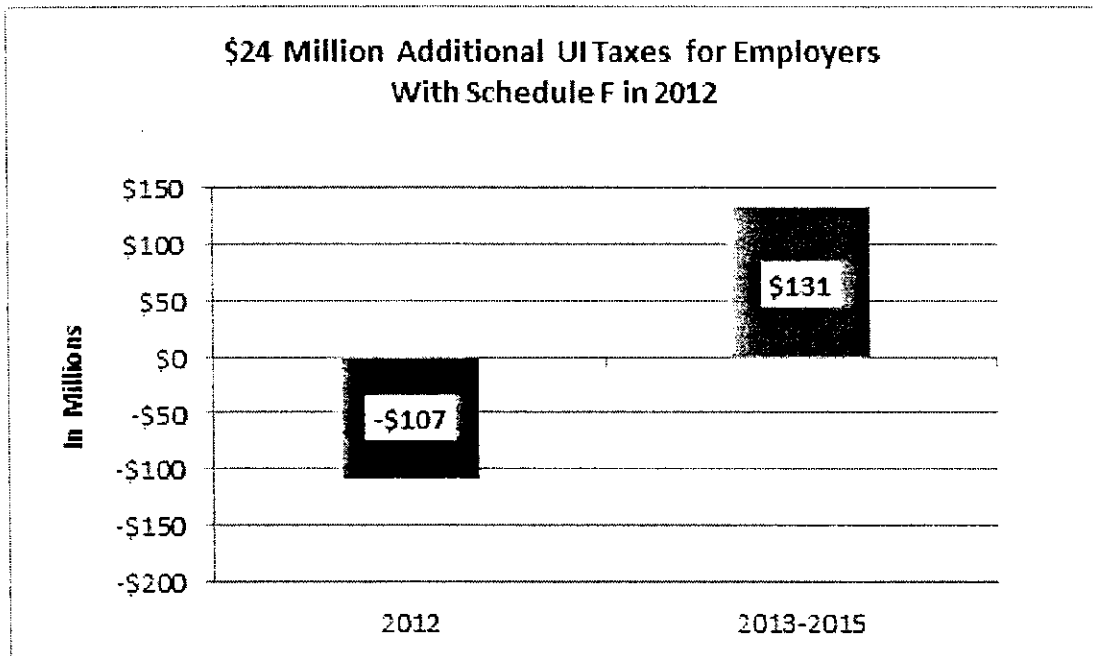
Section 383-22(b), HRS, was amended in 2007 by Act 110 to temporarily increase the MWBA from 70% to 75% of the state's average weekly wage (AWW) from January 1, 2008 to December 31, 2010. In 2010, Act 2 extended this provision until December 31, 2011. Effective January 1, 2012, under current law, the MWBA is 70% of the state AWW.

Section 383-68, HRS, provides that the contribution rate schedule shall be determined by the ratio of the current reserve fund to the adequate reserve fund. In 2007, Act 110 changed the definition of the adequate reserve fund causing the tax rate schedule to drop from schedule B to schedule A. In 2010, Act 2 set the schedule at D for calendar year 2010 and schedule F for calendar year 2011. Under current law, schedule H is applicable for calendar year 2012.

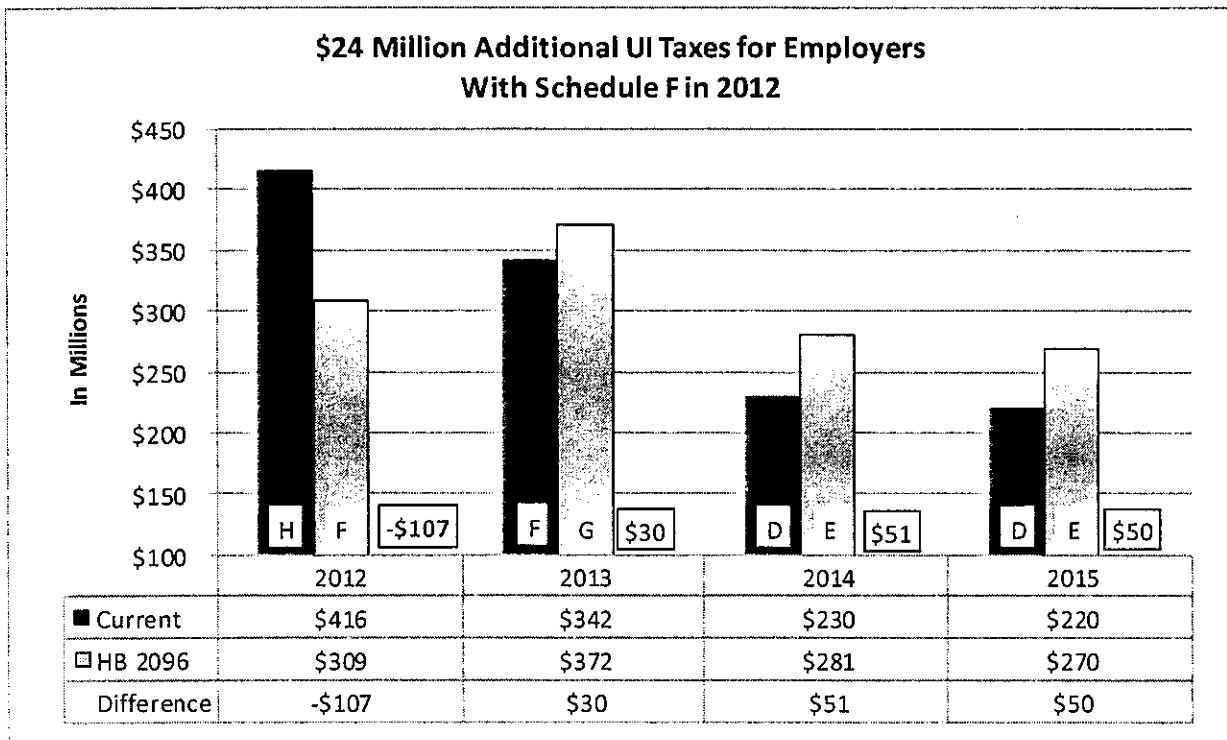
Currently, under sections 383-128 and 383-129, HRS, the Employment & Training Fund (EFT) cannot be used to pay interest on Title XII loans and employers are assessed a rate of .01% of UI taxable wages for purposes of funding training programs administered by the DLIR Workforce Development Division. The assessment is collected with the UI contributions on a quarterly basis.

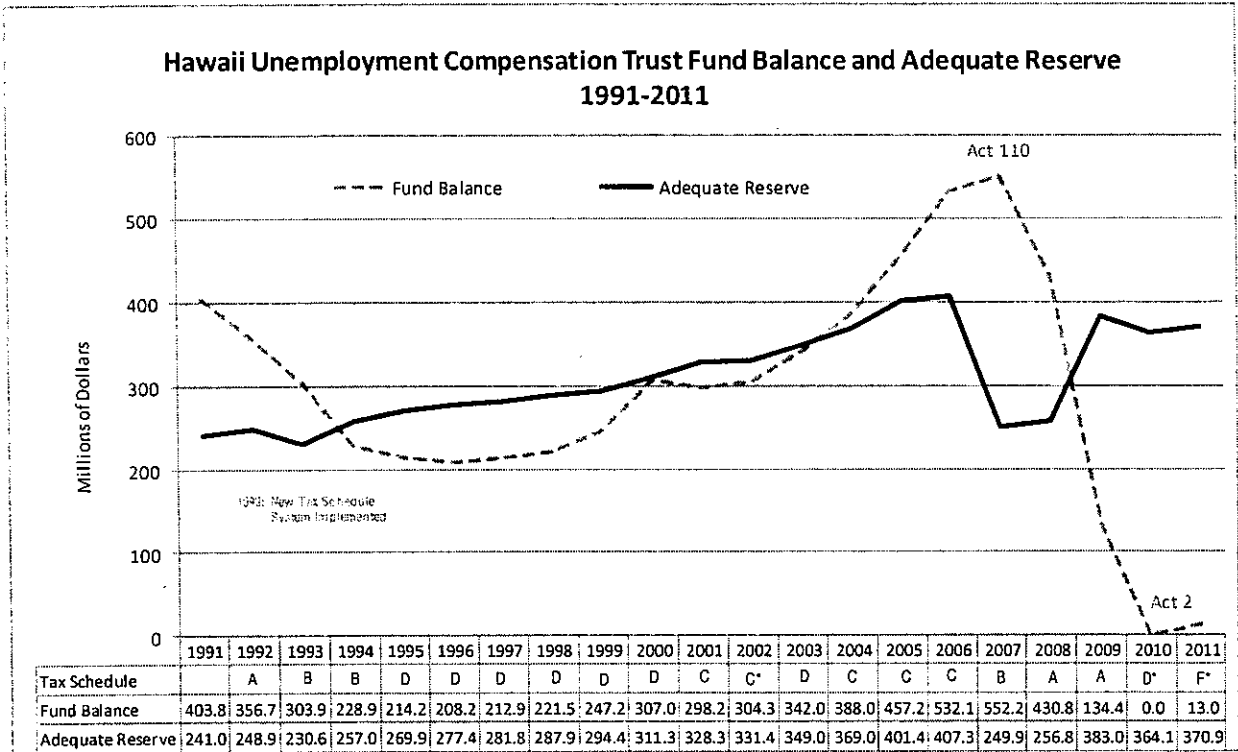
## III. COMMENTS ON THE HOUSE BILL

❖ HB 2096 HD 1 will actually increase the tax burden on the employers. The measure proposes to reduce taxes by setting the tax schedule for 2012 to F. Employers would save an estimated \$107 million in UI taxes in 2012, only to pay an estimated additional \$131 million in taxes in 2013, 2014, and 2015—resulting in a net tax increase of \$24 million over 4 years.

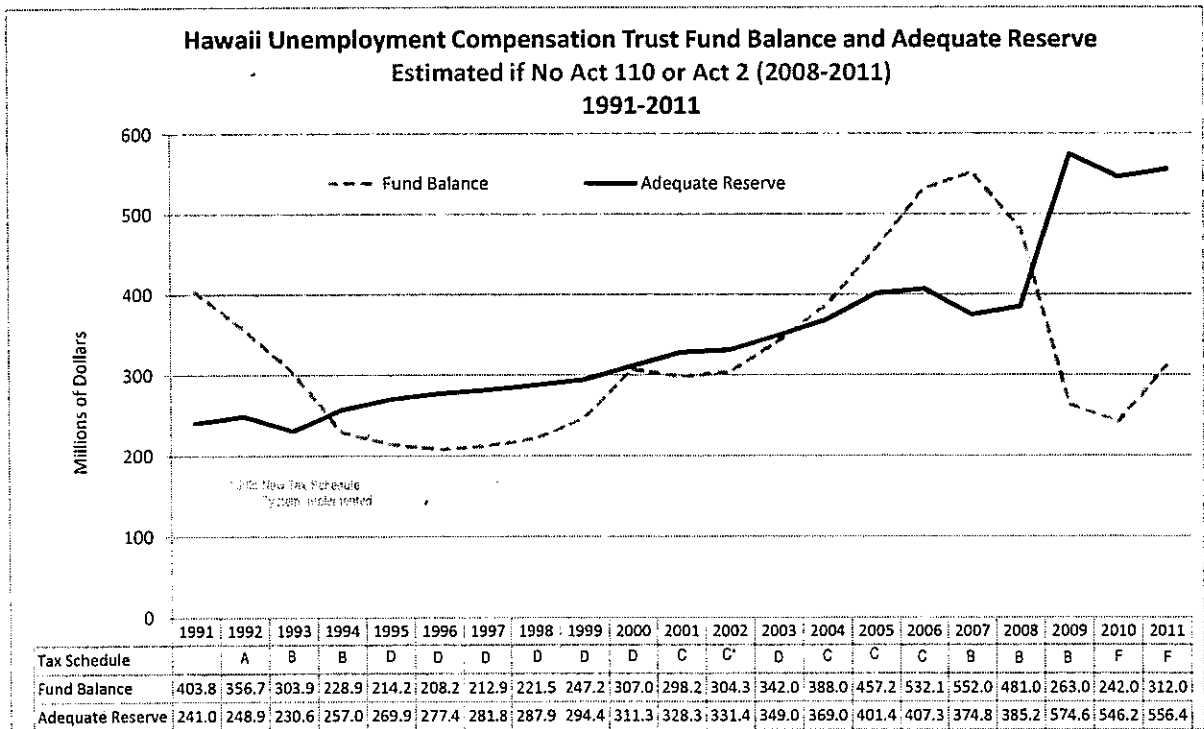


- ❖ HB 2096 HD 1 proposes to reduce incoming revenue by delaying automatic tax schedule adjustments tied to trust fund levels and increasing the benefit outgo when the UI trust fund's balance at the end of 2011 is only \$13 million or 3.5% of the adequate level. This proposal is similar to legislation that led to the bankruptcy of the UI trust fund in December 2010.





If Act 110 and Act 2 were not enacted, the UI trust fund balance would have been at \$312 million at the end of 2011 and would have withstood the great recession of 2008 without imposing significant tax increases on employers. Under the changes made by Act 110 and Act 2, however, the UI Trust Fund went from a balance of \$552 million at the end of 2007 to \$431 million in 2008, \$134 million in 2009, and negative \$12 million in 2010.



- ❖ HB2096HD1 also proposes to modify the MWBA provision. Providing a higher MWBA will detrimentally affect the solvency of the UI Trust fund.
- ❖ Should Hawaii require federal loans in 2012 to continue payment of UI benefits, interest will be payable as early as September 2012. Prudence dictates providing a mechanism for interest surcharge, as provided for in this measure, during the current legislative session. If shortfalls occur due to lower amounts of contributions and/or significant increases in unemployment, the department would require a mechanism to assess employers to pay for interest on federal loans. In 2011, \$211,000 in interest became due to an outstanding loan balance of \$14 million in December 2010.
- ❖ Failure to pay interest when due may result in the loss of the employer's 5.4% FUTA tax offset credit and the loss of approximately \$14 million in administrative grants to operate the UI program in Hawaii. Employers will be liable for the full 6.0% FUTA tax resulting in an increase from \$42 to \$420 per employee annually. More critically, jobless workers will not be able to collect UI benefits due to the total shutdown of all local offices.
- ❖ Section 383-61.5 provides that the director (of DLIR) may assess all employers the amounts that are sufficient to pay the principal and interest costs on the Title XII loans; provided that the director develops a mechanism of distributing these payments among employers in a fair and equitable manner.

As in 2011, the department requests the temporary expansion in the use of the Employment and Training Fund (ETF) to provide the mechanism to pay potential interest on Title XII loans. The measure amends Section 383-129 to provide authority to the director to determine the amount of increase in the ETF assessment rate for 2012 sufficient to pay interest costs.

- ❖ If the legislature should choose to pass this measure, the department requests fast tracking of the measure so any changes in the law are enacted by March 9, 2012. Fast tracking this measure is essential because of the tight schedule to run the experience rating job, print the experience rating notices, mail out the experience rating notices, run the UC-B6 quarterly contribution rate job, print the UC-B6 forms, mail out the UC-B6 forms and allow enough time for employers to appeal their experience rating notices. The ETF assessment is also an integral part of the experience rating process.

The Twenty-Sixth Legislature  
Regular Session of 2012

HOUSE OF REPRESENTATIVES  
Committee on Finance  
Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair  
State Capitol, Conference Room 308  
Friday, February 10, 2012; 4:30 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2096, HD1  
RELATING TO EMPLOYMENT SECURITY**

The ILWU Local 142 supports (with reservations) H.B. 2096, HD1, which extends the 75% maximum weekly benefit amount to 12/31/12, sets the employer contribution rate at Schedule F for one year, authorizes DLIR to accept loans from the Director of Finance or the federal government, authorizes DLIR to increase the Employment and Training assessment for payment of interest on federal UI loans.

We support most of the provisions in H.B. 2096, HD1. However, we have grave concerns about setting the employer contribution rate for unemployment insurance at Schedule F.

The Unemployment Insurance (UI) Trust Fund went from \$552 million in January 2008 to being broke by 2010. The depletion of the Fund was in part due to the unexpected recession that caught most of us off-guard. However, the Fund also became depleted due to the Legislature's enactment of Act 110 and Act 2, which allowed employers to significantly reduce their contributions into the Fund, ostensibly to generate economic activity. As a result of this tax "holiday," the Fund went bankrupt and required the State to borrow from the federal government to make good on its obligations to provide UI benefits to an increasing number of unemployed workers.

We cannot allow this to happen again. It is imperative that the UI Trust Fund remain solvent to be able to sustain payments to claimants in bad times. This means that through good times and bad, contributions must be consistent and follow the schedules determined by law. The law was carefully crafted to ensure that the Fund would be adequate to meet unforeseen need.

When bad times come, and they inevitably and unexpectedly will, the Fund should have sufficient monies to provide benefits to those needing support. These benefits allow UI claimants to have income (even if it is not what they had while working) to support themselves and their families. Every penny will be spent in the community: at supermarkets and small mom-and-pop stores for food and other necessities, to landlords for rent, to the neighborhood gas station, to TheBus for bus passes and bus fare, to the utility companies for electricity and telephone service, etc., etc. UI benefits help to keep the economy going in hard times.

Employers cannot have it both ways. They cannot ask for what amounts to a rebate when the Fund is flush, then turn around and say they want to be exempted from higher contributions when the Fund is broke. When the Fund does go broke, benefits must still be paid, forcing the State to borrow from the federal government and pay interest when the loans are not repaid on time. In addition, employers will inevitably have to pay even more to bring the Trust Fund up to a reasonably adequate level to meet present and future needs.

Employers will argue that the time is not right to hit employers with an increase. But it may be better for employers to "bite the bullet" now rather than defer the inevitable until a time that may be even worse.

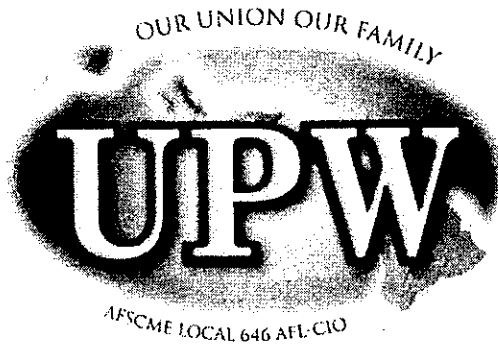
The unemployment rate in Hawaii is at 6.6%, much higher than expected, given the recovery being experienced in the tourism industry. Furthermore, mass layoffs such as those at Hawaii Medical Centers will impact the UI Trust Fund. Most of these workers rely on unemployment benefits to see them through the hard times and allow them to pay their bills without having to resort to government assistance.

One of the provisions in H.B. 2096, HD1 that we fully support is extending the 75% maximum weekly benefit amount at least to the end of 2012. We believe it should be made permanent. The impact of keeping the higher maximum can be seen in the actual dollar maximum. In 2011, the maximum was \$549, but it decreased to \$523 when the weekly maximum was reduced to 70%, a difference of \$26 a week. This maximum should only affect those laid-off workers who were higher wage earners.

We also disagree with the retroactivity provided for in this bill. Going back to January 1, 2012 will not only impact the Trust Fund but will impose a huge burden on the Department, which is already short-staffed. We suggest a provision to allow recalculation of the benefit going forward from the effective date of the law. This means that time is of the essence in passing this law.

The ILWU urges passage of H.B. 2096, but we also urge the Committee to seriously reconsider the advisability of "kicking the can down the road." The adequacy of the UI Trust Fund could be in serious jeopardy if Schedule F is adopted.

Thank you for the opportunity to testify on this matter.



THE HAWAII STATE HOUSE OF REPRESENTATIVES  
The Twenty-Sixth Legislature  
Regular Session of 2012

COMMITTEE ON FINANCE

The Honorable Rep. Marcus R. Oshiro, Chair  
The Honorable Rep. Marilyn B. Lee, Vice Chair

DATE OF HEARING: Friday, February 10, 2012  
TIME OF HEARING: 4:30 p.m.  
PLACE OF HEARING: Conference Room 308

**TESTIMONY ON HB 2096 HD1 RELATING TO EMPLOYMENT SECURITY**

By DAYTON M. NAKANELUA,  
State Director of the United Public Workers,  
AFSCME Local 646, AFL-CIO ("UPW")

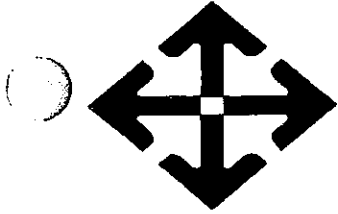
My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW supports the intent of HB 2096 HD1, which sets the maximum weekly unemployment benefit amount at 75% of the average weekly wage from April 1, 2012 to the end of 2012, sets the employer contribution rate for 2012 at schedule F. It also authorizes the Department of Labor and Industrial Relations (DLIR) to accept loans from the State Director of Finance or from the federal government under Title XII of the Social Security Act and authorizes the DLIR to increase the employment and training assessment in increments of .01% retroactive to January 1, 2012, for payment of interest on federal loans for unemployment insurance benefits.

Accordingly, the UPW supports the intent of HB 2096 HD1.

Thank you for opportunity to testify on this measure.





# The Hawaii Business League

Century Square 1188 Bishop St., Ste 1003 Honolulu, HI 96813-3304  
Phone: (808) 533-6819 ♦ Facsimile: (808) 533-2739

February 10, 2012

Testimony To: House Committee on Finance  
Representative Marcus R. Oshiro, Chair

Presented By: Tim Lyons  
President

Subject: H.B. 2096, HD 1 – RELATING TO EMPLOYMENT SECURITY

Chair Oshiro and Members of the Committee:

I am Tim Lyons, President of the Hawaii Business League, a small business service organization.

We appreciate your efforts towards hearing this bill and finding a temporary solution for employer payments to the Unemployment Trust Fund. At the outset, we would like to acknowledge the fact that we realize it is a matter of paying the Trust Fund back in order to help replenish it and it is not a question of whether to do it or not, but when and how much per year.

This is policy call of course, however, we would urge you to try and stretch this replenishment effort out as much as possible. As it has been previously noted, we are in an extremely fragile

economy. Small businesses are in no position to absorb the additional \$200.00 to \$600.00 per employee that Schedule H will cause. Even Schedule F has been quite a burden to pay although we know it must be done.

Our major concern for this bill is when it takes effect as we already know that 2012 will be either no growth or very moderate growth. We do not know what 2013 and 2014 holds for us. Many have said that the economy is recovering and those years are bound to be better. While we do not know that, we do know that this is not a time to provide additional burdens to the business community particularly to the small business community.

We also think it is important to remember that no one seems to have been able to do much towards mitigating the incredible increases in health care insurance and we have already heard "crying" from small businesses that are not able to hire people or have reduced people from full time to part time. An additional 1% or 2% tax on wages is just going to further hold our economy down and to that extent, we would respectfully request this Committee's assistance towards holding down the increase in the repayment and stretching it out further.

Thank you.



# Hawai'i Island Chamber of Commerce

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## 2011-2012 Board

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Jon Miyata

*President-Elect*  
Vaughn Cook

*Vice President*  
Judith Fox-Goldstein

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Ron Terry  
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Carol VanCamp  
William Walter  
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February 9, 2012

Submitted On-Line at <http://www.capitol.hawaii.gov/submittestimony.aspx>

Honorable Marcus Oshiro, Chair  
House Finance Committee  
State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

## RE: Testimony in Support of HB 2096 Unemployment Insurance Tax

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Vaughn Cook and I am the President-Elect of the Hawaii Island Chamber of Commerce. With more than 230 member businesses and over 500 member representatives, the Chamber serves as an important voice of business in Hawaii.

The Chamber **strongly supports** HB 2096 which will maintain the same level of Unemployment Insurance Tax for an additional two (2) years.

I don't need to tell you all that the current economy has been devastating for many of our members – especially here on the Big Island. Our members represent a wide spectrum of employers that provide employment opportunities for so many in our community as well as give back through donations of time and money to worthy causes in our community. This current economic downturn has been deep and prolonged. It has caused much uncertainty in the market and the currently scheduled increase in the UI tax would negatively affect the bottom line, but also, maybe more importantly, it would have a negative impact on business' confidence for the future. ***Businesses that do not have confidence for the future do not generally feel free to expand employment opportunities.*** To allow the UI tax rate to increase as current law provides would result in the UI increasing to Schedule H and would impose an additional average tax increase of \$550 per employee. This increased cost would erode confidence for our members and should be delayed.



# Hawai'i Island Chamber of Commerce

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We urge you to support this HB 2096 that allows the UI rates to remain at Schedule F levels for 2012 and 2013. It will certainly provide more certainty to employers justifiably concerned about the future and their economic survival.

We appreciate your consideration of this testimony and ask for the Committee to support employment in our community.

Very Truly Yours

A handwritten signature in black ink, appearing to read "Vaughn".

Vaughn G. T. Cook  
President-Elect



**HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)**

1050 Bishop St. Box 235

Honolulu, HI 96813

Fax : 808-791-0702

Telephone : 808-533-1292

**Testimony to the House Committee on Finance**

**Friday, February 10, 2012**

**4:30 p.m.**

**Conference Room 308**

**RE: HOUSE BILL 2096 HD 1 RELATING TO EMPLOYMENT SECURITY**

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Lauren Zirbel and I am here on behalf of the Hawaii Food Industry Association. I appreciate the efforts made by the chair and the committee in addressing the unemployment insurance tax increase.

I support HB 2096, however, due to the tough economic times, maintaining the same tax level for two years is preferable. The HFIA would like to promote the legislature maintaining UI rates for two years at Schedule F.

Many of our members are struggling to survive these tough economic times and an increase in UI insurance would be devastating.

Thank you for the opportunity to submit testimony.



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## **TESTIMONY IN SUPPORT**

**To the Chair and Committee Members  
Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair**

**HOUSE COMMITTEE ON FINANCE  
HB 2096, HD1 Relating to Employment Security**

Dear Chair Oshiro, Vice Chair Lee, and Members of the Committee:

My name is Paul Kosasa, President and CEO of ABC Stores, a local company doing business for over 60 years which employs over 800 Hawaii residents.

**We support HB 2069 HD1, Relating to Employment Security**, and appreciate the legislature's continuing efforts in addressing the unemployment insurance tax increases. However, we recommend maintaining UI rates for two more years at Schedule F.

Thank you for your consideration and the opportunity to submit testimony.

PAUL KOSASA  
President & CEO

# STONERWORKS LLC

Bringing Craftsmanship, Natural Beauty  
and Partnerships to Life.

## Testimony to the House Committee on Finance

Friday, February 10, 2012

4:30 p.m.

Conference Room 308

### SUPPORTS WITH AMENDMENTS

### RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT SECURITY

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Debra Newman, and I represent Stoneworks LLC. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

Being a small company, we always have to watch our cash flow. In order for us to continue keeping employees, we strongly urge this legislative body to keep the UI tax schedule as it is. Please keep in mind the small companies when discussing this bill.

Thank you for the opportunity to submit testimony.

74-581 Honokohau St., Unit D • Kailua-Kona, HI 96740-2715

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**Testimony to the House Committee on Finance  
Friday, February 10, 2012  
4:30 p.m.  
Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT  
SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

ProService Hawaii provides employee administration services to over 1,000 small businesses in Hawaii. We support the intent of HB 2096 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase. An increase of over \$550 per employee per year would hinder Hawaii businesses' ability to retain employees and hire staff, and it would put further strain on this state's recovering economy.

Since 1992, when the current unemployment contribution tax schedule was enacted, and until 2011, the tax schedule had never been above Schedule D, even during periods of economic growth. In the past two years, Hawaii businesses have contributed at the highest levels in state history. We believe that a further increase to Schedule H in 2012 would place a burden on Hawaii employers which will likely lead to reductions in their workforce.

ProService has performed an extensive analysis of the current law, and the various bills intended to provide UI tax relief (i.e., HB2096, HB2224, and HB2264). **While all three of the proposals provide tax relief to businesses, ProService believes that fixing the tax schedule to F in 2012 and 2013 sufficiently extends the period of tax relief, while replenishing the Unemployment Trust Fund toward the adequate reserve level.**



- If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local businesses. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
- Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment Trust Fund will grow by \$130 million over the next two years.
- Keeping the tax schedule at Schedule F for two years would result in the Fund reaching adequacy only one year later than under House Bill 2096.
- If tax relief is provided for only one year, Hawaii businesses will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We urge this committee to consider an option that temporarily reduces the Tax Rate Schedule for two years, but does not increase benefit levels to 75%, versus 70% under current law. This hybrid approach will benefit the employers and will therefore provide safeguards against further job losses due to the shock of a dramatic and sudden increase in unemployment taxes, above already historic high levels of taxation.

Thank you for the opportunity to submit testimony.



## Testimony to the House Committee on Finance

Friday, February 10, 2012

4:30 p.m.

Conference Room 308

### **SUPPORTS WITH AMENDMENTS**

RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT SECURITY

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Tod Bartell, and I represent BB Embroidery. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

Thank you for the opportunity to submit testimony.

Tod A. Bartell, Owner



Representative Marcus Oshiro, Chair  
Representative Marilyn Lee, Vice Chair  
Committee on Finance  
State Capitol, Honolulu, Hawaii 96813

HEARING      Friday, February 10, 2012  
                  4:00 pm  
                  Conference Room 308

RE:      **HB2096, HD1 Relating to Employment Security**

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing almost 25% of the labor force.

RMH very much appreciates the initiative and the efforts of the Chair and the Legislature to address the impending Unemployment Insurance tax increase in a very timely manner.

While HB2096, HD1 provides welcome and much needed relief, considering the vulnerability of the economy, we believe that **extending the Unemployment Tax Rate at Schedule F for two more years, through calendar years 2012 and 2013** will provide greater stability and certainty for employers. We understand that the Unemployment Fund has recovered far quicker than original projections and the risk of insolvency is now gone.

The retail industry has experienced slow but steady growth over the past year or so, with existing companies opening new locations and new retailers entering the marketplace. New jobs at all levels are being created. But there are still hundreds of small retailers hovering on the edge of survival. This tax relief most assuredly will provide an unexpected and welcome resource at this critical time.

Thank you for your consideration and for the opportunity to submit testimony.

Carol Pregill, President

RETAIL MERCHANTS OF HAWAII  
1240 Ala Moana Boulevard, Suite 215  
Honolulu, HI 96814  
ph: 808-592-4200 / fax: 808-592-4202



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C #488

**Testimony to the House Committee on Finance**

**Friday, February 10, 2012**

**4:30 p.m.**

**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Stacy Bautista, and I represent Environ Control, Inc.. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

We, at Environ Control, Inc. work tirelessly to keep our business profitable, to support our employees and customers. A significant increase in UI tax would be detrimental to our business plan. We vote in favor of HB 2096 as stated above.

Thank you for the opportunity to submit testimony.

**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT**  
**SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Elaine Herron, and I represent Donna's Cookies Inc. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

If UI is increased beyond the current Schedule F we will have to decrease our current work force by at least one. The hope of hiring additional employees is zero.

Thank you for the opportunity to submit testimony.

*Elaine Herron*  
*Sec. Tres. Donna's Cookies Inc.*

**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT**  
**SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is David Matto, and I represent Ala Moana Dental Care. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

We believe small businesses could encounter financial duress unless unemployment insurance tax relief is provided by HB2096.

Thank you for the opportunity to submit testimony.

**Testimony to the House Committee on Labor & Public Employment**  
**Friday, January 27, 2012**  
**9:00 a.m.**  
**Conference Room 309**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY**

Chair Rhoads, Vice Chair Yamashita and Members of the Committee:

My name is William K. Wong, Jr. MD, and I represent Hawaii Vision Clinic. We support the intent of HB 2096 to provide unemployment insurance (UI) tax relief to our local businesses, and request that this bill be amended to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

I own and operate a small business as a Physician. We provide vital medical care to our community. We have traditionally been viewed as being wealthy with high profit margins. Not so any longer.

I directly employ 8 people not including myself. We indirectly support the local hospitals, medical supply companies, and pharmacies. Physicians in general are facing global declines in

**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT**  
**SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Ritch Trenda, and I represent Pomaika'i Construction. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

We have already been impacted due to general excise tax having to be paid on amounts paid subcontractors. Increasing the tax burden on small business only deters customers from building or renovating their home in Hawai'i.

Thank you for the opportunity to submit testimony.



**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT**  
**SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Morrison Huston, and I represent At Home Mobile Veterinary Services. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

Increasing the tax burden on my small business will hamper my efforts to hire more skilled staff members by driving up my costs. I am planning to expand my veterinary clinic in the next year and need to be sure of all my costs now and in the future in order to plan properly for that

expansion. Please do not add to my economic uncertainties by contemplating a tax increase now, just as the economy seems to be stabilizing.

Thank you for the opportunity to submit testimony.

**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT**  
**SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Héctor Euredjian, and I represent Discount Hotels Hawaii. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

We, at Discount Hotels Hawaii, are starting to come out of the economic slow down that the industry suffered for the last 3+ years. With a staggering increase in the health insurance we were forced to consider hiring part time help to manage the health care cost. The problem with

an increase of UI is that the only way to cope with it is by reducing staff. No matter how you look at this, it will affect the way small businesses like ours, hire in the near future.

Thank you for the opportunity to submit testimony.

Hector Euredjian  
Discount Hotels Hawaii

**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT**  
**SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Cecilia W. Muldoon and I represent Global Technology Corporation. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

Global Technology Corporation (GTC) is a small business and surviving in this economy in the last four years has been challenging. December 2011 and January 2012 were good months for GTC so much so that we are considering hiring a couple more employees. We are also hiring a business consultant to help us grow our business and take our business to the next level.

Should these bills and supporting provisions not pass GTC may be forced to put its plans to grow the business on hold indefinitely and we may have to let go existing employees. Our margins are tight as it is and an increase in UI may be the straw that broke the camel's back. Again, our livelihood will be jeopardized by any increase to unemployment tax rate.

Please do not support the passing of an increase in Unemployment insurance tax rate. Keep the tax schedule at Schedule F for two years.

Thank you for the opportunity to submit testimony.

Cecilia W. Muldoon, CEO/President owner  
Global Technology Corporation

**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT**  
**SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Kimberly Loper and I represent Hawaii Forest & Trail Ltd. and Kohala Zipline LLC. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

As a company in the tourism industry, our business revenue was significantly impacted by the economic downturn. We have successfully weathered that period of time and are still in recovery from it, as are many other businesses in Hawaii. If we pay such a large increase in UI taxes in 2013, we will be required to raise those funds by reducing other payroll costs – either by reducing other benefits or again freezing wage increases.

Thank you for the opportunity to submit testimony.

MONSANTO COMPANY  
94-520 KUNIA ROAD  
KUNIA, HAWAII 96759

Testimony before the  
House Committee on Finance  
Agenda #1

Friday, February 10, 2012

**HOUSE BILL 2096, HD 1  
RELATING TO EMPLOYMENT SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Frederick Perlak, Vice President of Research and Business Operations for Monsanto Hawaii. We support HB 2096, HD 1, with amendments. This bill addresses the continued concerns over unemployment insurance tax increases.

We respectfully ask that this measure regarding Schedule F be expanded over a two year period to help stabilize Hawaii's businesses and economy overall.

Monsanto Hawaii has farm sites located on the islands of Maui, Molokai, and Oahu and employs about 1,000 employees. We are a seed nursery research farm that primarily grows seed corn and soy beans for U.S. farmers across the nation. This measure will help stabilize the cost of doing business in Hawaii and provides some certainty and predictability as many of the farm businesses develop their business and production plans over a longer period of time. Farm businesses invest a large amount of resources and capital hoping to realize a profit in years to come. Expanding Schedule F to cover a two year period will help Hawaii's farm businesses to become more viable and sustainable.

Thank you for the opportunity to submit testimony. If you have any questions, please feel free to contact myself or Alan Takemoto at 685-8371.



House Committee on  
Finance

Representative Oshiro- Chair  
Representative Lee - Vice Chair

February 9, 2012

Winton Schoneman  
Bubbies Homemade Ice Cream and Desserts Franchisee

RE:House Bill 2096HD1 Relating to Employment Security

SUPPORT FOR AND AMENDING OF

Representative Oshiro, Representative Lee, Aloha members of the House Committee on Finance. I am writing to ask that you consider amending HB 2096. Everyone understands the need for and the benefit of unemployment insurance. Unfortunately, the burden to provide such has been borne exclusively by the business community and we cannot continue to do this alone. To facilitate the recovery and to sustain the future of such employee benefits I recommend that employees and employers share the burden of providing for unemployment insurance equally. There is certainly precedence with regard to social security, Medicare and health insurance benefits.

Thank you for your consideration. I apologize for the late testimony.

Sincerely,

Winton Schoneman

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 10, 2012 9:24 AM  
**To:** FINTestimony  
**Cc:** alisonbailes@yahoo.com  
**Subject:** Testimony for HB2096 on 2/10/2012 4:30:00 PM

Testimony for FIN 2/10/2012 4:30:00 PM HB2096

Conference room: 308  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Alison Bhattacharyya  
Organization: Ko'olau Women's Healthcare, Inc.  
E-mail: [alisonbailes@yahoo.com](mailto:alisonbailes@yahoo.com)  
Submitted on: 2/10/2012

**Comments:**

Please don't burden small business with more taxes at this critical time of renewal in Hawaii's economy.

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 08, 2012 4:17 PM  
**To:** FINTestimony  
**Cc:** kb@hawaiiink.net  
**Subject:** Testimony for HB2096 on 2/10/2012 4:30:00 PM

Testimony for FIN 2/10/2012 4:30:00 PM HB2096

Conference room: 308  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Lori Otsuka  
Organization:  
E-mail: [kb@hawaiiink.net](mailto:kb@hawaiiink.net)  
Submitted on: 2/8/2012

Comments:

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, February 09, 2012 5:48 PM  
**To:** FINTestimony  
**Cc:** hisc146@cox.net  
**Subject:** Testimony for HB2096 on 2/10/2012 4:30:00 PM

Testimony for FIN 2/10/2012 4:30:00 PM HB2096

Conference room: 308  
Affiliations: Support  
Affiliations will be present: No  
Submitted by: Paul Dziuban  
Organization: Home Instead Senior Care  
E-mail: [hisc146@cox.net](mailto:hisc146@cox.net)  
Submitted on: 2/9/2012

### Comments:

Testimony to the House Committee on Finance Friday, February 10, 2012 4:30 p.m.  
Conference Room 308

### SUPPORTS WITH AMENDMENTS

RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT SECURITY

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Paul Dziuban, and I represent Home Instead Senior Care. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.

2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.

3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

By keeping the tax schedule at current levels this will help our business to continue to grow and create jobs. If not we will have a difficult time growing our business and we will be forced to eliminate some positions within our company.

Thank you for the opportunity to submit testimony.

**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

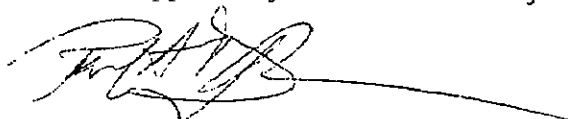
My name is Paul Dziuban, and I represent Home Instead Senior Care. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
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3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

By keeping the tax schedule at current levels this will help our business to continue to grow and create jobs. If not we will have a difficult time growing our business and we will be forced to eliminate some positions within our company.

Thank you for the opportunity to submit testimony.



**Testimony to the House Committee on Finance**  
**Friday, February 10, 2012**  
**4:30 p.m.**  
**Conference Room 308**

**SUPPORTS WITH AMENDMENTS**

**RE: HOUSE BILL 2096 HOUSE DRAFT 1 RELATING TO EMPLOYMENT**  
**SECURITY**

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Tom McFadden, and I represent Professional Contractors Inc.. We support the intent of HB 2096 HD1 to provide unemployment insurance (UI) tax relief to our local businesses, and request that you include provisions to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
3. If tax relief is provided for only one year, our business will face a substantial tax increase in 2013 followed by a decrease in 2014. We can avoid the unnecessary spike in 2013 by keeping the tax schedule at Schedule F for 2 years.

We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

It is very expensive to run a legitimate small business in the state of Hawaii due to all the governmental fees, taxes, insurances etc. We need all the tax relief possible to compete.

Thank you for the opportunity to submit testimony