

**HB 2096, HD 1**



**Testimony to the Senate Committee on Judiciary and Labor  
Thursday, February 23, 2012  
10:00 a.m.  
State Capitol - Conference Room 016**

**RE: HOUSE BILL NO. 2096 HD1 RELATING TO EMPLOYMENT SECURITY**

Chair Hee, Vice Chair Shimabukuro, 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 general support to House Bill No. 2096 HD1 relating to Employment Security. However, we respectfully ask that the committee extend Schedule F for two years (2012-2013).

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.

The Chamber supports legislation that will mitigate the tax increase of an additional average of \$550 per employee due to take place under the current law (Schedule H). However, the Chamber is urging the Legislature to keep the tax schedule at "F" for two years instead of one, which will help businesses recover during this slow growth period and provide stability and certainty during these uncertain times.

- **Under current law, the schedule jumps to H from F. Taxes will increase to an average of \$1,470 per employee, from \$920 (depends on your experience rating).**
- **Under HB 2096, the taxes would remain relatively the same for only 2012 at Schedule F. In 2013, it jumps to a higher tax bracket.**
- **Under the Chamber's proposal, taxes would remain at Schedule F for 2012 and 2013.**

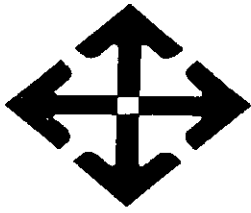
State data supports keeping the unemployment tax rate schedule at the present "F" level for 2012-13. The Unemployment Fund has recovered far quicker than original projections. Risk of insolvency in the fund is limited unless a catastrophic or major event occurs, and the velocity of fund replenishment appears positive.

By slowing the fund replenishment, local businesses can use the funds to hire and grow their businesses. Mitigation of a tax increase will keep more money in the economy, which will then be spent and generate increased tax revenues for the State.

Or, many businesses are at the tipping point and any increases could lead to cut backs, job loss or even closure, which in turn, would affect the unemployment insurance fund.

While the Chamber appreciates the legislature's effort in maintaining the schedules in HB 2096 HD1, we have concerns about the impact that a temporary increase in benefits from 70% to 75%, already the highest in the nation, from April 1st through December 31st, 2012, will have on the unemployment trust fund, as well as on employers and the economy. We want to ensure that a mechanism is in place that will incentivize the unemployed to seek work.

Therefore, we urge the Committee to pass HB 2096 HD1 for further discussion. Thank you very much for the opportunity to testify and for your hard work in coming up with legislation that is important to employers, employees, and the economy, as well as for your efforts in expediting a bill.



# The Hawaii Business League

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

February 23, 2012

Testimony To: Senate Committee on Judiciary and Labor  
Senator Clayton Hee, Chair

Presented By: Tim Lyons  
President

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

Chair Hee 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.

MONSANTO COMPANY  
94-520 KUNIA ROAD  
KUNIA, HAWAII 96759

Testimony before the  
Senate Committee on Judiciary and Labor

February 23, 2012

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

Chair Hee, Vice Chair Shimabukuro 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 over 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 me or Alan Takemoto at 685-8371.

**From:** [kken116@aol.com](mailto:kken116@aol.com)  
**To:** [JDL Testimony](#)  
**Subject:** Pleas pass the Unemployment Insurance Tax mitigation bill  
**Date:** Tuesday, February 21, 2012 2:56:26 PM

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Kraig Kennedy  
PO Box 210  
Honolulu, HI 96810-0210

February 21, 2012

Chair Hee and Members of the Committee

Dear Chair Hee and Members of the Committee:

Testimony to the Senate Judiciary and Labor Committee  
Thursday, February 23, 2012  
10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Keeping the schedule at "F" for two years will provide stability and certainty, which are helpful during these tough economic times.

This measure will help my business during these challenging times. However, I respectfully ask that the schedule be extended for 2 years instead of one.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Kraig Kennedy  
524-3255

**From:** [bob@midashawaii.com](mailto:bob@midashawaii.com)  
**To:** [JDI Testimony](#)  
**Subject:** Please pass the Unemployment Insurance Tax mitigation bill  
**Date:** Tuesday, February 21, 2012 12:46:09 PM

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Robert Pereira  
94-709 Farrington Hwy  
Waipahu, HI 96797-3163

February 21, 2012

Chair Hee and Members of the Committee

Dear Chair Hee and Members of the Committee:

Testimony to the Senate Judiciary and Labor Committee  
Thursday, February 23, 2012  
10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Keeping the schedule at "F" for two years will provide stability and certainty, which are helpful during these tough economic times.

This measure will help my business during these challenging times. However, I respectfully ask that the schedule be extended for 2 years instead of one.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Robert D. Pereira  
808-479-7140



**From:** [lillian.sakane@hmshost.com](mailto:lillian.sakane@hmshost.com)  
**To:** [JDL Testimony](#)  
**Subject:** Please pass HB 2096 HD1  
**Date:** Tuesday, February 21, 2012 2:33:19 PM

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Lillian Sakane  
Box 30428  
Honolulu, HI 96820-0428

February 21, 2012

Chair Hee and Members of the Committee

Dear Chair Hee and Members of the Committee:

Testimony to the Senate Judiciary and Labor Committee  
Thursday, February 23, 2012  
10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Keeping the schedule at "F" for two years will provide stability and certainty, which are helpful during these tough economic times.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Lillian Sakane  
8088362566

**From:** [bwhitney@bristolhospice.com](mailto:bwhitney@bristolhospice.com)  
**To:** [JDL Testimony](#)  
**Subject:** Please pass HB 2096 HD1  
**Date:** Tuesday, February 21, 2012 12:41:02 PM

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Brenda Whitney  
500 Ala Moana Blvd., Ste.4-547  
Honolulu, HI 96813-4920

February 21, 2012

Chair Hee and Members of the Committee

Dear Chair Hee and Members of the Committee:

Testimony to the Senate Judiciary and Labor Committee  
Thursday, February 23, 2012  
10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Keeping the schedule at "F" for two years will provide stability and certainty, which are helpful during these tough economic times.

This measure will help my business during these challenging times. However, I respectfully ask that the schedule be extended for 2 years instead of one.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Brenda Whitney  
8085368012



**Testimony to the Senate Committee on Judiciary and Labor  
Thursday, February 23, 2012  
10:00 a.m.  
Conference Room 016**

**SUPPORTS WITH AMENDMENTS**

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

Chair Hee, Vice Chair Shimabukuro 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.
- At the current 70% benefits level, Hawaii already has the highest wage replacement percentage in the nation. We understand the high cost of living in Hawaii, but extending the increase in benefits to 75% is unnecessary.
- 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.
- Holding the tax schedule at Schedule F for two years (2012 and 2013) will provide stability in unemployment tax rates during this time of economic recovery. It will give Hawaii businesses the certainty they need to plan and budget for the near future.

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.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [JDL Testimony](#)  
**Cc:** [tonimariadavis@gmail.com](mailto:tonimariadavis@gmail.com)  
**Subject:** Testimony for HB2096 on 2/23/2012 10:00:00 AM  
**Date:** Tuesday, February 21, 2012 10:13:09 AM

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Testimony for JDL 2/23/2012 10:00:00 AM HB2096

Conference room: 016  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Antoinette M Davis  
Organization: Individual  
E-mail: [tonimariadavis@gmail.com](mailto:tonimariadavis@gmail.com)  
Submitted on: 2/21/2012

**Comments:**

Please keep at schedule F over the next TWO years and benefits at 70%.

The State's lack of UI funds is the results of the recession. It was not planned - no one's direct fault. The employers (those that employ people) should NOT incur increased burden at this fragile time in our economy nor should the unemployed (6.6%) be given a raise. We all need to tighten our belts and continue to move upward & forward slowly but surely.

**From:** [ssofos@sofosrealty.com](mailto:ssofos@sofosrealty.com)  
**To:** [JDL Testimony](#)  
**Subject:** Testimony in support of HB 2096 HD1  
**Date:** Tuesday, February 21, 2012 12:38:11 PM

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Steven Sofos  
600 Kapiolani Blvd., Suite 200  
Honolulu, HI 96813

February 21, 2012

Chair Hee and Members of the Committee

Dear Chair Hee and Members of the Committee:

Testimony to the Senate Judiciary and Labor Committee  
Thursday, February 23, 2012  
10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

Please keep the schedule at "F" for the next two years will provide stability and certainty, which are helpful during these tough economic times. Many small businesses are suffering and Hawaii is not in recovery mode yet.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Steven Sofos  
(808) 522-5995



Senator Clayton Hee, Chair  
Senator Maile Shimabukuro, Vice Chair  
Committee on Judiciary & Labor  
State Capitol, Honolulu, Hawaii 96813

HEARING Thursday, February 23, 2012  
10:00 am  
Conference Room 016

RE: HB2096, HD1 Relating to Employment Security

Chair Hee, Vice Chair Shimabukuro, 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 supports and 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



**HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)**

1050 Bishop St. Box 235  
Honolulu, HI 96813  
Fax : 808-791-0702  
Telephone : 808-533-1292

**COMMITTEE ON JUDICIARY AND LABOR**

**Senator Clayton Hee, Chair**

**Senator Maile S.L. Shimabukuro, Vice Chair**

**DATE: Thursday, February 23, 2012.**

**TIME: 10:00 a.m.**

**PLACE: Conference Room 016**

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

Dear Chair Hee, Vice Chair Shimabukuro 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.



**Testimony to the Senate Committee on Judiciary and Labor**  
**Thursday, February 23, 2012**  
**10:00 a.m.**  
**Conference Room 016**

**SUPPORTS WITH AMENDMENTS**

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

Chair Hee, Vice Chair Shimabukuro and Members of the Committee:

My name is Scott Gamble and I represent LH Gamble Co. Ltd. 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 the tax level is kept at current levels I will be able to support the growth in our business with new hires. If an increase occurs at \$550 per employee, I will be forced to carefully examine my overhead and make adjustments to protect the overall health of our company. A \$550 increase would equate to a \$30,000 expense to my bottom line.

Thank you for the opportunity to submit testimony.

Scott Gamble  
LH Gamble Co.  
3615 Harding Ave. #502  
Honolulu, HI 96816  
808-349-4352

February 26, 2012

**Testimony in SUPPORT OF HB2096 HD1**

with the request to utilize UI Tax Schedule "F" for 2 years

**RELATING TO EMPLOYMENT SECURITY**

**Presented to the Senate Committee on Judiciary and Labor and  
The Senate Committee on Ways and Means**

**At the public hearing 10 a.m., Monday, February 27, 2012**

**in Conference Room 016, Hawaii State Capitol**

**Submitted by David H. Rolf, for the Hawaii Automobile Dealers Association  
Hawaii's Franchised New Car Dealers**

Chair Hee, Chair Ige and members of the committees,

I'm David Rolf, representing Hawaii's franchised new car dealers. HADA stands in **STRONG SUPPORT OF THE CONCEPT OF A UI TAX RATE THAT FACILITATES BUSINESS RECOVERY** during these continuing difficult times for many businesses in Hawaii including the retail auto industry.

**FACTS: THE HAWAII NEW VEHICLE AUTO INDUSTRY AND THE UI TAX INCREASE FOR 2012**

- Current law will increase in the Unemployment Insurance (UI) tax by about \$550 per auto dealership employee in 2012.<sup>1</sup>
- This will remove approximately \$1,701,000 cash collectively from the new car dealers' operating account reserves in 2012.
- This tax increase will pull approximately \$27,450 in cash away from each of Hawaii's 62 dealerships.
- That's enough cash to pay for slightly more than half of an employee's salary for a year.
- The average annual earnings of new-vehicle dealership employees in Hawaii is \$52,279<sup>2</sup>.
- New car dealers currently employ 3,094. That's down from 4,062 in 2008, a reduction of 968 employees, almost 25%.
- The severe economic conditions in the state forced Hawaii dealers to make these painful cuts in order to survive.

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<sup>1</sup> HADA estimate "average" for Hawaii's new car dealership employee base

<sup>2</sup> NADA "Driving Hawaii's Economy" 2010

- To paraphrase, many dealers have said reducing employee roles was the “toughest thing they’ve had to do in their lives.” Longtime employees are often considered much like family in long-held family-run businesses like Hawaii’s auto dealerships.
- But dealers know, that to survive when the money goes away, business costs must be reduced.
- During the past 3 years, new vehicle sales in the islands have dropped off by more than 50% from the state’s 2005 year high. Hawaii car dealerships have been, and continue to be, more severely affected by economic conditions than their mainland counterparts.
- Nowadays, in Hawaii, it will take 4 years to sell the same number of new vehicles that dealers formerly sold in two 2 years. Sales have remained low.
- Times definitely are still hard for Hawaii businesses.
- Times are especially hard for businesses like car dealerships which require significant amounts of cash to operate in order to maintain new vehicle and parts inventories.
- Dealerships are operating at bare-bones levels right now with regard to employee roles.
- Keeping the tax schedule at Schedule “F” for 2012 and 2013 will ameliorate the situation somewhat. At Schedule F, Employee UI TAX would still increase by \$130 per employee while the state would see a replenishing of the UI fund to a balance of \$386 million by 2017.<sup>3</sup>

**HADA respectfully requests that the committees pass HB2096 HD1 with an amendment to utilize the UI tax Schedule “F” for the years 2012 and 2013. This will send a signal of SUPPORT for businesses which are hard it by the current conditions.**

Respectfully submitted,

David H. Rolf  
For the members of the Hawaii Automobile Dealers Association

Honolulu, Hawaii 96813  
Tel: 808 593-0031 Cell: 808 223-6015 Fax: 808 593-0569  
Email: [drolf@hawaiiidealer.com](mailto:drolf@hawaiiidealer.com) website: [www.hawaiiidealer.com](http://www.hawaiiidealer.com)

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<sup>3</sup> Hawaii Chamber of Commerce “Unemployment Trust Fund Balance” Projections through 2017

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**From:** jsquires@wdico.biz  
**Sent:** Friday, February 24, 2012 11:01 AM  
**To:** JDLTestimony  
**Subject:** Please pass HB 2096 HD1

John Squires  
2627 Kilihau Street  
Honolulu, HI 96819-2021

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is John Squires of WDI Companies, Inc. We employ about 40 people in the business services industry here. If taxes go up substantially we would have to impose layoffs to stay afloat.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

John Squires  
833-0693

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**From:** cal@citymill.com  
**Sent:** Friday, February 24, 2012 11:01 AM  
**To:** JDLTestimony  
**Subject:** Please pass HB 2096 HD1

Carol Ai May  
660 Nimitz Highway  
Honolulu, HI 96817-5032

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Carol Ai May and I am the Vice President of City Mill Company, Ltd. We employ approximately 500 people on the island of Oahu. We are 113 years old and family owned and operated. We need the legislature to support businesses like ours that are struggling in this economy and with increased mainland competition. We are active members in non-profits, we participate in community events, we have middle management jobs and use our local banks, insurance companies and other companies for their services instead of sending them to the mainland. Our money stays in the State.

We need to be able to budget and anticipate expenses in the future so we might expand and grow our business. Keeping the unemployment insurance tax the same for the next two years would help to create some stability and certainty for us.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Carol Ai May  
8085295806

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**From:** marshall@hawnice.com  
**Sent:** Friday, February 24, 2012 11:06 AM  
**To:** JDLTestimony  
**Subject:** Testimony in support of HB 2096 HD1

Marshall Joy  
1125 N Nimitz Hwy  
Honolulu, HI 96817-4522

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Across our nation, there are a few States that are more financially stable than others. A close look at the legislatures behind the more successful States would reveal an emphasis on support for business as the primary reason behind the "better" fortunes of said States. Support for business is intelligent, forward thinking and an investment in a better tomorrow.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Marshall L Joy  
808-538-6918



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**From:** miyukih@centerscale.com  
**Sent:** Friday, February 24, 2012 11:11 AM  
**To:** JDLTestimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

Miyuki Hirano-Hollingworth  
2632 Kilihau Street Unit A  
Honolulu, HI 96819

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Miyuki Hirano-Hollingworth  
808-834-8599

---

**From:** anela@mauihotjobs.com  
**Sent:** Friday, February 24, 2012 11:16 AM  
**To:** JDLTestimony  
**Subject:** Please pass HB 2096 HD1

Anela Sanchez  
430 Kele St., Ste. 301  
Kahului, HI 96732-3408

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Anela Sanchez and I run a local employment agency on the island of Maui. We have over 250 Leased and Temporary employees spread over the islands of Maui, Oahu, Hawaii, Kauai, and Molokai.

By continuing the U.I. tax schedule for the upcoming year, this will allow for our clients who primarily consist of small businesses with 5 employees or less to continue paying less taxes and possibly be able to make a profit and survive the recession. Many of these companies are just starting to come back into the black or are close. We've had a few companies who had to stop using our services or closed their doors because they just couldn't keep employees working because the costs to have an employee (with providing all the taxes and mandated benefits) were just too high.

I appreciate the legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Anela Sanchez  
8088736274

---

**From:** satomi@teachest.com  
**Sent:** Friday, February 24, 2012 11:21 AM  
**To:** JDLTestimony  
**Subject:** Please pass HB 2096 HD1

Satomi Goo  
P.O. Box 1324  
Honolulu, HI 96807-1324

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Any kind of tax savings will definitely help us to stay in business in Hawaii.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Satomi Goo  
8085919400



75-5737 Kuakini Hwy, Suite 208  
Kailua-Kona, HI 96740  
Phone: 329-1758 Fax: 329-8564  
www.Kona-Kohala.com info@kona-kohala.com

Testimony to the Senate Judiciary and Labor and Ways and Means Committees  
Monday, February 27, 2012  
10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1 – Relating to Employment Security

Aloha Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani and Members of these Committees:

My name is Vivian Landrum, and I am the President/CEO of the Kona-Kohala Chamber of Commerce (KKCC). KKCC represents over 520 business members and is the leading business advocacy organization on the west side of Hawai'i Island. KKCC also actively works to enhance the environment, unique lifestyle and quality of life in West Hawai'i for both residents and visitors alike.

We strongly support HB 2096 HD1.

Mahalo for understanding that while our business climate is improving, the uptick is slow and unpredictable, and varies from island to island. While the State, particularly Oahu, is experiencing a nice recovery, the neighbor islands are still challenged. Unemployment figures for December for Hawaii Island were at 9.2% - higher than the national average as well as Oahu. While our tourism is improving, though not at the rate of Oahu, many other industries, particularly construction, continue to struggle.

KKCC conducted an Economic Outlook survey with our members in December, 2011. The results revealed 45% felt their business had increased from 2010 to 2011, 27% remained the same and 25% felt business had decreased. Optimism for the future was shown as projections for business revenue for 2012 indicated 69% felt their business would increase, 24% thought it would remain flat and 7% felt it would decrease. However when asked if their business plan called for hiring additional employees, only 33% indicated they may, while 47% said No and 19% were unsure. I believe this demonstrates that while our West Hawaii business community is experiencing a positive resurgence, they continue to be wary of the future and lack the confidence to expand their business and bring on new hires.

**We support HB 2096 HD1 however encourage you to maintain the employer contribution rate at Schedule F through 2013, not 2012.** This will provide employers with a lower, longer term fixed rate with which to calculate expenses and assist in the continued recovery and stabilization of our economy. Continued support from the Legislature is needed to avoid any future labor cuts, encourage hiring and help instill confidence and trust in our future. I understand the challenge in predicting the State's budget for the next two years, however placing confidence in the State's future by amending the bill to extend the rate for two years will show you feel our downturn has turned around and our business environment will continue to improve.

Mahalo for the opportunity to submit our testimony.

Sincerely,

A handwritten signature in cursive script that reads "Vivian Landrum".

Vivian Landrum  
President/CEO

---

**From:** wesleyw@suisan.com  
**Sent:** Friday, February 24, 2012 11:21 AM  
**To:** JDLTestimony  
**Subject:** Testimony in support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Wesley Wakimoto  
c/o 1965 Kamehameha Avenue  
Hilo, HI 96720

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This measure will help my business during these challenging times. Please pass the measure as is.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Wesley K. Wakimoto  
(808) 969-6388

---

**From:** kb@hawaiiink.net  
**Sent:** Friday, February 24, 2012 11:21 AM  
**To:** JDLTestimony  
**Subject:** In support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Lori Otsuka  
P.O. Box 1889  
Lihue, HI 96766-5889

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Lori Otsuka of Kauai Beverage & Ice Cream Co.  
We have 6 employees and distribute candy and ice.

As a small business, I am constantly concerned with the rising cost of doing business in Hawaii. This measure will help keep my loyal employees employed and keep this 65 year family owned company alive. Keeping the Schedule at "F" for two years would greatly help during these tough economic times. I humbly appreciate your time and consideration to help save businesses and jobs. Mahalo!

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Lori Otsuka  
808-245-6372

---

**From:** lawson.teshima@kobay.com  
**Sent:** Friday, February 24, 2012 11:26 AM  
**To:** JDLTestimony  
**Subject:** Please pass the Unemployment Insurance Tax mitigation bill

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Lawson Teshima  
650 Iwilei Road, Suite 415  
Honolulu, HI 96817-5319

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Lawson Teshima, secretary-treasurer of Kobayashi Travel Service, Ltd. Kobayashi Travel Service was started in 1896 and reached a high point of 350 employees and operations on Oahu, Maui and Hawaii in 2001 before the infamous 9/11 bombing that sent the tourist from Japan on a downward spiral. We currently have only 115 employees and operate principally on Oahu.

We have a very stable workforce and our average employ age is 48. We have UI reserves in the hundreds of thousands but yet we have to pay UI because the unemployment mainly in the construction industry. I have proposed upping the rates for the construction industry since they have been and are the main beneficiary of the UI funds.

Because 98% of our business is Japan related, we are still struggling financially due to the 3/11/11 earthquake and tsunami that hit Japan. This measure will help my business during these challenging times. Please pass the measure as is. Any tax savings will help my company to continue to provide and maintain the benefits to employees.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Lawson Teshima  
(808) 524-5040





February 26, 2012

Chair Clayton Hee  
Senate Committee on Judiciary and Labor  
Chair David Ige  
Senate Committee on Ways and Means  
Conference Room 016  
State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

**RE: HB 2096, HD 1 RELATING TO EMPLOYMENT SECURITY**

Dear Chair Hee, Chair Ige and Judiciary and Labor and Ways and Means Committee members,

HANO is a statewide, sector-wide alliance of nonprofit organizations working to strengthen and unite Hawaii's nonprofit sector as a collective force to improve the quality of life in Hawai'i. HANO members provide essential services to every community in the state.

HANO supports the various provisions of HB 2096 HD 1, but supports the same level of tax at Schedule "F" for two years, through 2013 rather than one year to avoid the increase in tax of potentially an average of \$550 per employee.

Nonprofit organizations are employers too, dealing with the same rising costs of doing business as for-profit companies. In this economy, it has been a struggle for many nonprofits to stay afloat and ensure the level and quality of valuable services they provide to the community.

An extension of schedule "F" through 2013 would provide extended relief to all businesses to see us through a lingering down economy.

Thank you for the opportunity to submit written testimony.

Lisa Maruyama  
President and CEO

---

**From:** doug.sears@hyatt.com  
**Sent:** Friday, February 24, 2012 11:31 AM  
**To:** JDLTestimony  
**Subject:** Please pass the Unemployment Insurance Tax mitigation bill

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Doug Sears  
1571 Poipu Road  
Koloa, HI 96756-9402

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time, especially after a \$40 million dollar renovation of the property, and all other increasing costs and taxes levied.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Doug Sears  
808-240-6400

---

**From:** ksanders@oceannetwork.tv  
**Sent:** Friday, February 24, 2012 11:31 AM  
**To:** JDLTestimony  
**Subject:** Please pass HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Ken Sanders  
269 Kaelepulu Drive  
Kailua, HI 96734-3311

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Aloha, my name is Ken Sanders, I'm CEO/President of Ocean Network LLC, here in Honolulu. We have 5 employees but can't afford to have them on salary yet because of the high cost of having employees - they have to be independent contractors.

While I support the Bill for this year's raise, please don't raise our business costs any more. Leave the assessment at that level from now on.

We are a very worthwhile Internet broadcasting company which carries dozens of videos of ocean advocacy, in addition to the kind of educational and entertaining series that viewers of all ages really like to enjoy.

But it's a struggle to stay afloat because advertising sales may not be enough. Any help the government can give us will be greatly appreciated.

Thank you for your consideration.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Ken Sanders  
808-256-7263

## OCEAN SPORTS

---

P.O. Box 383699  
69-275 Waikoloa Beach Drive  
Waikoloa, Hawaii 96738

808-886-6666 voice  
808-885-5555 facsimile  
[WWW.HAWAIIOCEANSPORTS.COM](http://WWW.HAWAIIOCEANSPORTS.COM)

February 26, 2012

Senate Judiciary and Labor and Ways and Means

RE: HB 2096 HD1 – Relating to Employment Security

Dear Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani and Members of these Committees:

Nanea Kai, Inc. dba Ocean Sports, employs approximately 90 people on the west side of Hawaii Island in ocean recreation and tourism. We strongly support HB 2096 HD1.

We are attempting to provide additional jobs and this bill will provide stability and certainty, which are helpful during these tough economic times. Any tax savings will help my company to continue to provide and maintain the benefits to employees. We appreciate the Legislature taking into consideration a bill that will help businesses during these tough times.

Please pass HB 2096 HD1.

Mahalo for your consideration.

Sincerely,



Judith Jennet  
President

## hee2 - Nahelani

---

**From:** carol.kawabata@westin.com  
**Sent:** Sunday, February 26, 2012 7:31 AM  
**To:** JDLTestimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Carol Kawabata  
2365 Kaanapali Parkway  
Lahaina, HI 96761-1900

February 26, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,



---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 24, 2012 12:22 PM  
**To:** JDLTestimony  
**Cc:** bruceh@hmcmtg.com  
**Subject:** Testimony for HB2096 on 2/27/2012 10:00:00 AM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for JDL/WAM 2/27/2012 10:00:00 AM HB2096

Conference room: 016  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Bruce Howe  
Organization: Individual  
E-mail: [bruceh@hmcmtg.com](mailto:bruceh@hmcmtg.com)  
Submitted on: 2/24/2012

**Comments:**

I support this bill to mitigate the immediate increase in the tax which will negatively impact businesses in this early point in our economic recovery. A slower phase in should preserve this important safety net while not choking the businesses that fund it and employ the folks it is designed to protect

---

**From:** tleong@kualoa.com  
**Sent:** Friday, February 24, 2012 1:11 PM  
**To:** JDLTestimony  
**Subject:** Please pass the Unemployment Insurance Tax mitigation bill

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Timon Leong  
PO Box 650  
Kaaawa, HI 96730-0650

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

This measure will help my business during these challenging times. Please pass the measure as is.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Timon Leong



---

**From:** lkawasak@youngsmarket.com  
**Sent:** Friday, February 24, 2012 1:36 PM  
**To:** JDLTestimony  
**Subject:** Please pass the Unemployment Insurance Tax mitigation bill

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Laurie Kawasaki  
94-501 Kau Street  
Waipahu, HI 96797-4236

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

I am the VP of Finance for Young's Market Company of Hawaii. We really cannot afford to see another increase in another tax. The cost of employment is high enough as it is. We lose jobs to our Parent Company in California everytime they look at the cost of our employees. We need to be able to support our staff and this increase will not help us to do this. I urge you to keep the schedule at F!

Thank you for your consideration.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Laurie Kawasaki

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 24, 2012 1:39 PM  
**To:** JDLTestimony  
**Cc:** dolphindiscoveries@aloha.net  
**Subject:** Testimony for HB2096 on 2/27/2012 10:00:00 AM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for JDL/WAM 2/27/2012 10:00:00 AM HB2096

Conference room: 016  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Claudia Merrill  
Organization: Merrill Inc. / Dolphin Discoveries  
E-mail: [dolphindiscoveries@aloha.net](mailto:dolphindiscoveries@aloha.net)  
Submitted on: 2/24/2012

**Comments:**

This bill will help us as a small business to keep up with the economic demands of taxes, health insurance costs, etc. in these hard economic times.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 24, 2012 1:40 PM  
**To:** JDLTestimony  
**Cc:** dolphindiscoveries@aloha.net  
**Subject:** Testimony for HB2096 on 2/27/2012 10:00:00 AM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for JDL/WAM 2/27/2012 10:00:00 AM HB2096

Conference room: 016  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Claudia Merrill  
Organization: Merrill Inc. / Dolphin Discoveries  
E-mail: [dolphindiscoveries@aloha.net](mailto:dolphindiscoveries@aloha.net)  
Submitted on: 2/24/2012

**Comments:**

This bill will help us as a small business to keep up with the economic demands of taxes, health insurance costs, etc. in these hard economic times.

---

**From:** karen@karenkline.com  
**Sent:** Friday, February 24, 2012 1:41 PM  
**To:** JDLTestimony  
**Subject:** Please pass the Unemployment Insurance Tax mitigation bill

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Karen Kline  
586 Kanoelehua Avenue, Suite 101  
Hilo, HI 96720-4563

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Karen Kline and my company is Karen Kline Home Loans, LLC which has 2 employees. 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. We started our company in Feb. 2007. We have been able to maintain at a steady level the past 2 years, but have seen no growth. We have worked very hard to build a strong reputation with the Realtor community in East Hawaii and if we have to reduce any employee staff this could hinder our ability to provide the excellent customer service we offer our clients.

We are very hopeful 2012 will be the turning point. We had 1 full time employee and one part time employee and now have had 2 full time employees

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Karen Kline  
808-935-6400

---

**From:** robertachu@hawaii.rr.com  
**Sent:** Friday, February 24, 2012 1:46 PM  
**To:** JDLTestimony  
**Subject:** In support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Roberta Chu  
478 Kipuni Street  
Hilo, HI 96720-6009

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

With the rising costs of doing business in Hawaii (including but not limited to rising utility and healthcare expenses), this measure will mitigate some of the challenges facing businesses during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Roberta Chu  
808-854-2025

---

**From:** phoebel@msn.com  
**Sent:** Friday, February 24, 2012 1:56 PM  
**To:** JDLTestimony  
**Subject:** Testimony in support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Phoebe Lambeth  
2284 Kaiwika Road  
Hilo, HI 96720-9723

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Phoebe Lambeth  
896-6269

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 24, 2012 2:00 PM  
**To:** JDLTestimony  
**Cc:** jdeluz@teamdelluz.com  
**Subject:** Testimony for HB2096 on 2/27/2012 10:00:00 AM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for JDL/WAM 2/27/2012 10:00:00 AM HB2096

Conference room: 016  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Jacqueline De Luz Watanabe  
Organization: Big Island Toyota / De Luz Chevrolet  
E-mail: [jdeluz@teamdelluz.com](mailto:jdeluz@teamdelluz.com)  
Submitted on: 2/24/2012

**Comments:**

We support this bill as an employer who has been on Hawaii Island for 50 years of over 100 families we believe this is needed for our economic recovery and investment back into our businesses. Thank you.

---

**From:** bob@midashawaii.com  
**Sent:** Friday, February 24, 2012 2:01 PM  
**To:** JDLEstimony  
**Subject:** Please pass HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Robert Pereira  
94-709 Farrington Hwy.  
Waipahu, HI 96797-3163

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Bob Pereira and I have been the owner and CEO of Midas Hawaii for the past 33 years. During that time my company which includes 100+ employees has had it's ups and downs. Currently, we are mostly down but headed up. I support this bill to help keep us headed in the right direction.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

This measure will help my business during these challenging times. Please pass the measure as is.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,



Robert D. Pereira  
808-479-7140

---

**From:** dfunakoshi@ahldesign.com  
**Sent:** Friday, February 24, 2012 2:06 PM  
**To:** JDLTestimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Daniel Funakoshi  
1001 Bishop Street Suite 200  
Honolulu, HI 96813-3487

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Daniel Funakoshi and I am the Chief Financial Officer of Architects Hawaii Ltd. Our firm provides a wide range of Architectural Services primarily in Hawaii. Our current staffing is 75 employees which is down from 95 employees two years ago.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Daniel Funakoshi

---

**From:** sknox@hi-employment.com  
**Sent:** Friday, February 24, 2012 2:11 PM  
**To:** JDLTestimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Sean Knox  
500 Ala Moana Boulevard, Suite 2-302  
Honolulu, HI 96813-4993

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Sean Knox and I am the President of Hawaii Employment Services, Inc. ("HiEmployment"). I am here to state HiEmployment's support to House Bill No. 2096 HD1.

As a Staffing and Employment resource for over 25 businesses in Hawaii, our company works on behalf of our clients, to foster positive action on issues of common concern. I feel keeping the unemployment insurance tax schedule the same for two years rather than one will help my business.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time. This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

I feel that this measure will definitely help save jobs, preserve businesses and spur the economy. In addition, I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Sean Knox



**HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)**

1050 Bishop St. Box 235  
Honolulu, HI 96813  
Fax : 808-791-0702  
Telephone : 808-533-1292

**COMMITTEE ON JUDICIARY AND LABOR**

**Senator Clayton Hee, Chair**

**Senator Maile S.L. Shimabukuro, Vice Chair**

**COMMITTEE ON WAYS AND MEANS**

**Senator David Y. Ige, Chair**

**Senator Michelle N. Kidani, Vice Chair**

**DATE: Monday, February 27, 2012**

**TIME: 10:00 a.m.**

**PLACE: Conference Room 016**

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

Dear Chair Hee, Vice Chair Shimabukuro 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.



**Testimony before the  
Senate Committee on Judiciary and Labor**

**Hearing: February 27, 2012  
10:00 a.m.  
Conference Room 016**

**RE: HOUSE BILL 2096 HD1 RELATING TO EMPLOYMENT SECURITY**

Chair Hee, Vice Chair Shimabukuro and Members of the Committee:

My name is Jerry Gibson and I am sending you testimony on behalf the Hilton Hawaiian Village Waikiki Beach Resort with more than 2,200 team members. Hilton certainly supports and appreciates the efforts of the Chair and the Legislature to address the unemployment tax increases.

Hawaii is slowly starting to emerge from the recession and on a path toward the recovery. However, this recovery is not without obstacles. We strongly believe that extending the Unemployment Tax Rate at Schedule F for two more years, through calendar 2012 and 2013 will provide greater support and stability to businesses as they struggle to recover from the last four tumultuous years.

Extending the tax assistance beyond 2013 will save jobs, preserve businesses and spur the economy by keeping more dollars flowing into the economy through wages and purchases.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at the Hilton Hawaiian Village at (808) 949-4321.

Mahalo,

A handwritten signature in black ink, appearing to read 'Jerry Gibson', with a long, sweeping horizontal line extending to the right.

Jerry Gibson  
Area Vice President  
Hilton Worldwide



# Hawai'i Island Chamber of Commerce

117 Keawe Street, Suite 205  
Hilo, Hawai'i 96720-2851  
Phone: (808) 935-7178  
Fax: (808) 961-4435  
E-mail: admin@hicc.biz  
[www.hicc.biz](http://www.hicc.biz)

## 2011-2012 Board

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Jon Miyata

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Vaughn Cook

*Vice President*  
Judith Fox-Goldstein

*Treasurer*  
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Barry Taniguchi  
Ron Terry  
Steve Ueda  
Carol VanCamp  
William Walter  
Noreen Yamane

February 24, 2012

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

Honorable Clayton Hee, Chair, Senate Judiciary and Labor Committee  
Honorable David Ige, Chair, Senate Ways and Means Committee  
State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

## RE: Testimony in Support of HB 2096 HD1 Unemployment Insurance Tax

Dear Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani, and Members of the Committees:

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 on Hawaii Island and throughout the State of Hawaii.

The Chamber **strongly supports** HB 2096 HD1 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



## Hawai'i Island Chamber of Commerce

117 Keawe Street, Suite 205  
Hilo, Hawai'i 96720-2851  
Phone: (808) 935-7178  
Fax: (808) 961-4435  
E-mail: [admin@hicc.biz](mailto:admin@hicc.biz)  
[www.hicc.biz](http://www.hicc.biz)

additional average tax increase of \$550 per employee. This increased cost would erode confidence for our members and should be delayed.

We urge you to support this HB 2096 HD1 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 both Committees to support employment in our community by passing HB 2096 HD1 and sending a strong message in support of our economy.

Very Truly Yours

Vaughn G. T. Cook  
President-Elect

---

**From:** bonnya@aiohawaii.com  
**Sent:** Friday, February 24, 2012 7:26 PM  
**To:** JDLTestimony  
**Subject:** In support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Bonny Amemiya  
1942-C Lusitana Street  
Honolulu, HI 96813

February 25, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Bonny Amemiya and I am the Chief Financial Officer of aio Group, a family of locally-owned companies. Collectively, the aio family of companies has over 200 full-time employees.

This bill will provide needed stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful.

I appreciate the Legislature for taking into consideration a bill that will help Hawaii businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Bonny Amemiya  
8084791454



---

**From:** crepesnokaoi@yahoo.com  
**Sent:** Saturday, February 25, 2012 10:01 AM  
**To:** JDLTestimony  
**Subject:** Please support HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Chris Tarvyd  
611 Kaiemi St.  
Kailua, HI 96734-2016

February 25, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

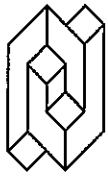
This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful.

This measure will help my business during these challenging times. Please pass the measure as is.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Chris Tarvyd



Trans-Pacific

D E S I G N

[www.trans-pacificdesign.com](http://www.trans-pacificdesign.com)

64 - 5176 Kamamalu Road  
Kamuela, Hawaii 96743

Phone: (808) 885-5587

Fax: (808) 885-5512

February 25, 2012

Testimony to the Senate Judiciary & Labor and Ways and Means Committees

Monday, February 27, 2012

10:00 AM

Conference Rm. 016; State Capitol

RE: HB 2096 HD1 Relating to Employment Security

Dear Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani and Committee Members,

I strongly support HB2096 HD 1

During these tough economic times we are looking for help from our legislators in containing costs. This bill will help. Keeping the Schedule at 'F' for TWO years would be most helpful. If two years is not possible, then please pass the bill in its current form.

We currently have 5 employees and any tax savings will help us continue to retain these employees and maintain their benefits.

Again, please pass HB 2096 HD 1.

Thank you for considering the needs of your local employees and businesses.

Regards,

Sue

**Susan J. Moss, ASID, LEED AP**

[susan@trans-pacificdesign.com](mailto:susan@trans-pacificdesign.com)

[www.trans-pacificdesign.com](http://www.trans-pacificdesign.com)

PH: 808-885-5587 Ext 107

FX: 808-885-5512

Trans-Pacific

D E S I G N

64-5176 Kamamalu Rd.

Kamuela HI 96743

---

**From:** dy@kyd-inc.com  
**Sent:** Saturday, February 25, 2012 10:06 AM  
**To:** JDLTestimony  
**Subject:** Please support HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dexter Yamada  
2949 Koapaka St  
Honolulu, HI 96819-1923

February 25, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Dexter Yamada  
8088367301

---

**From:** nancyc@daylum.com  
**Sent:** Saturday, February 25, 2012 10:51 AM  
**To:** JDLTestimony  
**Subject:** In support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Nancy Cabral  
2 Kamehameha Ave  
Hilo, HI 96720-2830

February 25, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

I have two small businesses in Hilo; Coldewell Banker Day-Lum and Day-Lum Rentals & Management. I have 22 employees and 18 independent contractors with my firms. I have been working hard and providing a good service in both Real Estate Sales and Property Management for 28 years.

Keep the unemployment tax as low as possible. If I did not have to pay so much in this tax I would be hiring TWO more people, but instead I am looking at just the opposite.

All of the difficult labor laws and taxes are killing us. I am used to working 60 hours a week and will survive the 'bad market', but YOU, the government are forcing me out of business. Only because of the extra burdens you keep putting on us as small business I am looking to get out of business. I can't afford to give me employees raises because of the unemployee taxes I am paying to others I have never met. Go back to the right formula of 6 months of unemployment and after that, people can apply for welfare! You are NOT helping the economy with all of these cost to small business. It appears to be true that you are trying to kill all private business in the country in order to have everything controlled by the government. Have ANY of you in the State House or Senate owed a business and had other people's income and family dependent on YOU and YOUR business - I doubt it by the way you vote.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Nancy Cabral  
808-935-4152



---

**From:** signe.godfrey@olsten.com  
**Sent:** Saturday, February 25, 2012 11:21 AM  
**To:** JDLTestimony  
**Subject:** In support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Signe Godfrey  
900 Fort Street Mall, Suite 1200  
Honolulu, HI 96813-3716

February 25, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

The last three years, my staff has been so grateful for just having a job, and they are doing their utmost best to keep their jobs.

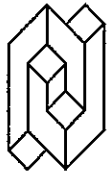
More taxes for our company will definitely head us towards cutting back on expenses that I can control which starts with staff because that is my biggest expense. This would be detrimental because I start a decline that I cannot stop.

Let's work together instead of against each other and if I can be more profitable, I will be able to keep people working.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Signe Godfrey  
808 523-3313



Trans-Pacific  
DESIGN

[www.trans-pacificdesign.com](http://www.trans-pacificdesign.com)

64 - 5176 Kamamalu Road  
Kamuela, Hawaii 96743

Phone: (808) 885-5587  
Fax: (808) 885-5512

February 25, 2012  
Testimony to the Senate Judiciary & Labor and Ways and Means Committees  
Monday, February 27, 2012  
10:00 AM  
Conference Rm. 016; State Capitol

RE: HB 2096 HD1 Relating to Employment Security

Dear Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani and Committee Members,

I strongly support HB2096 HD 1

During these tough economic times we are looking for help from our legislators in containing costs. This bill will help. Keeping the Schedule at 'F' for TWO years would be most helpful. If two years is not possible, then please pass the bill in its current form.

We currently have 5 employees and any tax savings will help us continue to retain these employees and maintain their benefits.

Again, please pass HB 2096 HD 1.

Thank you for considering the needs of your local employees and businesses.

Regards,

Sue

**Susan J. Moss, ASID, LEED AP**

[susan@trans-pacificdesign.com](mailto:susan@trans-pacificdesign.com)  
[www.trans-pacificdesign.com](http://www.trans-pacificdesign.com)

PH: 808-885-5587 Ext 107  
FX: 808-885-5512

Trans-Pacific  
DESIGN

64-5176 Kamamalu Rd.  
Kamuela HI 96743

---

**From:** valderueda@aol.com  
**Sent:** Saturday, February 25, 2012 7:56 PM  
**To:** JDLTestimony  
**Subject:** Testimony in support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Lisa Valderueda  
94-229 Waipahu Depot Rd, #500  
Waipahu, HI 96797-3035

February 26, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Lisa Valderueda  
808-676-5711



#  
The Twenty-Sixth Legislature  
Regular Session of 2012

THE SENATE

Committee on Judiciary and Labor  
    Senator Clayton Hee, Chair  
    Senator Maile S.L. Shimabukuro, Vice Chair  
Committee on Ways and Means  
    Senator David Y. Ige, Chair  
    Senator Michelle N. Kidani, Vice Chair

State Capitol, Conference Room 016  
Monday, February 27, 2012; 10:00 a.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 sets the maximum weekly benefit amount at 75% of the average weekly wage from 4/1/12 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 even for one year.

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 diminished because of 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. The result of this tax "holiday" was a Fund that 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 afford to 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 in 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, as 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's much less than 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.

---

**From:** Dave Rolf [drolf@hawaiiidealer.com]  
**Sent:** Sunday, February 26, 2012 6:14 AM  
**To:** JDLTestimony  
**Subject:** HADA testimony in STRONG SUPPORT of HB2096 HD1 for 10 a.m. hearing 2-27-12 in Conf Rm 016  
**Attachments:** 2012 HADA Testimony in STRONG SUPPORT of HB2096 HD1.docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** Red Category

Dear Chairs Hee and Ige,

Please see the HADA testimony in STRONG SUPPORT of HB 2096 HD1—RELATING TO EMPLOYMENT SECURITY-- submitted to the Senate Committee on Judiciary and Labor and the Senate Committee on Ways and Means for the joint hearing 10 a.m. Monday February 27, 2012. Conference Room 016.

Respectfully submitted,  
David H. Rolf  
Hawaii Automobile Dealers Association  
1100 Alakea St. Suite 2601  
Honolulu, Hawaii 96813  
Tel: 808 593-0031 Cel: 808 223-6015  
Email: [drolf@hawaiiidealer.com](mailto:drolf@hawaiiidealer.com)  
Website: [www.hawaiiautodealer.com](http://www.hawaiiautodealer.com)

February 26, 2012

**Testimony in SUPPORT OF HB2096 HD1**  
with the request to utilize UI Tax Schedule "F" for 2 years

RELATING TO EMPLOYMENT SECURITY  
Presented to the Senate Committee on Judiciary and Labor and  
The Senate Committee on Ways and Means

At the public hearing 10 a.m., Monday, February 27, 2012  
in Conference Room 016, Hawaii State Capitol  
Submitted by David H. Rolf, for the Hawaii Automobile Dealers Association  
Hawaii's Franchised New Car Dealers

Chair Hee, Chair Ige and members of the committees,

I'm David Rolf, representing Hawaii's franchised new car dealers. HADA stands in **STRONG SUPPORT OF THE CONCEPT OF A UI TAX RATE THAT FACILITATES BUSINESS RECOVERY** during these continuing difficult times for many businesses in Hawaii including the retail auto industry.

**FACTS: THE HAWAII NEW VEHICLE AUTO INDSTRY AND THE UI TAX INCREASE FOR 2012**

- Current law will increase in the Unemployment Insurance (UI) tax by about \$550 per auto dealership employee in 2012.<sup>1</sup>
- This will remove approximately \$1,701,000 cash collectively from the new car dealers' operating account reserves in 2012.
- This tax increase will pull approximately \$27,450 in cash away from each of Hawaii's 62 dealerships.
- That's enough cash to pay for slightly more than half of an employee's salary for a year.
- The average annual earnings of new-vehicle dealership employees in Hawaii is \$52,279<sup>2</sup>.
- New car dealers currently employ 3,094. That's down from 4,062 in 2008, a reduction of 968 employees, almost 25%.
- The severe economic conditions in the state forced Hawaii dealers to make these painful cuts in order to survive.

---

<sup>1</sup> HADA estimate "average" for Hawaii's new car dealership employee base

<sup>2</sup> NADA "Driving Hawaii's Economy" 2010



---

**From:** carol.kawabata@westin.com  
**Sent:** Sunday, February 26, 2012 7:31 AM  
**To:** JDLEstimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Carol Kawabata  
2365 Kaanapali Parkway  
Lahaina, HI 96761-1900

February 26, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Carol Kawabata

---

**From:** wtomita@hihrhawaii.com  
**Sent:** Friday, February 24, 2012 2:16 PM  
**To:** JDLTestimony  
**Subject:** In support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Wayne Tomita  
500 Ala Moana Boulevard, Suite 2-302  
Honolulu, HI 96813-4993

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Wayne Tomita and I am the Chief Financial Officer of Hawaii Accounting, Inc. ("HiAccounting"). I am here to state HiAccounting's support for HB 2096 HD1.

As an Accounting resource for numerous businesses in Hawaii, our company works on behalf of our clients, to foster positive action on issues of common concern. I feel keeping the unemployment insurance rax schedule the same for two years rather than one will help my business.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time. This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

I feel that this measure will definitely help save jobs, preserve businesses and spur the economy. In addition, I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Wayne Tomita

---

**From:** melvin.kam@hawaiianisles.com  
**Sent:** Friday, February 24, 2012 2:21 PM  
**To:** JDLEstimony  
**Subject:** Please pass the Unemployment Insurance Tax mitigation bill

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Melvin Kam  
2839 Mokumoa Street  
Honolulu, HI 96819-4402

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

This measure will help my business during these challenging times. Please pass the measure as is.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Melvin Kam  
808-833-2244

---

**From:** kken116@aol.com  
**Sent:** Friday, February 24, 2012 2:21 PM  
**To:** JDLTestimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Kraig Kennedy  
1130 N. Nimitz  
Honolulu, HI 96817-4579

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be extremely helpful. If this becomes too difficult, then please pass the bill as is.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Kraig Kennedy  
808 524 3255



---

**From:** smeichtry@hihrhawaii.com  
**Sent:** Friday, February 24, 2012 2:21 PM  
**To:** JDLTestimony  
**Subject:** In support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Scott Meichtry  
500 Ala Moana Boulevard, Suite 2-302  
Honolulu, HI 96813-4993

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Scott Meichtry and I am an owner and Vice President of Hawaii Human Resources, Inc. ("HiHR"). I am here to state HiHR's support for HB 2096 HD1. As an HR resource for over 260 small to medium businesses in Hawaii, our company works on behalf of our clients, to foster positive action on issues of common concern. I feel keeping the unemployment insurance tax schedule the same for two years rather than one will help my business.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time. This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

I feel that this measure will definitely help save jobs, preserve businesses and spur the economy. In addition, I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Scott Meichtry

---

**From:** mdelaney@thehawaiigroup.com  
**Sent:** Friday, February 24, 2012 2:21 PM  
**To:** JDLTestimony  
**Subject:** Testimony in support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Matthew Delaney  
500 Ala Moana Boulevard, Suite 2-302  
Honolulu, HI 96813-4993

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Matthew S. Delaney and I am an owner and President of The Hawaii Group, Inc. ("HiGroup"). I am here to state HiGroup's support for HB 2096 HD1. As a business consulting and administrative resource for over 300 small to medium businesses in Hawaii, our company works on behalf of our clients, to foster positive action on issues of common concern. I feel keeping the unemployment insurance rax schedule the same for two years rather than one will help my business.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time. This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

I feel that this measure will definitely help save jobs, preserve businesses and spur the economy. In addition, I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Matthew S. Delaney

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**From:** bward@wardresearch.com  
**Sent:** Friday, February 24, 2012 2:51 PM  
**To:** JDLEstimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Rebecca Ward  
Ward Research, 828 Fort St. Mall  
Honolulu, HI 96813

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is  
Rebecca Ward, President of Ward Research, a market research firm in Hawaii for over 30 years.  
I have annual payroll of just under \$1 million.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.  
The savings in unemployment insurance costs will be reinvested toward the hiring of additional employees and/or the purchase of needed equipment upgrades. Keeping the Schedule at "F" for two years would be even more helpful.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Mahalo,

Rebecca S. Ward

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**From:** ttatsugawa@youngsmarket.com  
**Sent:** Friday, February 24, 2012 3:06 PM  
**To:** JDLEstimony  
**Subject:** Testimony in support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Terry Tatsugawa  
73-4854 KANALANI ST  
KAILUA-KONA, HI 96740-2609

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This measure will help my business during these challenging times. Please pass the measure as is.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

With the rising costs of doing business in Hawaii, this measure will mitigate some of the challenges my company is facing during this time.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

This measure will help save jobs, preserve businesses and spur the economy.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Terry Tatsugawa  
808.326.2768



**BUDAR**  
INSURANCE AGENCY

*Representing Allstate Insurance on All Hawaii's Islands*

75-170 Hualalai Rd Ste D112  
Kailua Kona, HI 96740  
Tel: 808-326-1125  
Fax: 808-326-1331  
[www.Allstatehawaii.com](http://www.Allstatehawaii.com)  
Email: SBudar@allstate.com

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24 February 2012

Testimony to the Senate Judiciary and Labor and Ways and Means Committees  
Monday, February 27, 2012  
10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1 – Relating to Employment Security

Aloha Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani and Members of the Senate Judiciary and Labor and Ways and Means Committees.

My Name is Steve Budar and I own the Budar Insurance Agency LLC, an Allstate Insurance agency in Kailua Kona. I have 4 employees and am the insurance agent for over 4000 clients on the Big Island.

I strongly support HB 2096 HD1.

I would prefer keeping the unemployment insurance tax schedule the same for **the next two years**. My business needs some measure of stability and certainty during these tough economic times. Keeping the Schedule at "F" for two years would be extremely helpful to my business. If not, please pass the bill as is.

Sincerely,

Steven M Budar, CLU, ChFC  
Agency Owner

*Tell Your Friends and Clients About Us*  
"...Our goal is to provide you the best possible service, we want you to be  
**COMPLETELY SATISFIED**"

---

**From:** ray.foster@monsanto.com  
**Sent:** Friday, February 24, 2012 3:31 PM  
**To:** JDLEstimony  
**Subject:** Please pass HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Ray Foster  
P.O. Box  
Kaunakakai, HI 96748

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Molokai Farm Bureau supports HB 2096

Affiliate of HI Farm Bureau  
Participating Members and  
Ray Foster, President  
P.O. Box 40  
Kaunakakai HI 96748  
808 336 1134

The fragile Molokai business economy cannot withstand further cost assignment by increased unemployment taxes

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be most helpful. but if that is not possible, please pass the bill as is.

Respectfully submitted, Ray Foster

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Ray Foster  
8083361134

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**From:** karins@pukoa.com  
**Sent:** Friday, February 24, 2012 3:46 PM  
**To:** JDLEstimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

James Karins  
2800 Woodlawn Dr., Suite 141  
Honolulu, HI 96822-1864

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is James Karins and I am the President of Pukoa Scientific, a small technology business located in Manoa.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

James Karins  
407.694.4485



Senator Clayton Hee, Chair  
Senator Maile Shimabukuro, Vice Chair  
Committee on Judiciary & Labor

Senator David Ige, Chair  
Senator Michelle Kidani, Vice Chair  
Committee on Ways & Means

HEARING      Monday, February 27, 2012  
                  10:00 am  
                  Conference Room 016  
                  State Capitol, Honolulu, Hawaii 96813

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

Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani, and Members of the Committees:

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 supports** and 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





**AMERICAN**  
Savings Bank

**Testimony to the Senate Judiciary and Labor and Ways and Means  
Committees**

**Monday, February 27, 2012; 10:00am**

**Conference Room 016**

**State Capitol**

**415 South Beretania Street**

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

Dear Senator Clayton Hee, Senator David Ige, and Members of the Committees:

My name is Auli'i Graf and I am the Director of Government Relations & Corporate Advancement at American Savings Bank. Our 1,100 employees provide a full range of financial products and services, including commercial banking, consumer banking, insurance, and investments to Hawaii's communities.

We appreciate the efforts made by the chair and the committee in addressing the unemployment insurance tax increase.

American Savings Bank supports HB 2096, however, due to the tough economic times, maintaining the same tax level for two years is preferable.

The Bank is already anticipating a significant increase in its 2012 State Unemployment Tax Act ("SUTA") assessment. Another significant increase in 2013 would further hinder the Bank from creating job opportunities for our community. As an example, for the amount that the Bank anticipates incurring in its SUTA assessment, the Bank could support approximately 30 additional employees.

Given the outlook for a slow national and local recovery, the stability provided by maintaining the tax level for two (2) years would allow the Bank to continue to make the necessary investments in the people, processes and systems that support future economic growth. A fixed two-year tax level will also prevent expenses from spiking upwards without a corresponding increase in revenue. As you know, in a

normal business cycle, as revenues increase, companies are able to absorb increases in expenses and taxes while still maintaining their overall performance. Given the current and anticipated slow growth period, however, the increases in the unemployment insurance tax rate make it difficult for businesses to maintain their overall performance in light of a flat revenue growth or minimal increase in revenue.

Thank you for the opportunity to submit testimony. If you have any questions, please contact Auli'i Graf at [cgraf@asbhawaii.com](mailto:cgraf@asbhawaii.com); 808.539-7906.

---

**From:** vaughn@akimeka.com  
**Sent:** Friday, February 24, 2012 4:11 PM  
**To:** JDLTestimony  
**Subject:** Testimony in support of HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Vaughn Vasconcellos  
1600 Kapiolani Blvd., Ste 527  
Honolulu, HI 96814-3802

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

Aloha, my name is Vaughn Vasconcellos and I am CEO of Akimeka, LLC - our firm's core capabilities include healthcare software platforms for Department of Defense medical, information assurance for federal agencies, and e-9-1-1 programs for every county in Hawai'i.

I am in strong support of passing HB 2096 HD1 for a period of 2 years.

Any tax savings will help my company to continue to provide and maintain the benefits to employees.

This bill will provide stability and certainty, which are helpful during these tough economic times. Keeping the Schedule at "F" for two years would be helpful. If not, please pass the bill as is.

I appreciate the Legislature for taking into consideration a bill that will help businesses during these tough times.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Vaughn Vasconcellos  
943-9545, x11

---

**From:** lagustin@avalonhci.com  
**Sent:** Friday, February 24, 2012 4:11 PM  
**To:** JDLTestimony  
**Subject:** Thank you for scheduling HB 2096. Please pass this measure.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Laura Agustin  
1677 Pensacola Street  
Honolulu, HI 96822-2676

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

This measure will help save jobs, preserve businesses and spur the economy.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Laura Agustin  
808-537-3371

---

**From:** jerry.gibson@hilton.com  
**Sent:** Friday, February 24, 2012 4:16 PM  
**To:** JDLTestimony  
**Subject:** Please pass HB 2096 HD1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Jerry Gibson  
2005 Kalia Road  
Honolulu, HI 96815-1917

February 24, 2012

Chairs Hee and Ige and Members of the Committees

Dear Chairs Hee and Ige and Members of the Committees:

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1

Please pass HB 2096 HD1.

My name is Jerry Gibson and my company is Hilton Hawaiian Village Beach Resort & Spa. I appreciate the efforts made by the chairs and the committee in addressing the unemployment insurance tax increase.

I support HB 2096 HD1, however, due to the tough economic times, maintaining the same tax level for two years is preferable.

In 2011 our State Unemployment Employer Contributions increased by 172.7% versus the year 2010. With the change in our reserve ratio that we estimate for 2011 and the increase in the taxable wage base from \$34,200 in 2011 to \$38,800 in 2012, we estimate that our State Unemployment Employer Contribution will increase another 51% if we stay at Schedule F but will increase 132.8% if we change to Schedule H.

The extension of Contribution Rate Schedule F to 2013 will definitely provide us with some stability and help our economy to recover and also prevent any further reductions in other areas to augment these State Unemployment increases.

Thank you for the opportunity to submit testimony.

I respectfully request that the committee pass HB 2096 HD1. Thank you for the opportunity to submit testimony.

Sincerely,

Jerry Gibson  
808-949-4321

February 26, 2012

**Testimony in SUPPORT OF HB2096 HD1**

with the request to utilize UI Tax Schedule "F" for 2 years

**RELATING TO EMPLOYMENT SECURITY**

Presented to the Senate Committee on Judiciary and Labor and  
The Senate Committee on Ways and Means

At the public hearing 10 a.m., Monday, February 27, 2012  
in Conference Room 016, Hawaii State Capitol

Submitted by David H. Rolf, for the Hawaii Automobile Dealers Association  
Hawaii's Franchised New Car Dealers

Chair Hee, Chair Ige and members of the committees,

I'm David Rolf, representing Hawaii's franchised new car dealers. HADA stands in **STRONG SUPPORT OF THE CONCEPT OF A UI TAX RATE THAT FACILITATES BUSINESS RECOVERY** during these continuing difficult times for many businesses in Hawaii including the retail auto industry.

**FACTS: THE HAWAII NEW VEHICLE AUTO INDSTRY AND THE UI TAX INCREASE FOR 2012**

- Current law will increase in the Unemployment Insurance (UI) tax by about \$550 per auto dealership employee in 2012.<sup>1</sup>
- This will remove approximately \$1,701,000 cash collectively from the new car dealers' operating account reserves in 2012.
- This tax increase will pull approximately \$27,450 in cash away from each of Hawaii's 62 dealerships.
- That's enough cash to pay for slightly more than half of an employee's salary for a year.
- The average annual earnings of new-vehicle dealership employees in Hawaii is \$52,279<sup>2</sup>.
- New car dealers currently employ 3,094. That's down from 4,062 in 2008, a reduction of 968 employees, almost 25%.
- The severe economic conditions in the state forced Hawaii dealers to make these painful cuts in order to survive.

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<sup>1</sup> HADA estimate "average" for Hawaii's new car dealership employee base

<sup>2</sup> NADA "Driving Hawaii's Economy" 2010

- To paraphrase, many dealers have said reducing employee roles was the “toughest thing they’ve had to do in their lives.” Longtime employees are often considered much like family in long-held family-run businesses like Hawaii’s auto dealerships.
- But dealers know, that to survive when the money goes away, business costs must be reduced.
- During the past 3 years, new vehicle sales in the islands have dropped off by more than 50% from the state’s 2005 year high. Hawaii car dealerships have been, and continue to be, more severely affected by economic conditions than their mainland counterparts.
- Nowadays, in Hawaii, it will take 4 years to sell the same number of new vehicles that dealers formerly sold in two 2 years. Sales have remained low.
- Times definitely are still hard for Hawaii businesses.
- Times are especially hard for businesses like car dealerships which require significant amounts of cash to operate in order to maintain new vehicle and parts inventories.
- Dealerships are operating at bare-bones levels right now with regard to employee roles.
- Keeping the tax schedule at Schedule “F” for 2012 and 2013 will ameliorate the situation somewhat. At Schedule F, Employee UI TAX would still increase by \$130 per employee while the state would see a replenishing of the UI fund to a balance of \$386 million by 2017.<sup>3</sup>

**HADA respectfully requests that the committees pass HB2096 HD1 with an amendment to utilize the UI tax Schedule “F” for the years 2012 and 2013. This will send a signal of SUPPORT for businesses which are hard it by the current conditions.**

Respectfully submitted,

David H. Rolf  
For the members of the Hawaii Automobile Dealers Association

Honolulu, Hawaii 96813  
Tel: 808 593-0031 Cell: 808 223-6015 Fax: 808 593-0569  
Email: [drolf@hawaiidealer.com](mailto:drolf@hawaiidealer.com) website: [www.hawaiiautodealer.com](http://www.hawaiiautodealer.com)

---

<sup>3</sup> Hawaii Chamber of Commerce “Unemployment Trust Fund Balance” Projections through 2017

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 24, 2012 4:37 PM  
**To:** JDLTestimony  
**Cc:** donnelson@hawaii.rr.com  
**Subject:** Testimony for HB2096 on 2/27/2012 10:00:00 AM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for JDL/WAM 2/27/2012 10:00:00 AM HB2096

Conference room: 016  
Testifier position: Support  
Testifier will be present: Yes  
Submitted by: Don Nelson  
Organization: Individual  
E-mail: [donnelson@hawaii.rr.com](mailto:donnelson@hawaii.rr.com)  
Submitted on: 2/24/2012

**Comments:**

Testimony to the Senate Judiciary and Labor and Ways and Means Committees Monday, February 27, 2012 10:00 a.m.  
Conference Room 016, State Capitol

Re: HB 2096 HD1 - Relating to Employment Security

Aloha Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani and Members of these Committees:

1st Paragraph: state your name, company, and description of company (# of employees, type of business, etc).

I strongly support HB 2096 HD1.

2nd Paragraph: state how keeping the unemployment insurance tax schedule the same for two years rather than one will help your business and provide stability and certainty. Choose from some of the below reasons and/or add your own comments.