



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

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.hawaii.gov/labor
Phone: (808) 586-8842 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

February 27, 2012

To: Clayton Hee, Chair, Maile S.L. Shimabukuro, Vice Chair, and
Members of the Senate Committee on Judiciary and Labor

David Y. Ige, Chair, Michelle N. Kidani, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Monday, February 27, 2012

Time: 10:00 a.m.

Place: Conference Room 016, State Capitol

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

Re: HB2096HD1 - Relating to Employment Security

I. OVERVIEW OF PROPOSED LEGISLATION

HB2096HD1 proposes to do the following:

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

The department is strongly committed to strengthening our economic recovery. A healthy unemployment system is essential to further this recovery, and provides support to workers and their families, who have suffered layoffs due to no fault of their own. Therefore, actions that undermine the health of the unemployment insurance trust fund,

and potentially increase the financial burden on the business community are of concern to the department. The department offers comments below.

II. CURRENT LAW

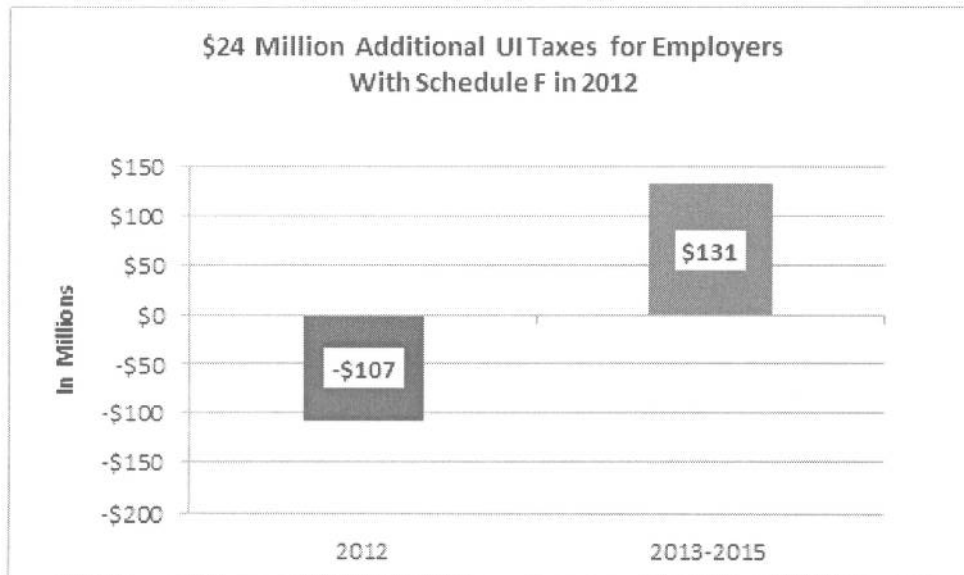
Section 383-22(b), HRS, was amended in 2007 by Act 110 to temporarily increase the MWBA from 70% to 75% of the state's average weekly wage (AWW) from January 1, 2008 to December 31, 2010. In 2010, Act 2 extended this provision until December 31, 2011. Effective January 1, 2012, under current law, the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

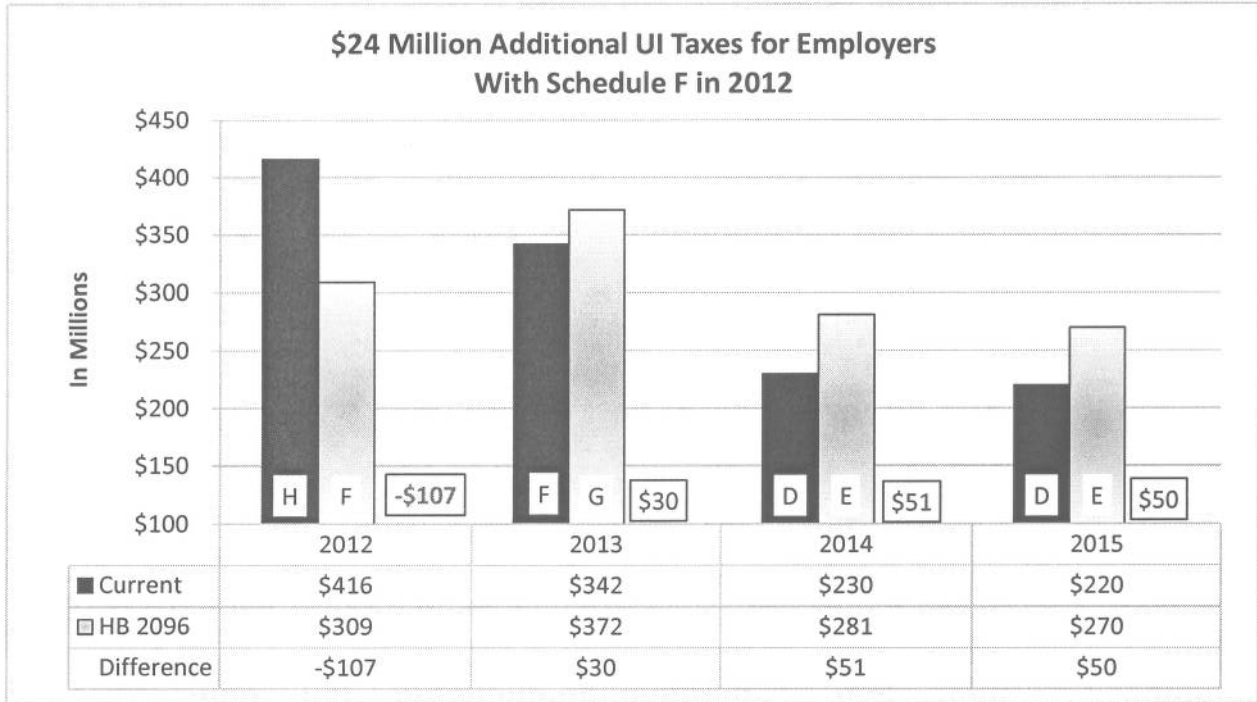
Section 383-68, HRS, provides that the contribution rate schedule shall be determined by the ratio of the current reserve fund to the adequate reserve fund. In 2007, Act 110 changed the definition of the adequate reserve fund causing the tax rate schedule to drop from schedule B to schedule A. In 2010,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

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

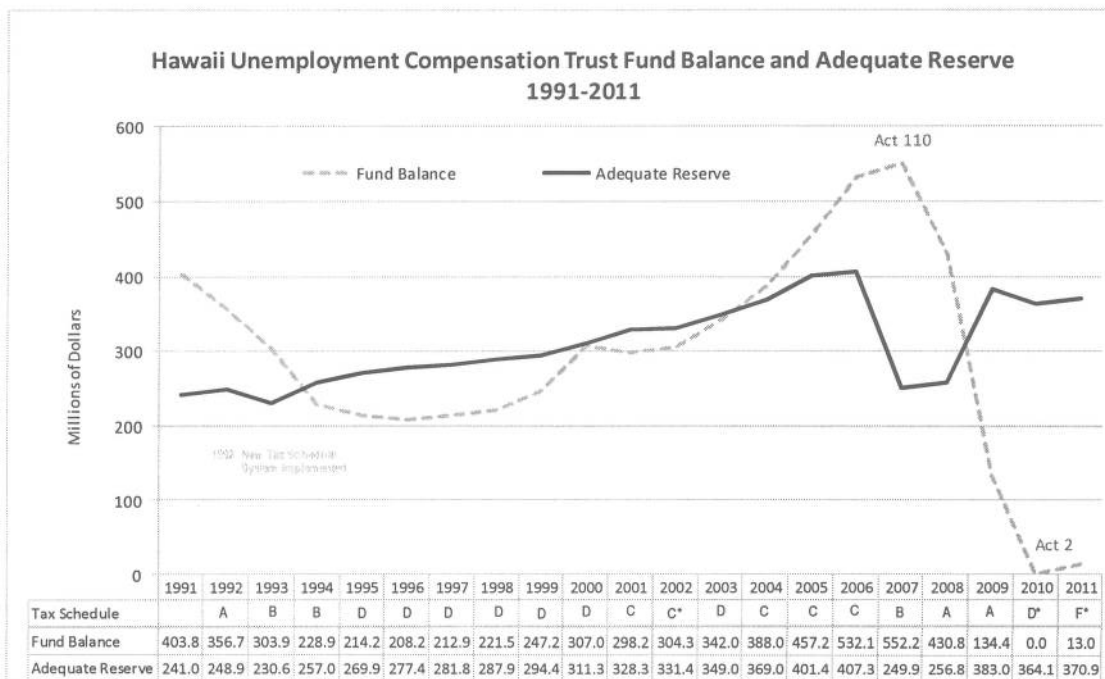
III. COMMENTS ON THE HOUSE BILL

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

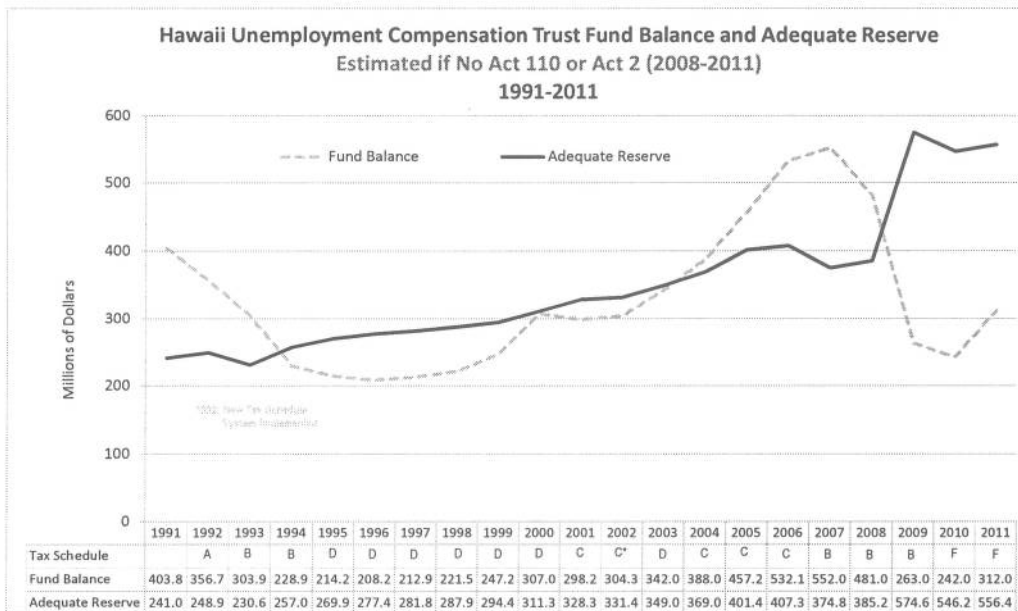




- ❖ HB2096HD1 proposes to reduce incoming revenue by delaying automatic tax schedule adjustments tied to trust fund levels and increasing the benefit outgo when the UI Trust Fund’s balance at the end of 2011 is only \$13 million or 3.5% of the adequate level. This proposal is similar to legislation that led to the bankruptcy of the UI Trust Fund in December 2010.



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



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

As in 2011, the department is requesting the expansion of use of the E&T Fund temporarily to include the payment of interest on Title XII loans. Section 4 in the proposal amends section 383-129 to provide the authority for the director to determine the amount of increase in the E&T assessment rate for 2012 sufficient to pay interest costs.

- ❖ If the legislature should choose to pass this measure, the department requests fast tracking of the measure so any changes in the law are enacted by March 9, 2012. Fast tracking this measure is essential because of the tight schedule to run the experience rating job, print the experience rating notices, mail out the experience rating notices, run the UC-B6 quarterly contribution rate job, print the UC-B6 forms, mail out the UC-B6 forms and allow enough time for employers to appeal their experience rating notices. The E&T assessment is also an integral part of the experience rating process.
- ❖ Lastly, the workforce development activities of the department are currently under fiscal constraints due to restrictions arising out of recent federal budget decisions. The department requests amendments to the measure to enable the department, in the short-term only, to use E&T Fund monies to augment Workforce Investment Act monies to operate Title 1 programs:

Proposed amendments to HB2096HD1:

1. SECTION 3, Pg. 7, line 21 add “(8) For the period July 1, 2012 to June 30, 2013, costs to administer, manage, report, and oversee Title 1 programs funded under the Workforce Investment Act of 1998, Public Law 105-220, for which insufficient federal funds were allocated.”
2. SECTION 7, Pg. 9, starting at line 10 change to, “SECTION 7. This Act shall take effect upon its approval and shall apply retroactively to January 1, 2012; provided that on July 1, 2013 section 3 of the Act shall be repealed and on January 1, 2013 section 4 of the Act shall be repealed, and sections 383-128 and 383-129, Hawaii Revised Statutes, shall be reenacted in the form in which they read on December 31, 2010.”

The department has separately submitted a proposed SD1 that reflects the amendments requested above.

THE SENATE
Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
State Capitol, Conference Room 016
Thursday, February 23, 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.



MOLOKAI CHAMBER OF COMMERCE

LATE TESTIMONY
comment

P.O. Box 515
Kaunakakai, HI 96748

T 808 553 4482

info@molokaichamber.org

www.molokaichamber.org

**Testimony to the House Committee on Judiciary and Labor
Thursday, February 23, 2012; 10:45 a.m.
Conference Room 309**

RE: HOUSE BILL 2096 HD1 RELATING TO EMPLOYMENT SECURITY

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

My name is Robert Stephenson and I am President of The Molokai Chamber of Commerce. The Molokai Chamber is Molokai's most trusted business organization, representing nearly 100 businesses. Most of our members are small businesses with less than 20 employees. As Molokai's "Advocate for All Things Business" the organization works on behalf of its members, which employ approximately 500 individuals, to improve the Molokai economic climate and to help to provide a stable environment in which to conduct the exchange of lawful commerce.

I am submitting testimony to state The Molokai Chamber's support of HB 2096, however, due to this tough economic climate, maintaining the current tax level at schedule F through 2013 would be preferable.

Most of our businesses on Molokai are Small Businesses and they operate on low margins. This makes them especially vulnerable to any increase in costs. The extension of schedule F would allow our businesses the breathing room necessary to recover or continue to recover during this slow growth period and provide much needed stability.

In a time when we are all focusing on job creation and economic growth, this measure with the extension of schedule F through 2013 would empower our businesses to do just that, create jobs and provide a foundation for economic growth.

The Molokai Chamber of Commerce is grateful for the opportunity to submit testimony on behalf of our members.

Please feel free to contact me if you have any questions. I'm here to help.

Sincerely,

Robert Stephenson, President

People
Driving
People



Hawaii Restaurant Association

1451 South King St., Suite 503
Honolulu, HI 96814
www.RestaurantHI.com

Phone: 808.944.9105
Fax (Toll Free): 877.494.3245
hra@RestaurantHI.com

DATE TESTIMONY

Board of Directors 2011-2012

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TS Restaurants
Hula Grill Waikiki
Duke's Waikiki

Treasurer Bill Tobin
Tiki's Grill & Bar

Secretary Jim Hamachek
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Ruth's Chris Steak House
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Don Lakey
Outback Steakhouse
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Sam Choy's Breakfast,
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Rick Martin
The Gas Company
Jo McGarry
Honolulu Star-
Advertiser/MidWeek
Stephanie Mizuno
Sodexo (Straub)
Bob Morse
Southern Wine & Spirits
Rick Nakashima
Ruby Tuesday
Conrad Nonaka
Culinary Institute of the Pacific
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Hansen Distribution Group
Chad Stephens
Young's Market Company
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Thomas Frigge
TOBE Co. Food Safety
Ken Kanter
Douglas Trade Shows
Cuyler Shaw
Ashford & Wriston

Executive Director Roger Morey

February 22, 2012

House Bill 2096 Relating to Employment Security Contribution Rate Schedules; Unemployment Compensation Fund

Hearing on February 23, 2012 at 10:00AM in Room 016

Testimony by the Hawaii Restaurant Association in opposition

The Hawaii Restaurant Association acknowledges the work of the Hawaii Senate and House of Representatives and fully supports HB 2096, a bill that would lessen the tax increase of, on average, of \$550 per employee, programmed to take place under the current law (Schedule H). However, the bill would be made less burdensome by keeping the tax rate at Schedule F for two years rather than the one year as is written in the bill.

The rationale in our testimony is twofold. First, the one year delay of implementation would not harm the state and would provide a shot in the arm to help both small and large businesses more effectively work their way back into our slowly recovering economy. The amount of monies represented in the additional year would be, in some instances, the difference between black ink and red ink on their ledgers.

Secondarily, this one year reprieve – so important to their daily operations – would help them help improve our economy. It would allow for small businesses to manage their day to day operations and allow larger businesses to grow... and even add to their employee count.

The extension is truly needed and would support restaurant industry growth in Hawaii.

Respectfully submitted,

Roger Morey
Executive Director



LATE TESTIMONY
comment

February 22, 2012

Testimony to the House Committee on
Judiciary and Labor
Thursday, February 23, 2012; 10:00am
State Capitol, Conference Room 016

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

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

On behalf of the members of the Maui Chamber of Commerce, I am writing to thank this committee for addressing this important business issue and to send our strong support for all efforts to reduce the planned unemployment insurance tax increase.

We, along with many Chambers and business organizations across the state support HB 2096 HD1, however, due to the tough economic times and rising costs, we ask that the state maintain the same tax level for two years (at a minimum) and do more, if possible.

The truth is that Hawaii's businesses are still hurting. Approximately 90% of our members are small businesses with 25 or fewer employees. During this past recession and the slow recovery, we saw the loss of many businesses (big and small) and the slide continues. Insolvency is still a looming threat as recovery efforts inch along. Many who have survived thus far are doing more with less people and far fewer resources, while being hit with higher expenses from numerous fronts. This reality cannot continue; it is not sustainable. Jumping from Schedule F to Schedule H would equate to an additional expense of \$550 (on average) per employee. It is a huge blow and one that hampers employers from bringing pay and benefit levels back up.

Therefore, we also ask for your strong leadership this session and beyond to create a "pro-business environment" in Hawaii, reducing the overall costs of doing business in this state and avoiding unnecessary mandates. True job creation comes from the business sector and support of businesses should be our state's top priority to generate desperately needed jobs and return Hawaii to a place of economic prosperity.

Thank you for the opportunity to submit testimony and for your support of Unemployment Insurance Tax relief. If you have any questions, please contact me.

Sincerely,

Pamela Tumpap
President



February 22, 2012

Testimony to the House Committee on
Judiciary and Labor
Thursday, February 23, 2012;10:00am
State Capitol, Conference Room 016

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

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

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Therefore, we also ask for your strong leadership this session and beyond to create a "pro-business environment" in Hawaii, reducing the overall costs of doing business in this state and avoiding unnecessary mandates. True job creation comes from the business sector and support of businesses should be our state's top priority to generate desperately needed jobs and return Hawaii to a place of economic prosperity.

Thank you for the opportunity to submit testimony and for your support of Unemployment Insurance Tax relief. If you have any questions, please contact me.

Sincerely,

Pamela Tumpap
President



1654 South King Street
Honolulu, Hawaii 96826-2097
Telephone: (808) 941.0556
Fax: (808) 945.0019
Web site: www.hcul.org
Email: info@hcul.org



Testimony to the Senate Committees on Judiciary and Labor
And Ways and Means
Monday, February 27, 2012

Testimony in support of HB 2096 HD1, Relating to Employment Security

To: The Honorable Clayton Hee, Chair
The Honorable Maile Shimabukuro, Vice-Chair
Members of the Committee on Judiciary and Labor

The Honorable David Ige, Chair
The Honorable Michelle Kidani, Vice-Chair
Members of the Committee on Ways and Means

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 81 Hawaii credit unions, representing approximately 811,000 credit union members across the state. We appreciate the efforts made by the Chair and the committee in addressing the unemployment insurance tax increase.

We support HB 2096 HD1, however, due to the tough economic times, maintaining the same tax level for two years is preferable. Extending the tax level to 2013 would assist HCUL as well as our member credit unions, which have been adversely impacted by the slow economic recovery. Credit unions are not-for-profit, member-owned financial cooperatives, and controlling expense helps credit unions deliver products and services at low or no cost to its members.

Thank you for the opportunity to testify.



LATE TESTIMONY
Comment

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

RE: HB 2096, HD 1 RELATING TO EMPLOYMENT SECURITY

Dear Chair Hee, Vice-Chair Shimabukuro and members of the committee:

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.

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 testimony.

Lisa Maruyama
President and CEO



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Testimony to the Senate Committee on Judiciary and Labor
Thursday, February 23, 2012

Testimony in support of HB 2096 HD1, Relating to Employment Security

To: The Honorable Clayton Hee, Chair
The Honorable Maile Shimabukuro, Vice-Chair
Members of the Committee on Judiciary and Labor

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 81 Hawaii credit unions, representing approximately 811,000 credit union members across the state. We appreciate the efforts made by the Chair and the committee in addressing the unemployment insurance tax increase.

We support HB 2096 HD1, however, due to the tough economic times, maintaining the same tax level for two years is preferable. Extending the tax level to 2013 would assist HCUL as well as our member credit unions, which have been adversely impacted by the slow economic recovery. Credit unions are not-for-profit, member-owned financial cooperatives, and controlling expense helps credit unions deliver products and services at low or no cost to its members.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 22, 2012 4:58 PM
To: JDLTestimony
Cc: debbie@mauicloset.com
Subject: Testimony for HB2096 on 2/23/2012 10:00:00 AM

LATE TESTIMONY

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

Conference room: 016
Testifier position: Comments Only
Testifier will be present: No
Submitted by: DEBRA FINKIEWICZ
Organization: THE MAUI CLOSET COMPANY
E-mail: debbie@mauicloset.com
Submitted on: 2/22/2012

Comments:

As a small business owner, I am supporting and requesting the UI tax be held to Schedule F for a minimum of 2 years. There are so many factors and cost that we have been imposed upon us that business owners are still struggling to make sure our doors stay open, and our employees stay working. That is all we want is to work. Continuing cost increases are not the answer, they are faced on a daily basis with shipping cost, gas cost, electricity cost, and product cost due to all the above cost. It comes to the point where consumers (our clients and potential clients) just can't afford the products due to the pricing we have to charge to cover the cost. If small businesses loose, everyone will loose and the cycle of closing doors, unemployment, no one hiring, ect will continue. It is time to stop trying to fill the pot by charging more and more, which in turn hurts or collapses businesses, and the cycle never ends. There has to be a win-win solution that can really make a difference and stop this cycle. Mahalo, Debra Finkiewicz

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 22, 2012 4:59 PM
To: JDLTestimony
Cc: debbie@mauicloset.com
Subject: Testimony for HB2096 on 2/23/2012 10:00:00 AM

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

LATE TESTIMONY

Conference room: 016
Testifier position: Comments Only
Testifier will be present: No
Submitted by: DEBRA FINKIEWICZ
Organization: THE MAUI CLOSET COMPANY
E-mail: debbie@mauicloset.com
Submitted on: 2/22/2012

Comments:

As a small business owner, I am supporting and requesting the UI tax be held to Schedule F for a minimum of 2 years. There are so many factors and cost that we have been imposed upon us that business owners are still struggling to make sure our doors stay open, and our employees stay working. That is all we want is to work. Continuing cost increases are not the answer, they are faced on a daily basis with shipping cost, gas cost, electricity cost, and product cost due to all the above cost. It comes to the point where consumers (our clients and potential clients) just can't afford the products due to the pricing we have to charge to cover the cost. If small businesses loose, everyone will loose and the cycle of closing doors, unemployment, no one hiring, ect will continue. It is time to stop trying to fill the pot by charging more and more, which in turn hurts or collapses businesses, and the cycle never ends. There has to be a win-win solution that can really make a difference and stop this cycle. Mahalo, Debra Finkiewicz

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2012 12:15 AM
To: JDLTestimony
Cc: magic@warrenandannabelles.com
Subject: Testimony for HB2096 on 2/23/2012 10:00:00 AM

LATE TESTIMONY

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

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: warren
Organization:
E-mail: magic@warrenandannabelles.com
Submitted on: 2/23/2012

Comments:
Please - UI Tax be held to Schedule F for a minimum of two years - mahalo!

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2012 12:14 AM
To: JDLTestimony
Cc: lisa@warrenandannabelles.com
Subject: Testimony for HB2096 on 2/23/2012 10:00:00 AM

LATE TESTIMONY

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

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Lisa
Organization:
E-mail: lisa@warrenandannabelles.com
Submitted on: 2/23/2012

Comments:

Please - UI Tax be held to Schedule F for a minimum of two years - mahalo!

hee2 - Nahelani

From: jsullivan@oceanit.com
Sent: Sunday, February 26, 2012 4:06 PM
To: JDLEstimony
Subject: Testimony in support of HB 2096 HD1

Jan Sullivan
828 fort street
Honolulu, HI 96813-4332

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.

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,

Jan Sullivan

hee2 - Nahelani

From: lane@bigcitydinerhawaii.com
Sent: Sunday, February 26, 2012 7:51 PM
To: JDLTestimony
Subject: Testimony in support of HB 2096 HD1

Lane Muraoka
94-800 Ukee Street
Waipahu, HI 96797-4044

February 27, 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.

Our electric, gas, insurance and food bills have gone through the roof eliminating any profit margins during the last 4 years. We open our doors hoping to break even every day!

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.

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

Sincerely,

Lane Muraoka
808-678-3895



February 27, 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 these
Committees:

I am the President of Big Island Electric, Inc. We are an electrical contractor and have 14 employees.

I strongly support HB 2096 HD1. We have been hit very hard with the declining economy and decreases in construction activity. 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.

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 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.

Please pass HB 2096 HD1.

Thank you for your consideration.

Kristy McKellen

1/29/2012

Senator Ige, Chair - Ways and Means
Senator Hee, Chair - Judiciary and Labor
Senator Kidani - Vice Chair Ways and Means
Senator Shimabukuro, Vice Chair Judiciary and Labor

COMMENTS

January 29, 2012

Winton Schoneman
Bubbies Homemade Ice Cream and Desserts Franchisee

RE House Bill 2096 Relating to Employment Security - Unemployment Insurance

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

Thank you for your consideration.

Sincerely,

Winton Schoneman

hee2 - Nahelani

From: patlim@hawaii.rr.com
Sent: Sunday, February 26, 2012 12:56 PM
To: JDLTestimony
Subject: Please support HB 2096 HD1

Patrick Lim
284 Kinoole St #101
Hilo, HI 96720-2921

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.

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,

Patrick Lim

hee2 - Nahelani

From: tomjones@reihawaii.com
Sent: Sunday, February 26, 2012 1:31 PM
To: JDLTestimony
Subject: Thank you for scheduling HB 2096. Please pass this measure.

Thomas Jones
1824 South King St.
Honolulu, HI 96826-2136

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.

Gyotaku Japanese Restaurants, in Pearl City, McCully and Niu Valley with 200+ employees supports HB 2096.

A \$550 per employee increase in Unemployment Insurance Tax would result in \$100,000 in additional expenses and losses on our bottom line.

We would have to raise prices yet again, reduce the number of employees, the hours they work and/or take other drastic measures. We don't need that kind of pressure right now. Additionally, we are almost always understaffed which results in overtime.

It is my opinion that there are too many people receiving unemployment benefits that choose not to take jobs, because it is so easy to stay on unemployment.

We could use a couple workers at each of our restaurants. That would actually help the economy and us to reduce overall costs.

Does it make sense for us to have to pay higher unemployment taxes when we have jobs going unfilled on a regular basis?

In 2011 compared to 2010, we had over \$100,000 in additional utility costs due to the cost increases of natural gas and electricity.

Our company like so many others needs help to stay in business so we can continue to keep our staff employed, contribute to their employment benefits, collect GET, pay property taxes, provide food and service to our guests and keep the economy moving.

Thank you for considering this important measure. Please pass HB2096

Thomas Jones
President & CO-Owner
Gyotaku Japanese Restaurants

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

Sincerely

Thomas H Jones
808-488-6066

hee2 - Nahelani

From: hcmcoffee@msn.com
Sent: Sunday, February 26, 2012 2:16 PM
To: JDLEstimony
Subject: Thank you for scheduling HB 2096. Please pass this measure.

Jeanette Baysa
P O Box 486
Kurtistown, HI 96760

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 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.

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.

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,

Jeanette Baysa
808-968-1333

hee2 - Nahelani

From: jhiga@zippys.com
Sent: Sunday, February 26, 2012 2:21 PM
To: JDLTestimony
Subject: Please pass HB 2096 HD1

Jason Higa
1765 South King Street
Honolulu, HI 96826-2134

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.

My name is Jason Higa, CEO of Zippy's Restaurants. Zippy's employs over 2000 Hawaii residents.

HB 2096 HD1 will provide stability and certainty during these tough economic times. Keeping the Schedule at "F" for two years is critical.
Please pass the measure as is.

With the rising costs of doing business in Hawaii, this measure will mitigate the challenges Zippy's is facing during the next two years.

I appreciate the Legislature for taking into consideration a bill that will help the State economy.

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

Sincerely,

Jason Higa

hee2 - Nahelani

From: jobline.xpress@hawaiiantel.net
Sent: Sunday, February 26, 2012 6:41 PM
To: JDLEstimony
Subject: Please pass HB 2096 HD1

Johanna Amorin
PO Box 4055
Kahului, HI 96733-4055

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

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

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

As an employer in Hawaii, I am redundant to repeat the importance of the above. We are depending on you to necessitate this bill and appreciate every effort to holomua for our people of Hawaii nei.

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

Sincerely,

Johanna Amorin