

LATE

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

SUPPORTS WITH AMENDMENTS

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

My name is Les Hieda, and I represent Lou's Quality Home Health Care Services. We support the intent of HB 2096 to provide unemployment insurance (UI) tax relief to our local businesses, and request that this bill be amended to keep the tax schedule at Schedule F for both 2012 and 2013 with no increase in benefits beyond the current 70% level.

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

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

The economic environment momentum is on an uptrend. In a few years it will be healthy enough to sustain itself. In the mean time rather than attempting to squeeze the last dime from the employers, the state should utilize its rainy day funds. Three to five years from now, as the economy improves, both coffers will refill to sustainable levels.

Thank you for the opportunity to submit testimony.

Fax 1-800-535-3859

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

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SUPPORTS WITH AMENDMENTS

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

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

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

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

We have already been impacted due to general excise tax having to be paid on amounts paid subcontractors. Adding more tax burden to small business will only deter our customers from building their home in Hawai'i.

Thank you for the opportunity to submit testimony.

yamashita2 ----Aulii

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2012 7:59 AM
To: LABtestimony
Cc: Aldrin@amvair.com
Subject: Testimony for HB2096 on 1/27/2012 9:00:00 AM

LATE

Testimony for LAB 1/27/2012 9:00:00 AM HB2096

Conference room: 309
Testifier position: Comments Only
Testifier will be present: No
Submitted by: Aldrin Villahermosa
Organization: Individual
E-mail: Aldrin@amvair.com
Submitted on: 1/27/2012

Comments:

I fully understand that the UI fund has to be replenished. I am just a small business owner that is doing whatever it takes to keep my 15 employees, their families and my wife and three kids to keep food on their tables. The past 4 years have been tough both personally and financially, had it not been for my chest pains and being admitted for testing, I could have been 5 feet under before the age of 40. I understand there are things I can control like managing stress and my Heath, which I have made great progress, just 1 year later. But things like these additional financial burden that will add a higher level of stress to my family that depend on this single source of income from AMV. Do what you need to do but please understand there will be grave consequences to what actions you take regarding the UI issue. Thank you for time....



1730 Kamehameha Ave. Hilo, Hawaii 96720 Phone: 1-808-935-8711 Fax: 1-808-961-5124

"Jammin' Since 1971"

**Testimony to the House Committee on Labor & Public Employment
Friday, January 27, 2012; 9:00 a.m.
Conference Room 309
State Capitol
415 South Beretania Street**

RE: HOUSE BILL 2069 RELATING TO EMPLOYMENT SECURITY

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

My name is Debra Ching Maiava and my company is Ken's House of Pancakes of Hilo. I have 68 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.

The economic forecast remains dismal through 2013. This is why I believe it would be prudent to forestall HB2096. Timing is Everything! A premature passage of the bill will have Negative Impacts that many businesses may NOT be able to withstand as they struggle to remain solvent.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at (khopdeb@hawaiiantel.net): Debra Ching Maiava

Ken's House of Pancakes
1730 Kamehameha Avenue
Hilo, HI 96720
935-8711(w) / 987-6962(c)



135 Kalaniana'ole Ave.
Hilo, HI 96720
Phone: 808 934-7663

Testimony to the House Committee on Labor & Public Employment
Friday, January 27, 2012; 9:00 a.m.
Conference Room 309
State Capitol
415 South Beretania Street

RE: HOUSE BILL 2069 RELATING TO EMPLOYMENT SECURITY

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

My name is Debra Ching Maiava and my company is Ponds Hilo. I have 28 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. The economic forecast remains dismal through 2013. This is why I believe it would be prudent to forestall HB2096. Timing is Everything! A premature passage of the bill will have Negative Impacts that many businesses may NOT be able to withstand as they struggle to remain solvent.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at (khopdeb@hawaiiantel.net): Debra Ching Maiava

Ponds Hilo
135 Kalaniana'ole Avenue
Hilo, HI 96720
934-7663(w) / 987-6962(c)

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

SUPPORTS WITH AMENDMENTS

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

My name is Randall P. Jauregui and I represent Hawaiian Island Dental, Inc. We support the intent of HB 2096 to provide unemployment insurance (UI) tax relief to our local businesses, and request that this bill be amended to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

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

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

My dental practice provides crucial and necessary dental services to the residents of Kauai. I am one of only a few practitioners in Lihue offering treatment to children and adults on Medicaid (i.e. Aloha Care, HMSA Quest). As a small business/practice owner I employ nine full-time and part-time employees (hiring two last year and one this year) offering benefits including a 401(k) profit sharing plan. Keeping the tax schedule at current levels will allow me to retain staffing

levels for at least one year. I would like to continue to grow my practice but ANY increase in taxes will cripple my ability to hire staff and more likely result in staff reductions. The domino effect is obvious. First, employees file for state unemployment benefits, resulting in higher costs and burden to the state. Second, my practice is forced to reduce dental services to residents of Kauai, resulting in patients seeking treatment at the already overburdened state clinics in Kapaa and Waimea. Third, these clinics routinely refer patients to dentists on Oahu for treatment. Finally, this means the State of Hawaii is now burdened with paying for inter-island airfare, taxi costs to and from the airport and the dentist's office for the patient and their family members, and the cost of dental treatment.

Thank you for the opportunity to submit testimony.

January 27, 2012

Rep. Karl Rhoads, Chair
House Committee on Labor & Public Employment
State of Hawaii
State Capitol, Conference Room 309
Honolulu, HI 96813

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

My name is Jenai Wall. I am the Chairman and CEO of the Sullivan Family of Companies. We employ approximately 4,000 employees primarily working in a retail environment. I appreciate the efforts made by the chair and the committee to address the unemployment insurance tax increase and its impact on Hawai'i businesses.

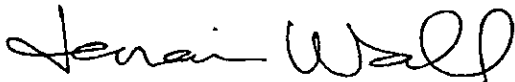
I support today's measure for HB 2096 to postpone the tax increase for one year. Due to the tough economic times, maintaining the same tax level for two years is necessary to allow businesses to recover during this slow growth period.

The scheduled unemployment rate increase will cause a significant tax liability increase for local businesses. As a result of this significant increase, our company may be forced to evaluate cost-cutting measures, including a reduction of work hours and potential job losses.

Maintaining the tax schedule at "F" for 2012 and 2013 will help save jobs, preserve businesses and spur economic activity by keeping more dollars flowing into the economy through wages and purchases. This will help reduce the financial impact on local businesses and the people they employ.

Thank you for the opportunity to submit testimony regarding this measure for HB 2096. If you have any questions, please contact me at Sullivan Family of Companies, 3536 Harding Avenue, Honolulu, HI 96816, or via phone at (808) 732-0791.

Sincerely,



Jenai Wall
Chairman and CEO
Sullivan Family of Companies

yamashita2 ----Aulii

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2012 8:58 AM
To: LABtestimony
Cc: amidv@amvair.com
Subject: Testimony for HB2096 on 1/27/2012 9:00:00 AM

Testimony for LAB 1/27/2012 9:00:00 AM HB2096

Conference room: 309
Testifier position: Comments Only
Testifier will be present: No
Submitted by: Amibelle Villahermosa
Organization: Individual
E-mail: amidv@amvair.com
Submitted on: 1/27/2012

Comments:

My husband Aldrin Villahermosa sent this to you, I second his testimony. My name is Amibelle Villahermosa.

I fully understand that the UI fund has to be replenished. ¶ I am just a small business owner that is doing whatever it takes to keep my 15 employees, their families and my wife and three kids to keep food on their tables. ¶ The past 4 years have been tough both personally and financially, had it not been for my chest pains and being admitted for testing, I could have been 5 feet under before the age of 40. ¶ I understand there are things I can control like managing stress and my Heath, which I have made great progress, just 1 year later. ¶ But things like these additional financial burden that will add a higher level of stress to my family that depend on this single source of income from AMV. ¶ Do what you need to do but please understand there will be grave consequences to what actions you take regarding the UI issue. ¶ Thank you for time....

Testimony to the House Committee on Labor & Public Employment
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SUPPORTS WITH AMENDMENTS

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

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

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

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

We are currently self insured due to the increasing rates for unemployment insurance. If we decide to return to contributory status in the future, increased rates will be highly impactful to a non-profit such as ours.

Thank you for the opportunity to submit testimony.

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

SUPPORTS WITH AMENDMENTS

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

My name is James Papa, and I represent Hawaiian Island Dental, Inc. We support the intent of HB 2096 to provide unemployment insurance (UI) tax relief to our local businesses, and request that this bill be amended to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

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

Thank you for the opportunity to submit testimony.

yamashita2 ----Aulii

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2012 8:59 AM
To: LABtestimony
Cc: napu1@yahoo.com
Subject: Testimony for HB2096 on 1/27/2012 9:00:00 AM

Testimony for LAB 1/27/2012 9:00:00 AM HB2096

Conference room: 309
Testifier position: Support
Testifier will be present: No
Submitted by: Marydith Jaurequi
Organization: Hawaiian Island Dental, Inc.
E-mail: napu1@yahoo.com
Submitted on: 1/27/2012

Comments:



340 Ohukai Road, Unit 210, Kihei, HI 96753
Tel: (808) 874.8019 Fax: (808) 874-8029
www.homesecurityandsound.com

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

SUPPORTS WITH AMENDMENTS

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

My name is Taschia Wright, and I represent Home Security and Sound on Maui. We support the intent of HB 2096 to provide unemployment insurance (UI) tax relief to our local businesses, and request that this bill be amended to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

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

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

My company has made a lot of budget cuts and has unfortunately had to lay off employees. We feel terrible that we had to do that, but in order to survive; we've had to make those decisions. We don't want to have to repeat a layoff again, and by not increasing the tax will help us to stay on budget. We want to provide more for our employees. We want to give them job security, better health care, and hopefully a retirement. By not increasing the tax, this will help us to meet our goal for 2013.

Thank you for the opportunity to submit testimony.

Sincerely,

A handwritten signature in black ink that reads "Tashia Wright". The signature is written in a cursive, flowing style.

Tashia Wright

Owner

Home Security and Sound

Testimony to the House Committee on Labor & Public Employment**Friday, January 27, 2012****9:00 a.m.****Conference Room 309****SUPPORTS WITH AMENDMENTS****RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY**

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

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

1. If this measure is not passed employers will pay an increase of over \$550 per employee, this 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.

Maintaining our payroll is becoming difficult. We have not suffered like this in more than 20 years. We will have to let employees go if the UI is increased. Please don't do it!

Thank you for the opportunity to submit testimony.

Elaine V Herron
Donna's Cookies Inc.
PO Box 1710
Honolulu, HI 96727

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

SUPPORTS WITH AMENDMENTS

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

My name is Mia Kim, and I represent Salon Blanc. We support the intent of HB 2096 to provide employment insurance (UI) tax relief to our local businesses, and request that this bill be amended to keep the tax schedule at Schedule F for both 2012 and 2013, with no increase in benefits beyond the current 70% level.

1. If this measure is not passed, the highest UI tax increase in the State's history will be imposed on our local business. Employers will pay an increase of over \$550 per employee, which would hinder our local businesses' ability to retain employees and hire staff. This will jeopardize Hawaii's economic recovery.
2. Keeping the tax schedule at Schedule F for two years will provide a moderate tax increase, which will grow the reserve balance substantially. The Unemployment trust fund will grow by \$130 million over the next two years.
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We appreciate the efforts of this legislative body in mitigating the unemployment insurance tax increase.

[State why keeping the tax schedule at current levels will help your business and how an increase will impact you]

Thank you for the opportunity to submit testimony.



.....
1100 Waipoli Road • Kula, Hawaii 96790
telephone 808.878.3004 • facsimile 808.878.2645
web www.aklmaui.com

Testimony to the House Committee on Labor & Public Employment
Friday, January 27, 2012; 9:00 a.m.
Conference Room 309
State Capitol
415 South Beretania Street

RE: HOUSE BILL 2069 RELATING TO EMPLOYMENT SECURITY

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

My name is Forrest Koa Chang, the General Manager of Ali'i Kula Lavender in Upcountry Maui. 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 for the following reasons:

Based off of the proposed increase and our number of employees, our excess wages will rise by \$4,600.00 quarterly (\$18,400 annually). This will, in turn, inflate our net excess wages significantly, our contribution rate would spike and we would experience increases in the amount we owe for contributions due, as well. While we already face considerable challenges doing business in Hawaii, increases in unemployment insurance tax will surely diminish our ability to meet the everyday hardships of increased costs in transportation, increased costs of product components, lessened spending on the part of customers and the resulting heightened competition among retailers and agribusinesses, such as ours.

A two-year deferment would plainly provide our business with greater opportunity to stabilize and recover. 2011 has proven to be a very challenging year for our company and has led to various reorganizations and many cutbacks already. Increasing Unemployment Insurance Tax at the present moment will very likely accomplish what our State would like to avoid: more layoffs and more dependency. It is my opinion that introducing new hardship to employers in 2012 will adversely impact our local economy in more ways than will benefit our community.

Mahalo for the opportunity to submit testimony. If you have any questions, please contact me at your convenience.

Koa Chang
General Manager
Ali'i Kula Lavender
Direct: (808) 446-0520
Office: (808) 878-3004 x13
Fax: (808) 878-2645
www.aklmaui.com



Mountain Meadows, Inc

163 Mamaki Street

Hilo, Hawaii 96720

Phone: (808) 981-2462 and Fax: (808) 981-5357

Testimony to the House Committee on Labor & Public Employment

Friday, January 27, 2012; 9:00 a.m.

Conference Room 309

State Capitol

415 South Beretania Street

RE: HOUSE BILL 2096 RELATING TO EMPLOYMENT SECURITY

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

My name is Raymond H. Tanouye and my company is Mountain Meadows, Inc. We are a plant nursery and employ eight people. 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.

As we all know, we are experiencing an unpredictably low economic cycle. We as a company are just hanging on. Any increase in cost from any source is too much. We're not crying "wolf." These hard times we are experiencing are real. Our expenses **NOW** exceed our income. If our costs continue to rise, we will be forced to lay off employees.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me, Raymond Tanouye, by phone at 808-981-2462 or via mail at 163 Mamaki Street in Hilo, HI 96720. I'm also available via email at mmi@hawaiiantel.net.

