

Dr. Martin Luther King Jr. Coalition Hawai'i

www.mlk-hawaii.com & mrjoy@hawaii.rr.com

Testimony in Strong Support of H.B. 2580 & 2278

H.B.1623 with amendments
H.B. 1890 with amendments
H.B. 2136 with amendments

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Kyle T. Yamashita, Vice Chair

Rep. Henry J. C. Aquino
Rep. Linda Ichiyama
Rep. Kaniela Ing
Rep. Gregg Takayama
Rep. Roy M. Takumi
Rep. Ryan I. Yamane
Rep. Aaron Ling Johanson

DATE: Tuesday, February 11, 2014
TIME: 9:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

Aloha Members of the House of Representatives,

We request that you honor the dignity of work by passing these bills for raising the minimum wage to \$10.10 and amend to include no tip credit and ties to the consumer price index.

Now that we have come to the end of the Martin Luther King, Jr. Holiday the media and little school children have written essays and wrapped him safety in a dream. The churches have sung his praises and the United States has built a monument to his glory. Dead men cannot challenge the mythical image that has been created since April 8, 1968. And it is easier to create stories and build monuments than to build a better world.

We must remember, the March on Washington, 50 years ago, that all of the speeches were making demands . . . they all asked for full civil rights . . . for racial, social and economic justice . . . and for \$2-an-hour minimum wage, across the board, not just for Black People. . . but for everyone nationwide. How is that we are asking for a minimum wage of \$10.10 an hour after all of these years?

The majority of minimum wage workers are women. The majority of tipped workers are women. Some of these women are head of household. Countless numbers of these families are “houseless”, because they cannot afford a home of their own. They are sharing a place to live with their parents, other relatives or friends.

A full time **minimum wage** worker in Hawaii working will earn \$290.00 per week, or \$15,080.00 per year. **Hawaii's minimum wage** rate as of January, 2014 is below the National Poverty line. The poverty rate is typically quoted as gross annual income. As you know Hawaii is the most heavily taxed state in the United States. Even food and medicine are taxed. That really puts a family below the poverty line, or the working poor as they are labeled.

The state minimum wage is the same for all individuals, regardless of how many dependents they may have. Therefore, it is easy to see why Hawaii has so many “houseless families”, multigenerational, multifamily dwellings. Significant numbers of working people simply do not earn enough to feed and house themselves.

A typical family with two adults and two children needs at least \$25.00 an hour. The current \$7.25 is a long way from a living wage.

Since the majority of minimum wage earners are women with families. They are working two jobs just to put food on the table. When Mom is working two jobs what happens to the children? According to HPD statistics, 3:00 pm is the busiest time for the police and has the most incidents in a 24 hour period.

Child care is about \$1,300 a month.

Food is more than \$900 a month.

Housing is more than \$1,500 a month.

Medical care is more than \$500 a month (children always need medical care) Most minimum wage jobs don't provide health insurance to their employees. And none of these costs include out-of-pocket costs like rising deductibles or prescription drugs and visits to the Dentist and prescription eyeglasses.

Have you ever wondered why low income people are over weight? It is simple; they eat the \$1.00 meals at McDonalds. And those meals are fating and not wealthy, thus more trips to the emergency room.

If the minimum wage was raised to where it should be, at least \$10 per hour (which would still put it below the minimum wage in 1968), this would release at least \$60 billion over two years into the economy.

On top of this, an increased minimum wage may also lead to an increase in the hourly pay of other low-wage workers that only make slightly more than the federal minimum wage. This increased purchasing power across the board helps stimulate the economy and benefits small businesses, many of which were hardest hit by the recession.

If we look at realistic figures for expenses incurred by a family of four, the annual budget tops out at about \$37,057.56. Even with two minimum wage earners working 40 hours per week, this family cannot simply afford the basic necessities – in fact they end up in debt by slightly more than \$8,000 each year.

According to U.S. Department of the Census; Current Population Survey March Supplement 2013, Micro Data Set, "a significant number of minimum wage

workers and those earning up to \$9.50 receive welfare and food stamps”. That is an indication of how serious poverty is among minimum wage and low wage workers. It would be better to raise the wages and have tax payers than tax takers.

This legislation is to reduce poverty. The tip credit should be eliminated. It serves no useful purpose. The tip credit works to reduce wages and income for participants. The tip credit introduces a reverse means test into the minimum wage.

Hawaii is already a service economy and as large multinational corporations break Union contracts, reduce wages, pensions and medical care from employees, Hawaii will become a third world Island.

Aren't we supposed to be Paradise and the land of Aloha? We use to care for our neighbors. When did this manini sort of thinking fly into the window? Please pass these bills.

Mahalo

MarshaRose Joyner

Past President –Dr. Martin Luther King, Jr. Coalition Hawaii

mrjoy@hawaii.rr.com

808-741-4612



CATHOLIC CHARITIES HAWAII

TESTIMONY Regarding Increasing the Minimum Hourly Wage

TO: Representative Mark M. Nakashima, Chair, Representative Kyle T. Yamashita, Vice Chair, and Members, Committee on Labor and Public Employment

FROM: Trisha Kajimura, Social Policy Director, Catholic Charities Hawaii

Hearing: Tuesday, February 11, 2014; 9:00 am; Conference Room 309

Thank you for the opportunity to offer comments on HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580, which increase the minimum wage rate. I am Trisha Kajimura, Social Policy Director for Catholic Charities Hawaii. **I am testifying in support of increasing the minimum wage rate, repealing the tip credit and connecting future minimum wage rate adjustments to the Honolulu region consumer price index.**

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawaii.

Many of the vulnerable in Hawaii are the working poor, people who earn low wages through hard work but due to our high cost of living struggle to make ends meet. We serve these low-income workers in our programs. They are sometimes homeless, often barely able to avoid homelessness, or working several jobs to juggle the basic expenses of their families and unable to spend time raising their children. These workers are parents who try very hard to support their own families but often must also rely on some type of public or charitable assistance. A reasonable increase to the minimum wage will help to restore the dignity of the working poor, people who are currently not being paid wages that allow them a decent level of economic stability.

We support a minimum wage increase to \$10.10 by Jan 1, 2017. This increase will be spent by earners on basic living expenses and be put right back into the local economy. Secondly, we support the repeal of the tip credit and do NOT support the payment of sub-minimum wages to any worker. Finally, future adjustments of the hourly minimum wage should be tied to the Honolulu region consumer price index. This would ensure that future adjustments are fairly connected to the cost of living in Hawaii and prevent Hawaii's minimum wage from falling behind again.

Thank you for your consideration of this important issue of economic justice. Please contact me at (808)527-4810 or trisha.kajimura@catholiccharitieshawaii.org if you have any questions.



yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 07, 2014 1:07 PM
To: LABtestimony
Cc: ajc@aloha.net
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/7/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Alika Campbell	Individual	Support	No

Comments: "In no state can a minimum wage worker afford a two-bedroom unit at Fair Market Rent, working a standard 40-hour week." This is one of the main points of the National Low Income Housing Coalition report "Out of Reach 2012" (which can be found on the NLIHC website). In fact, a minimum wage worker in Hawaii would have to work 175 hour a week to be able to afford that apartment. Let's just ignore the math that says there are only 168 hours in a week and assume there is second wage earner in the household so each person would only need to work 87.5 hours a week. So that's more than 4 full-time jobs and the couple hasn't paid any other bills; no food, no clothing, no transportation, nothing. The NLIHC report calculates that one would have to earn \$31.68 per hour to afford that FMR unit. So until the minimum wage gets closer to a living wage or Hawaii's housing rates go down dramatically, we will continue to have the working poor priced out of housing and a large percentage of our extended ohana only a paycheck away from homelessness. I urge passage of this bill as a step in the right direction.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 08, 2014 12:13 AM
To: LABtestimony
Cc: wctanaka@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/8/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Wayne	Individual	Support	No

Comments: A living wage for an honest day's work is all that this bill asks for. Please let us not be distracted by purely speculative fearmongering, however urgently presented, by those who have not experienced life in the extremes of legally permissible exploitation. More money for local, working class people earning minimum wage guarantees more dollars spent in our local economy, and reduces the need for taxes to support the social safety nets current minimum wage workers may be forced to rely upon. Mahalo nui loa for your careful consideration and support of this measure!

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 9:09 PM
To: LABtestimony
Cc: rsmith@lanihau.net
Subject: *Submitted testimony for HB1488 on Feb 11, 2014 09:00AM*

HB1488

Submitted on: 2/9/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Riley Smith	Lanihau Properties, LLC	Support	No

Comments:

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 9:09 PM
To: LABtestimony
Cc: rsmith@lanihau.net
Subject: *Submitted testimony for HB1623 on Feb 11, 2014 09:00AM*

HB1623

Submitted on: 2/9/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Riley Smith	Lanihau Properties, LLC	Oppose	No

Comments:

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February 9, 2014

House Committee on Labor & Public Employment
Representative Mark M. Nakashima, Chair
Representative Kyle T. Yamashita, Vice Chair

Testimony in support of the intent of HB1488

Thank you for the opportunity to testify Chair Nakashima and Vice Chair Yamashita. I am N. T. Robertson a resident of 620 McCully Street. I support the intent of HB1488. I would like to encourage the House Committee on Labor and Public Employment to increase Hawai'i's minimum wage to \$10.10/hour by 2017, repeal the tip credit, and peg future increases to the cost of living.

Raising the minimum wage will promote Hawai'i's economic recovery and help lift our families out of poverty and toward financial security, create economic opportunity and improve stability for all of our workers. Increasing the minimum wage is especially important for women, LGBT workers, and immigrants, who are more likely to be low-wage earners.

Minimum wage workers are critical to our economy, but are falling further and further behind in their ability to make ends meet. Hawai'i's minimum wage earners are going into their 8th year without a raise while average weekly earnings have increased by 16%. 85% of minimum wage earners are 21 and older, 84% of minimum wage earners work 20 or more hours a week, and 30% work more than 35 hours a week. If the minimum wage is increased to \$10.10 per hour, it would be enough to pull a family of three out of poverty. It's long past time for a substantial minimum wage increase.

I also strongly support repealing the tip credit. The minimum wage is supposed to be an actual minimum, not a way for employers to get around paying the minimum wage. The average tipped worker earns just \$9.87 per hour, and tipped workers are more likely to live under the federal poverty guidelines. Restaurant servers, the largest group of tipped workers, experience poverty at nearly three times the rate of the workforce as a whole. As a result, 7 states allow no tip credit at all. It's time Hawai'i stop selling out tipped workers by getting rid of the tip credit.

Future increases should also be automatically pegged to be no less than the cost of living. Low wage workers need to know that their earning power will not decrease based on politics.

Thank you for the opportunity to testify in support of the intent of HB1488.

February 9, 2014

To: Chairperson Mark M. Nakashima

Vice Chairperson Kyle T. Yamashita

Members of the Labor and Public Employment Committee.

From: Marlowe Wilson

Kailua, Hawaii

Subject: Support of HB1488, Increasing Minimum Wage

Hello! My name is Marlowe Wilson and I am currently a freshman at Kalaheo High School on Oahu. I strongly support bill HB1488 and would like to give reasons on why this bill should be put into place.

In the latest polls in 2011, of the 321,000 workers paid hourly rates in Hawaii, only 8,000 of them earned exactly the prevailing Federal minimum wage of \$7.25 per hour (Bureau of Labor Statistics). Many of the people working at these jobs are trying to feed families or even just themselves and living off a small \$7.25 an hour isn't much. Although Hawaii already has minimum wage rates that are the same as the Federal, we should try and make it so we are in the 'higher than the Federal's minimum wage' zone (Bureau of Labor Statistics).

Hawaii is one of the most expensive places to live in the United States, which makes it hard for people living off of minimum wage rates. The cost to ship food across the ocean makes the grocery bill in Hawaii 66 percent higher than that of a family on the mainland, according to Alternative Hawaii, a travel Web site. The houses are also twice as much as they would be on the mainland because of the location.

HB1488 should be put into place because it will help the people who will need it and provide them with more money to buy food and a safe place to live.

Thank you for your time and I hope you consider my testimony in support of bill HB1488.

yamashita1-Kristine

From: Fritz Klasner <fklasner@gmail.com>
Sent: Friday, February 07, 2014 7:07 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Wholeheartedly SUPPORT the Minimum Wage Bills as Proposed

Fritz Klasner
721 Kukuau Street
Hilo, HI 96720

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please PASS the minimum wage increase bills as proposed. A living wage is essential. The current minimum wage is hindrance to my business.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Fritz Klasner

yamashita1-Kristine

From: Henry Mochia <henrymochida@gmail.com>
Sent: Friday, February 07, 2014 3:06 PM
To: yamashita1-Kristine
Subject: I support passing the Minimum Wage Bills as Proposed (c: my legislator)

Henry Mochia
3524 Loulu Street
Honolulu, HI 96822

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please PASS the minimum wage increase bills as proposed. The Chamber of Commerce supports higher wages and higher living standards for Hawaii's work force. We see it as our only way to reduce inequity in Hawaii! As a member of the Chamber of Commerce I do not endorse their automated messaging that pits us against the minimum wage.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Henry Mochia

yamashita1

From: Mike Irish <mikei@halmaskimchee.com>
Sent: Wednesday, February 05, 2014 2:59 PM
To: LABtestimony
Subject: Testimony for LAB Hearing Feb 11, 9am

Dear LAB Testimony,

TO:
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT Rep. Mark Nakashima, Chair Rep. Kyle Yamashita, Vice Chair

Date: February 11, 2014
Time: 9:00am
Place: Conference Room 309

Re: HB 1488; HB 1623; HB 1890; HB 2136; HB 2278; HB 2580
Position: Strong Opposition

Chair Nakashima, Vice Chair Yamashita, and Members of the Committee;

These bills will have drastic and long-term negative effects on my business, my customers, and my employees. Please stop these bills now and do not let any of them move any further. If you are intent on passing a minimum wage increase please lower the increase to no more than 25 cents a year over three years and do not tie the minimum wage to CPI.

The cost of employing someone is more than just the cost of their wages, and the pay structure of all employees' is linked. A rapid and high minimum wage increase will cost my business much more than the amount of the increase itself. This affects every aspect of my business, especially the number of employees I can afford to maintain and the prices I can charge.

The types of increases proposed in these bills would make it almost impossible to budget these wages for my business. The outcome of an increase in minimum wage will be an increase in the price of food and other goods and an increase in unemployment. Due to the fact that we live in an isolated island state with extremely expensive labor and healthcare regulations we already pay high prices for food and other goods in Hawaii, and I know that driving prices up even more is something we all want to avoid. Due to the highly competitive nature of the food industry, businesses like mine operate at a profit margin of about 1 percent. We simply cannot afford to have that margin cut even more. The cost will ultimately be borne by the consumer.

I would especially like to note one of the worst parts of HB 2580 is that in future it would tie minimum wage to the price index. This is something that I strongly oppose in particular. Tying wages to the unpredictable price index would mean it would be impossible to plan ahead and make a budget for my business. This is the kind of thing that can put me and others like me, out of business completely.

I care about my employees and my customers. I want to continue to be able to offer the jobs I offer, with good wages and benefits, and I want to continue to give my customers the quality products they need at prices they can afford. I want to continue to contribute to the economy in my community and our state. Any one of these bills could compromise my ability to do those things.

For these reasons I ask that you all please vote no on this destructive measure.

I thank you for your time and for the opportunity to testify.

Sincerely,

Mike Irish
966 ROBELLO LN
HONOLULU, HI 96817

yamashita1

From: Nelson Okumura <nokumura@vipfoodservice.com>
Sent: Wednesday, February 05, 2014 2:31 PM
To: LABtestimony
Subject: Testimony for LAB Hearing Feb 11, 9am

Dear LAB Testimony,

TO:
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT Rep. Mark Nakashima, Chair Rep. Kyle Yamashita, Vice Chair

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For these reasons I ask that you all please vote no on this destructive measure.

I thank you for your time and for the opportunity to testify.

Sincerely,

Nelson Okumura
36 Kunihi Ln Apt 223
Kahului, HI 96732

yamashita1-Kristine

From: Carmelita Dayao-Phillips <csdp@kyd-inc.com>
Sent: Thursday, February 06, 2014 10:04 AM
To: LABtestimony
Subject: Testimony for LAB Hearing Feb 11, 9am

Dear LAB Testimony,

TO:
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT Rep. Mark Nakashima, Chair Rep. Kyle Yamashita, Vice Chair

Date: February 11, 2014
Time: 9:00am
Place: Conference Room 309

Re: HB 1488; HB 1623; HB 1890; HB 2136; HB 2278; HB 2580
Position: Strong Opposition

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For these reasons I ask that you all please vote no on this destructive measure.

I thank you for your time and for the opportunity to testify.

Sincerely,

Carmelita Dayao-Phillips
43 Prospect St
Honolulu, HI 96813

yamashita1-Kristine

From: Dexter Yamada <dy@kyd-inc.com>
Sent: Thursday, February 06, 2014 10:00 AM
To: LABtestimony
Subject: Testimony for LAB Hearing Feb 11, 9am

Dear LAB Testimony,

TO:
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT Rep. Mark Nakashima, Chair Rep. Kyle Yamashita, Vice Chair

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Time: 9:00am
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For these reasons I ask that you all please vote no on this destructive measure.

I thank you for your time and for the opportunity to testify.

Sincerely,

Dexter Yamada
2949 Koapaka St
Honolulu, HI 96819

yamashita1-Kristine

From: Bob Stout <bobs@times-supermarket.com>
Sent: Thursday, February 06, 2014 6:39 AM
To: LABtestimony
Subject: Testimony for LAB Hearing Feb 11, 9am

Dear LAB Testimony,

TO:
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT Rep. Mark Nakashima, Chair Rep. Kyle Yamashita, Vice Chair

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I thank you for your time and for the opportunity to testify.

Sincerely,

Bob Stout
986 Kailiu Pl
Honolulu, HI 96825

yamashita1-Kristine

From: Steve Ueda <steve.ueda@suisan.com>
Sent: Wednesday, February 05, 2014 5:57 PM
To: LABtestimony
Subject: Testimony for LAB Hearing Feb 11, 9am

Dear LAB Testimony,

TO:
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT Rep. Mark Nakashima, Chair Rep. Kyle Yamashita, Vice Chair

Date: February 11, 2014
Time: 9:00am
Place: Conference Room 309

Re: HB 1488; HB 1623; HB 1890; HB 2136; HB 2278; HB 2580
Position: Strong Opposition

Chair Nakashima, Vice Chair Yamashita, and Members of the Committee;

These bills will have drastic and long-term negative effects on my business, my customers, and my employees. Please stop these bills now and do not let any of them move any further. If you are intent on passing a minimum wage increase please lower the increase to no more than 25 cents a year over three years and do not tie the minimum wage to CPI.

The cost of employing someone is more than just the cost of their wages, and the pay structure of all employees' is linked. A rapid and high minimum wage increase will cost my business much more than the amount of the increase itself. This affects every aspect of my business, especially the number of employees I can afford to maintain and the prices I can charge.

The types of increases proposed in these bills would make it almost impossible to budget these wages for my business. The outcome of an increase in minimum wage will be an increase in the price of food and other goods and an increase in unemployment. Due to the fact that we live in an isolated island state with extremely expensive labor and healthcare regulations we already pay high prices for food and other goods in Hawaii, and I know that driving prices up even more is something we all want to avoid. Due to the highly competitive nature of the food industry, businesses like mine operate at a profit margin of about 1 percent. We simply cannot afford to have that margin cut even more. The cost will ultimately be borne by the consumer.

I would especially like to note one of the worst parts of HB 2580 is that in future it would tie minimum wage to the price index. This is something that I strongly oppose in particular. Tying wages to the unpredictable price index would mean it would be impossible to plan ahead and make a budget for my business. This is the kind of thing that can put me and others like me, out of business completely.

I care about my employees and my customers. I want to continue to be able to offer the jobs I offer, with good wages and benefits, and I want to continue to give my customers the quality products they need at prices they can afford. I want to continue to contribute to the economy in my community and our state. Any one of these bills could compromise my ability to do those things.

For these reasons I ask that you all please vote no on this destructive measure.

I thank you for your time and for the opportunity to testify.

Sincerely,

Steve Ueda
268 Noelani Loop
Hilo, HI 96720

yamashita1-Kristine

From: Michael Bliss <blissm@byuh.edu>
Sent: Friday, February 07, 2014 3:46 PM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Michael Bliss
55-220 Kulanui St.
Laie, HI 96762

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. I am concerned that many times things like this pass without much thought as to how they will be funded. If it passes businesses will have no choice but to cut jobs because there is only so many labor dollars to go around. A much smaller increase would be much wiser.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Michael Bliss

yamashita1-Kristine

From: Angela B. Castillo <angela@paradisenuingHi.com>
Sent: Friday, February 07, 2014 3:46 PM
To: yamashita1-Kristine
Subject: Please do not pass the Minimum Wage Bills as Written (c: my legislator)

Angela B. Castillo
94-561 Palai Street
Waipahu, HI 96797

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

This bill may sound so good to hear as a "worker" but this bill will kill small businesses in Hawaii and eventually it will lead to tremendous unemployment due to increased number of closing business!

There will less job openings and with technology, a lot of companies will be buying more softwares which is cost effective rather than hiring workers.

Providing employees' benefits alone is already costly, business have to increase your rates/ merchandise price to cope up? Eventually, you close your business!

Think it over, think again and put your feet on the shoes of a small business owner... what would you do?

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Angela B. Castillo

yamashita1-Kristine

From: Stephanie Suzuki <hmoffice808@gmail.com>
Sent: Friday, February 07, 2014 3:26 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Stephanie Suzuki
1409 Onioni Street
Kailua, HI 96734

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. This will only harm the businesses who can offer jobs to young people as they enter the job market. Minimum wage is supposed to spur people on to increase their ability to earn higher wages through education and experience. This does not make good business sense for the community or the country.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Stephanie Suzuki

yamashita1-Kristine

From: Michael J. DeWeert <deweert@hawaii.rr.com>
Sent: Friday, February 07, 2014 3:36 PM
To: yamashita1-Kristine
Subject: Please Pass a Minimum Wage of at Least \$10.10/hour with not tip credit

Michael J. DeWeert
45-343 Mahalani Street
Kaneohe, HI 96744

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please pass a higher minimum wage, and please don't water it down by allowing any kind of "tip credit." A level of \$10.10 an hour is grossly inadequate, but it is a start. If the minimum wage had kept up with inflation, it would be \$18 to \$20 per hour now.

We cannot continue to subsidize businesses who are trying to squeeze every cent of profit out of their workers by paying outrageously low wages. It is one of the cardinal sins to deprive workers of their just pay.

The current minimum wage is so low that it cannot even allow a family to pay rent in Hawaii. This leads to homelessness, increased use of social services, and other burdens on the public. Any business which must pay starvation wages is simply a business we cannot afford.

Aloha and Regards,
Michael J DeWeert
Kaneohe, Hawaii

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Michael J. DeWeert

yamashita1-Kristine

From: Kenneth R. Bailey <kailuaken@aol.com>
Sent: Friday, February 07, 2014 3:36 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Kenneth R. Bailey
322 Aoloa Street
Kailua, HI 96734

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact the business community. Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also increase their mandated benefits costs and taxes.

Please do not pass these bills as the economic recovery for many industries and businesses is still fragile.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Kenneth R. Bailey

yamashita1-Kristine

From: Russell Kaya <bmp@yahoo.com>
Sent: Friday, February 07, 2014 3:16 PM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

Russell Kaya
1121 Ala Napunani St. #904
Honolulu, HI 96813

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. It will hurt more jobs than helps. More food service workers will get laid off and my family works in food service. Please don't raise the minimum wage.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Russell Kaya

yamashita1-Kristine

From: Vaughn Cook <kaumanacooks@gmail.com>
Sent: Friday, February 07, 2014 3:16 PM
To: yamashita1-Kristine
Subject: Please do not pass the Minimum Wage Bills as Written (c: my legislator)

Vaughn Cook
34 Lilinoe Street
Hilo, HI 96720

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please DO NOT pass the minimum wage increase bills as proposed. Please DO NOT PASS ANY minimum wage increase at all but let the market work to create more jobs for more people.

This recovery is very weak and will only be damaged by raising the minimum wage. Government has tremendous power to affect economic decisions. Should the government raise the minimum wage, it removes freedom from companies and their employees to engage in the free market to determine the right wage that both parties can agree upon. Government should not FORCE companies to pay the rate it decides is fair. The market should determine what a fair wage will be. No one has to take a job that pays too low. If the wage is too low, the market will force these companies to pay more or they will not be able to hire quality workers.

Common economic sense tells us that forcing employers to pay a wage rate above what the market place value is on such employment results in fewer employees being hired. For example, if a small convenience store with a low profit margin has calculated it can hire 2 part time employees at the current minimum wage of \$7.25 per hour. If the wage increased to \$10 (or some other amount), it may cause the owner to decide he can only hire 1 part time worker and have to cover the other time by himself.

I appreciate the sentiment to help employees earn a "living wage". Rather than meddle in the market and decrease incentives for employers to hire more employees, I recommend the government decrease the burden on business to allow the economy to expand and create more employment for more people!

Please do not engage in legislation that "feels good" but does not "do good." Taken to its logical conclusion, if \$10 per hours is a "living wage", why not make it \$100 per hour? Isn't that every better for employees? Of course not because employers would not hire employees at \$100 per hour and we would have massive unemployment.

Do what's right for everyone - leave the minimum wage alone and let the market grown the economy. This will benefit everyone much more than forcing employers to pay a minimum wage.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Vaughn Cook

yamashita1-Kristine

From: Maria Sung <maria.sung@hilton.com>
Sent: Friday, February 07, 2014 3:06 PM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

Maria Sung
940 Kealaolu Ave
Honolulu, HI 96816

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. It will affect pricing of basic services and goods... even the price of a hamburger is going to cost more. Min wage is already high enough for general business and add on Obama Care, It will lead to unemployment.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Maria Sung

yamashita1-Kristine

From: Cecile Morris <cecile.morris@hmshost.com>
Sent: Friday, February 07, 2014 2:56 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Cecile Morris
805 Koko Isle
Honolulu, HI 96825

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact my business. Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also increase their mandated benefits costs and taxes.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Cecile Morris

yamashita1-Kristine

From: Melody Fukushima <melody.fukushima@robertshawaii.com>
Sent: Friday, February 07, 2014 2:56 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Melody Fukushima
680 Iwilei Rd. Ste 700
Honolulu, HI 96817

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. This will greatly impact the expenses of running our business successfully, not to mention these costs will be passed to our customers. I agree some increase to minimum wage needs to be adjusted but companies are not able to withstand an immediate bump to \$10/hr or even an increase to \$10+ in a short period as 3 years.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Melody Fukushima

yamashita1-Kristine

From: Lisa Daijo <Lisa.Daijo@expresspros.com>
Sent: Friday, February 07, 2014 2:56 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Lisa Daijo
1130 N. Nimitz Hwy Ste A-135
Honolulu, HI 96817

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. It will financially devastate a large majority of our small business owners. They will not be able to keep their doors open.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Lisa Daijo

yamashita1-Kristine

From: Rob Robinson <rrobinson@pacificbeachhotel.com>
Sent: Friday, February 07, 2014 2:56 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Rob Robinson
Pacific Beach Hotel
Honolulu, HI 96815

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. This would be detrimental to the Hospitality/Lodging industry which drives the Hawaiian economy. If wages are raised to these levels, these costs will most certainly have to be passed on to the consumer, which will lead to increased prices for hotel rooms and services. This vicious cycle will end with the cost of coming to Hawaii increasing more than it already has, and we will continue to lose market share to other destinations.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Rob Robinson

yamashita1-Kristine

From: Ruth L. Limtiaco <ruth@tlcpr.com>
Sent: Friday, February 07, 2014 2:56 PM
To: yamashita1-Kristine
Subject: Please do not pass the Minimum Wage Bills as Written (c: my legislator)

Ruth L. Limtiaco
405 opihikao place
Honolulu, HI 96825

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact my business. Also this will negatively impact many businesses as they will be forced to raise the rates of many of their employees.

All the bills raise the minimum in a steep manner and would negatively impact my business. Also this will negatively impact many businesses as they will be forced to raise the rates of many of their employees.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Ruth L. Limtiaco

yamashita1-Kristine

From: Derek Gagne <dagagne.s05274.us@wal-mart.com>
Sent: Sunday, February 09, 2014 10:59 AM
To: yamashita1-Kristine
Subject: Please do not pass the Minimum Wage Bills as Written (c: my legislator)

Derek Gagne
1131 Kuala St
Pearl City, HI 96782

February 9, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact my business. Also this will negatively impact many businesses as they will be forced to raise the rates of many of their employees.

All the bills raise the minimum in a steep manner and would negatively impact my business. Many businesses have faced uncontrollable increased costs in their prepaid healthcare premiums and on average 90% (\$4,500) of the cost of an employee's health care premium is paid for by the employer. Most employers would be unable to pass all of these new costs onto the consumer. In addition many small businesses will see their health care premiums increase next year by as much as 11-15%.

All the bills raise the minimum in a steep manner and would negatively impact my business. Many businesses have faced uncontrollable increased costs in their prepaid healthcare premiums and on average 90% (\$4,500) of the cost of an employee's health care premium is paid for by the employer. Most employers would be unable to pass all of these new costs onto the consumer. In addition many small businesses will see their health care premiums increase next year by as much as 11-15%.

All the bills raise the minimum in a steep manner and would negatively impact my business. Also this will negatively impact many businesses as they will be forced to raise the rates of many of their employees.

All the bills raise the minimum in a steep manner and would negatively impact my business. Also this will negatively impact many businesses as they will be forced to raise the rates of many of their employees.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Derek Gagne

yamashita1-Kristine

From: David Greenberg <desertpacific26@yahoo.com>
Sent: Saturday, February 08, 2014 11:30 AM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

David Greenberg
PO Box 587
Kapaa, HI 96746

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. Raising the minimum wage will only cause prices to go up and hurt the very people you are trying to help.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
David Greenberg

yamashita1-Kristine

From: Steven C. Wheelwright <wheelwrights@byuh.edu>
Sent: Saturday, February 08, 2014 11:00 AM
To: yamashita1-Kristine
Subject: Please do not pass the Minimum Wage Bills as Written (c: my legislator)

Steven C. Wheelwright
55-220 Kulanui Street
Laie, HI 96762

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. At BYU-Hawaii, we believe that part time work (as shown by several national studies) for college students helps them better organize their time, apply what they are learning, develop the skills of planning and discipline, and help reduce their student debt. We have structure the workforce of the University (along with our sister institution, the Polynesian Cultural Center) so that our full time jobs (which are well above the current minimum wage and pay full benefits) help train, manage and oversee the work of the part time students. But we need those part time jobs to be low wage jobs or else we would have to reduce the number of such jobs to fit our budget. We need a lower wage for part time and off-semester student jobs than for our full time workers. Please do NOT pass the minimum wage increase bills as currently proposed. They would reduce opportunities for students to work, hindering their education and increasing their college debt.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Steven C. Wheelwright

yamashita1-Kristine

From: Maria Watanabe <mariawatanabe@hotmail.com>
Sent: Friday, February 07, 2014 8:17 PM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Maria Watanabe
1567 puili Place
Kaunakakai, HI 96748

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Times are hard now for the small employer and an increase this large will result in employers cutting down on the employees.

With this increase for the employee together with the large increase in taxes will only bring more money into the federal funds and will also bring more people into the tax bracket.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Maria Watanabe

yamashita1-Kristine

From: Gordon Takaki <takakig002@hawaii.rr.com>
Sent: Friday, February 07, 2014 7:57 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Gordon Takaki
PO Box 4425
Hilo, HI 96720

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as propose. Neither the \$10 wage or the wage tied to the price index is good. the minimum wage is not earned by the primary income earner, but by young workers. Increasing the wage by the proposed amount will have a negative effect on our economy as many businesses will not be able to afford it and may decide to reduce their payroll instead.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Gordon Takaki

yamashita1-Kristine

From: Elden Kimura <eldenk@times-supermarket.com>
Sent: Friday, February 07, 2014 7:07 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Elden Kimura
3375 Koapaka Street
Honolulu, HI 96819

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

This will have a crippling affect on our local small business, create more unemployment as employers will have to adjust their labor to try to keep their business profitable by laying people off. Then they will have to pay the unemployment benefits and find themselves deeper in the red.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Elden Kimura

yamashita1-Kristine

From: Tracy Davidson <tracy@tracysmap.com>
Sent: Friday, February 07, 2014 5:47 PM
To: yamashita1-Kristine
Subject: Please do not pass the Minimum Wage Bills as Written (c: my legislator)

Tracy Davidson
4177 Lahi Place
Lihue, HI 96766

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. This will hurt a whole lot of businesses that are just now recovering from a bad recession.

Minimum wage is not suppose to support someone. It is an entry level position to get someone through high school, or college. It never was intended to support an entire family. It's an entry level position to move up in life.

\$2.75 is outrageous! $\$2.75 \times 40 \text{ hours} \times 52 \text{ weeks} = \5720 multiply that by five employees is \$28,600. Now you want to tell me that this is not going to hurt businesses. They will layoff and end up closing doors creating less jobs just when they are finally starting to see the light once again.

Thank you for looking at the overall picture. .50 an hour is even a lot at a time seem more reasonable if anything.

Please do not hurt our local economy just when it's starting to show signs of success! Plus our cost of living is already high, that would just drive the cost of everything higher!

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Tracy Davidson

yamashita1-Kristine

From: Mike Martinez <mikem123_123@yahoo.com>
Sent: Friday, February 07, 2014 5:37 PM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

Mike Martinez
388 Molo St
Kapaa, HI 96746

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact my business. Many businesses have faced uncontrollable increased costs in their prepaid healthcare premiums and on average 90% (\$4,500) of the cost of an employee's health care premium is paid for by the employer. With the increase of health premiums and now with the possible increase of minimum wage, as a new business owner I will not be able to hire full time employees. So how does this benefit the employee who will now have to work more than a job to make it? Think about it!!

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Mike Martinez

yamashita1-Kristine

From: Devlin yukimura <kyukimura@koatradingcoinc.com>
Sent: Friday, February 07, 2014 5:17 PM
To: yamashita1-Kristine
Subject: Koa Yukimura, KOA Trading Company. 35 employees

Devlin yukimura
4041 Mapu pl.
Lihue, HI 96766

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Devlin Koa Yukimura, KOA Trading Company. 35 employees

I feel that the minimum wage increase is too high of a jump all at once. Minimum wage increases should follow the same percentage of inflation.

I believe that an employer should have the right to compensate their workers that is just for the job, based on skill sets and experience. The employer should keep up with what are the industry standards for those positions, compensate accordingly for risk of losing good employees.

If the employer does not compensate their workers fairly the employee has the right to look elsewhere for what they feel that they deserve.

I am against the steep spike in minimum wage.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Devlin yukimura

yamashita1-Kristine

From: Wendy Martinez <kulana3@hawaii.rr.com>
Sent: Friday, February 07, 2014 5:07 PM
To: yamashita1-Kristine
Subject: Please do not pass the Minimum Wage Bills as Written (c: my legislator)

Wendy Martinez
388 Molo St
Kapaa, HI 96746

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

All the bills raise the minimum in a steep manner and would negatively impact my business. Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also increase their mandated benefits costs and taxes. We are already holding back on hiring full-time employees because of the cost of health insurance. At this point in our business, our employees are making more money than we do as owners.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Wendy Martinez

yamashita1-Kristine

From: Ochana Bringman-Conway <paradisecoop@gmail.com>
Sent: Friday, February 07, 2014 4:26 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Ochana Bringman-Conway
PO Box 2122
Volcano, HI 96720

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

We feel we pay a fair wage to our employees, but an increase will start raising costs and then wages aren't enough to go as far as they did. We raise wages and then they raise costs.. it becomes vicious cycle. If you are looking to find a solution to having a real sustainable wage.. look to those who are raising costs.

Mahalo

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Ochana Bringman-Conway

yamashita1-Kristine

From: Jackie De Luz Watanabe <jdeluz@teamdeluz.com>
Sent: Friday, February 07, 2014 4:26 PM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Jackie De Luz Watanabe
85 Kamalii St
Hilo, HI 96720-2851

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. We also have a family business, Big Island Toyota Inc. Please consider a fair compromise that businesses can live with and continue providing for the families of our community.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Jackie De Luz Watanabe

yamashita1-Kristine

From: Roberta Chu <roberta.f.chu@gmail.com>
Sent: Friday, February 07, 2014 4:26 PM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Roberta Chu
478 Kipuni Street
Hilo, HI 96720

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. By doing so, many small businesses may need to shut down. The rising costs of utilities, insurance, mandated employee benefits cannot be absorbed in higher prices to the consumer.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Roberta Chu

yamashita1-Kristine

From: Cheryl To <pacifikool@hawaiiantel.net>
Sent: Monday, February 10, 2014 11:24 AM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Cheryl To
1541 Dominis Street, #1807
Honolulu, HI 96822

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. I am a small business owner that can not afford starting pay of \$10/pp for employees that just wash produce, clean dishes and do general cleaning. Currently I train a new employee at \$7.25/hour and then they are paid \$8/hour. Raising the minimum wage to \$10/hour would keep me from considering people who speak minimal English, have little or no previous work experience, or have simple disabilities.

Also, starting a dishwasher at \$10/hour would require that I raise the rate for most everyone from \$8.50-\$11/hour. There is no way to pay a dishwasher \$10/hour and a line cook the same per hour. All people who have had a raise but are still under \$10/hour would have to be paid more. The consequences of raising the minimum to \$10/hour will raise an employer's total payroll significantly.

I am in favor of raising the minimum to \$8/hour.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Cheryl To

yamashita1-Kristine

From: Peter Kam <pkam1998@aol.com>
Sent: Monday, February 10, 2014 12:05 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Peter Kam
94-1163 Manino Pl.
Waipahu, HI 96797

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. I can state with certainty that if this bill passes, there will be a reduction in force as all marginal employees will be let go. The very people you are trying to help will be hurt. There will not be any entry level with no experience positions, and the cost of doing business will increase due to higher employee turnover due to stricter probationary conditions. Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also increase their mandated benefits costs and taxes. Also, we have to now consider purchasing equipment and machinery to replace workers.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Peter Kam

yamashita1-Kristine

From: Malia Lageman <malia@cardinalservicesltd.com>
Sent: Monday, February 10, 2014 12:35 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Malia Lageman
3507 Nuuanu Pali Dr
Honolulu, HI 96817

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact my business.

I own two small businesses with 42 employees and with the increased competition from mainland companies and increased costs to do business in Hawaii Nei it will be difficult absorb such a large wage increase.

We face uncontrollable increased costs in our prepaid healthcare premiums and we pay \$4900 per employee for health care and fear an increase of 11-15% next year. We would be unable to pass all of these new costs onto our clients.

Mahalo for your service to our community and for your consideration.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Malia Lageman

yamashita1-Kristine

From: Cecilia W. Muldoon <cwm@gtchawaii.com>
Sent: Monday, February 10, 2014 12:45 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Cecilia W. Muldoon
710 Lunalilo St.
Honolulu, HI 96813

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. I am a small business owner, while we already pay more than the minimum wage as our business requires skills in the telecommunications field, we do not wish to see the minimum wage increase. I feel that this will undermine a person's motivation to better him/herself, it will increase the cost of doing business to certain industries such as fast food, gas station attendants and other service type jobs. This will also result in the increase in prices at the store.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Cecilia W. Muldoon

yamashita1-Kristine

From: Robert Stephenson <rob@molokaichamber.org>
Sent: Monday, February 10, 2014 12:55 PM
To: yamashita1-Kristine
Subject: Please do not pass the Minimum Wage Bills as Written (c: my legislator)

Robert Stephenson
P.O. Box 515
Kaunakakai, HI 96748

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

As a representative organization of the neighbor-island of Molokai, the Molokai Chamber of Commerce, which represents dozens of businesses that employ hundreds of people are respectfully submitting testimony in opposition to the minimum wage increase bills as proposed.

All the bills raise the minimum in a steep manner and would negatively impact our member businesses. These bills could increase labor costs by 10-38% in one year alone not to mention the subsequent increases. Please do not pass these bills out of committee as the economic recovery for many industries and businesses, especially here on the island of Molokai, is still fragile.

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

Mahalo for your time.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Robert Stephenson

yamashita1-Kristine

From: Karl Fujii <karl.fujii@hbmhawaii.com>
Sent: Monday, February 10, 2014 1:55 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Karl Fujii
95-1100 Haloku Street
Mililani, HI 96789

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact my business. Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also increase their mandated benefits costs and taxes.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Karl Fujii

yamashita1-Kristine

From: Jack Flanagan <jeflanagan@finsvcs.com>
Sent: Friday, February 07, 2014 2:56 PM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Jack Flanagan
908 Mokulua Drive
Kailua, HI 96813

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Jack Flanagan

yamashita1-Kristine

From: Forrest Lum <mmathnasium@gmail.com>
Sent: Friday, February 07, 2014 2:56 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Forrest Lum
3184 Waialae Ave.
Honolulu, HI 96816

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Forrest Lum

yamashita1-Kristine

From: Randall Francisco <randall@kauaichamber.org>
Sent: Friday, February 07, 2014 3:26 PM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

Randall Francisco
3530 Mokihana Road
Hanapepe, HI 96716

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Randall Francisco

yamashita1-Kristine

From: Wayne Y. Tanaka <wtanaka@financialguide.com>
Sent: Friday, February 07, 2014 5:07 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Wayne Y. Tanaka
565 Alihi Place
Kailua, HI 96734

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Wayne Y. Tanaka

yamashita1-Kristine

From: Sheila Beckham <Sbeckham@waikikihealth.org>
Sent: Friday, February 07, 2014 5:27 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Sheila Beckham
6121 c summer at
Honolulu, HI 96821

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please pass the minimum wage bill

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Sheila Beckham

yamashita1-Kristine

From: Lisa Valderueda <valderueda@aol.com>
Sent: Friday, February 07, 2014 5:27 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Lisa Valderueda
P. O. Box 235807
Honolulu, HI 96823

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Lisa Valderueda

yamashita1-Kristine

From: Miles Yoshioka <admin@hicc.biz>
Sent: Friday, February 07, 2014 6:07 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Miles Yoshioka
1068 Lelepau Street
Hilo, HI 96720

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Miles Yoshioka

yamashita1-Kristine

From: Kirk Greenman <kirkgreenman@hotmail.com>
Sent: Saturday, February 08, 2014 8:30 AM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Kirk Greenman
P.O. Box 482151
Kaunakakai, HI 96748

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Kirk Greenman

yamashita1-Kristine

From: Ron Garlie <puhipnt@shaka.com>
Sent: Saturday, February 08, 2014 9:10 AM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

Ron Garlie
PO Box 662007
Lihue, HI 96766

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Ron Garlie

yamashita1-Kristine

From: robert banach <bobby2964@hotmail.com>
Sent: Saturday, February 08, 2014 12:20 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

robert banach
484 aleka loop unit d-6
kapaa, HI 96746

February 8, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
robert banach

yamashita1-Kristine

From: Kelli Kay Chun <opuliciousrestaurant@yahoo.com>
Sent: Sunday, February 09, 2014 1:50 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Kelli Kay Chun
2148 Kapiolani blvd.
Honolulu, HI 96826

February 9, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Kelli Kay Chun

yamashita1-Kristine

From: Marlene Nations <nationsm@wbu.edu>
Sent: Friday, February 07, 2014 4:36 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Marlene Nations
95-1091 Ainamakua
Mililani, HI 96789

February 7, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

I work at WBU in Mililani and hire and supervise 8 employees. They start over the minimum wage because I need to hire skilled employees.

1) This legislation will have a negative snowball affect on our economy. Those who start out at minimum wage include high school students and those who are getting into the work force to gain work skills start at the bottom and move up once they prove themselves as competent workers. Wages are typically raised to keep these hard working people or to reward good work skills. Those who do not learn the basic work ethic usually do not rise. Elevating the minimum wage only pushes up the base line which will require all wages to move up commensurate with the new inflated economy. This will put an undue strain on our businesses and more importantly, on the consumers who will have to pay for these increases in the goods and services that they purchase.

Example: Gone will be the days of the 99 cent burgers at McDonald's if they have to pay their unskilled workers these higher wages. Who loses? Those who consume the meals will have to pay more. McDonald's can't just give away their goods. They need to make a profit to stay in business.

2) Let's focus on taking restrictions off of businesses so that they can hire more people and keep our citizens employed or at least get the skills needed to give them the experience to get a better job.

3) If the minimum wage goes up to \$10.00/ hour then the one making 15.00 per hour will need to go up to \$18-\$20.00 per hour to be equitable. Here is the snowball in a crushing economy.

4) Pay raises must be tied to performance not just because the person exists.

5) Businesses are already strained here in Hawaii. Yes, cost of living is high but raising the wages of the unskilled will not help us. Businesses need to be profitable and those who hire unskilled wage earners are the training ground for a more performance based society. Reward those who earn it not because it sounds right.

Please vote no to bills to increase the minimum wage.
Thank you,

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Marlene Nations

yamashita1-Kristine

From: Lawrence Lasua <lawrence@wave.hicv.net>
Sent: Monday, February 10, 2014 8:54 AM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Lawrence Lasua
975 Likelike Avenue
Kaunakakai, HI 96748

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. I oppose the minimum wage increase bills, HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580. The proposed increases are too steep and will have an impact on my business, especially as many of the other costs are increasing.

I oppose the minimum wage increase bills, HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580. The proposed increases are too steep and will have an impact on my business, especially as many of the other costs are increasing.

I oppose the minimum wage increase bills, HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580. The proposed increases are too steep and will have an impact on my business, especially as many of the other costs are increasing.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Lawrence Lasua

yamashita1-Kristine

From: Judith Fox- Goldstein <jude2hawaii@yahoo.com>
Sent: Monday, February 10, 2014 9:24 AM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Judith Fox- Goldstein
1236 Moku Place
Hilo, HI 96720

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

My name is Judith Fox-Goldstein and I am submitting this testimony on behalf of the Hawaii Island Chamber of Commerce (HICC).

The HICC is the "Voice of Small Business on Hawaii Island" and represents an estimated 250 businesses and approximately 600+ members. Supporting small business has been our priority for as long as we have existed. Supporting our local business men and women and, allowing business owners to make the best possible decisions for the sustainability of their enterprise, is of utmost importance to us.

On behalf of the HICC, we are asking you to NOT pass the minimum wage increase bills as proposed. Further, we are asking that you NOT PASS ANY minimum wage increase at all but, rather, let the solutions lie within the economy and the marketplace to create more jobs for more people.

We have still not recovered from the economic tsunami that befell our nation. Yes, we are in recovery mode, but raising the minimum wage will significantly damage the recovery efforts. Let our businesses recover before imposing government regulations that will have negative ramifications on the sustainability of local business and the spirit of entrepreneurialism that is the foundation of our country.

We need to minimize the influence of Government power relative to small business. HICC members strongly feel that Government should not compel companies to adhere to what "THEY" consider a fair wage. Of course, HICC wants to see everyone make a decent, fair wage, "living wage" for employment, but if businesses close because they can't afford this IMPOSED wage hike...WHO WINS HERE??? WHO WINS HERE???

That's the question you should be asking! What are the negative effects of this imposed wage hike when businesses say they can't afford the additional costs? What are the negative, domino effects on the entire business? Will they have to close down to make their point?

The market should determine what a fair wage will be. No one has to take a job that pays too low. If the wage is too low, the market will force these companies to pay more or they will not be able to hire quality workers.

Please let us move through the "recovery" period as businesses are just getting back on their feet and expanding as fast as the market will allow. DON'T set us back with more Government control! This is OUR community! We care about

OUR employees and OUR businesses and we're doing the best we can! Don't set us back! Don't impose legislation that WILL LEAD to more unemployment.

Please HEAR THE COLLECTIVE voice of over 250 businesses who want to succeed, want to give employment opportunities to as many people as possible and want to contribute to a SUSTAINING economy.
PLEASE DO NOT PASS THE MINIMUM WAGE BILL!

On behalf of HICC, Mahalo for the opportunity to submit testimony in opposition to any minimum wage bill.

Respectfully Submitted,
Judith Fox-Goldstein, President,
Hawaii Island Chamber of Commerce

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Judith Fox- Goldstein

yamashita1-Kristine

From: Byron Goo <bgoo@teachest.com>
Sent: Monday, February 10, 2014 10:04 AM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Byron Goo
Hawaii Food Manufacturers Association
Honolulu, HI 96822

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

All the proposed bills raise the minimum wage and would negatively impact my business. Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also increase their mandated benefits costs and taxes.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Byron Goo

yamashita1-Kristine

From: Marisa Hurley <Marisa.Hurley@Hyatt.com>
Sent: Sunday, February 09, 2014 4:40 PM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

Marisa Hurley
PO Box 28
Koloa, HI 96756

February 9, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Marisa Hurley

yamashita1-Kristine

From: Carol Ai May <cai@citymill.com>
Sent: Monday, February 10, 2014 10:14 AM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Carol Ai May
1901 Nuna Place
Honolulu, HI 96821

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

My name is Carol Ai May, Vice President and Owner of 115 year old City Mill Company, Ltd. We employ approximately 500 people on the island of Oahu with our City Mill and Simply Organized retail stores.

We do not support the increase of the minimum wage. This action may force us to cut back hours or eliminate positions from our 500 employee base. We are squeezed with high expenses with the increase in medical insurance cost, fuel costs, increasing cost of doing business and unable to increase our prices because of the heavy big box competition. While we already pay above minimum wage, wage compression will force us to increase our wages even more. Most of our positions are entry level positions. Don't forget that we, as a local retailer, have many people in middle management positions, such as everyone in our credit, accounting, advertising, buying, IT, distribution, security and training departments. That is something other mainland retailers do not have in Hawaii.

All the bills raise the minimum in a steep manner and would negatively impact my business. Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also increase their mandated benefits costs and taxes.

Many businesses have faced uncontrollable increased costs in their prepaid healthcare premiums and on average 90% (\$4,500) of the cost of an employee's health care premium is paid for by the employer. Most employers would be unable to pass all of these new costs onto the consumer. In addition many small businesses will see their health care premiums increase next year by as much as 11-15%.

Please do not pass this bill. Thank you.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Carol Ai May

yamashita1-Kristine

From: Kathleen Oldfather <kathyo@hilo.net>
Sent: Sunday, February 09, 2014 5:10 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Kathleen Oldfather
99 Piliialoha st
Hilo, HI 96720

February 9, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Kathleen Oldfather

yamashita1-Kristine

From: Rommel Valenzuela <mpvcollections@gmail.com>
Sent: Monday, February 10, 2014 1:55 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Rommel Valenzuela
4385 Anonui St. #10
Lihue, HI 96766

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Rommel Valenzuela

yamashita1-Kristine

From: Shota Mkheidze <smkheidze@honeybeecleaners.com>
Sent: Monday, February 10, 2014 1:35 PM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Shota Mkheidze
1448 Thurston Ave #2
Honolulu, HI 96822

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Shota Mkheidze

yamashita1-Kristine

From: Bernie Coleman <berniec@pacallied.com>
Sent: Monday, February 10, 2014 12:55 PM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

Bernie Coleman
92-1001 Aliinui Dr. # 12 B
Kapolei, HI 96707

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Bernie Coleman

yamashita1-Kristine

From: Emy Pham <emy@emydiempham.com>
Sent: Monday, February 10, 2014 12:45 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Emy Pham
66 QUEEN STREET
HONOLULU, HI 96813

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Emy Pham

yamashita1-Kristine

From: kai cowell <kaispices@lava.net>
Sent: Monday, February 10, 2014 11:44 AM
To: yamashita1-Kristine
Subject: Do not pass the Minimum Wage Bills as Proposed (c: my legislator)

kai cowell
2186 roundtop dr.
Honolulu, HI 96822

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
kai cowell



February 10, 2014

Rep. Mark M Nakashima, Chair
Rep. Kyle T. Yamashita, Vice Chair
Hawaii State Capital
415 South Beretania Street, Conference Room 016
Honolulu, Hawaii 96813

Subject: H.B. 1488 Hearing on February 11, 2014. Testimony in **Support with friendly amendment's**.

To: Rep. Mark Nakashima and Rep. Kyle T. Yamashita and the Committee on Labor & Public Employment.

Aloha, my name is Steve Canales, and I support H.B. 1488 with friendly amendments. Relating to Minimum Wage.

This measure will increase the minimum wage to \$10.25. The facts are that the minimum wage has not been increased since 2007. Cost of Living in Hawaii is one of the highest in the country. Many of the minimum wage workers are the Elderly, who lost their jobs at a higher pay and must settle on a minimum wage job.

We the Labor Caucus would like to add a **friendly amendment** to this measure: 1) Elimination of the tip credit, and 2) Indexing future increase in minimum wages by using the Consumer Price Index.

Nineteen other States have higher Minimum Wage than Hawaii; Increase in minimum wage for the Elderly would greatly help to purchase needed supplies throughout the year.

We the Labor Caucus of the Democratic Party of Hawaii **support** H.B. 1488 with **friendly amendments**. I would like to thank, the Committee on Judiciary and Labor for this opportunity to testify.

Sincerely,

Steve Canales
Labor Caucus Chair
Democratic Party of Hawaii
404 Ward Avenue Suite 200
Honolulu, Hawaii 96806

January 29, 2014

To: Representative
Representative
Representative
Members of the Labor and Finance Committee

From: Je'Quan Gold

Subject: Support of House Bill 1488, increasing minimum wage 1 dollar

Aloha! My name is Je'Quan Gold, and I am currently a senior at Kalaheo High School in Kailua Oahu. I strongly believe in HB 1488, and I would like to ask for your support. As it stands minimum wage workers receive \$7.25 an hour. However, many Hawaii families of three or more cannot be supported on \$7.25. An increase to \$8.25 would give the one income families a better fighting chance to support themselves.

The average rental price for an apartment in Hawaii is \$1,600 (Crowley, Couch, Bolton, 2012). In order to make monthly rent of \$1,600 at minimum wage of \$7.25 a worker needs to work at least 56 hours a week, before taxes. Plus there are necessities such as food and water. Then there are other expenses outside of rent that most residents of Hawaii at minimum wage don't receive, such as healthcare, dental care, and insurance. If minimum wage was increased to \$8.25 then for the same amount of work time, a minimum wage worker has a better chance of supporting their family.

<http://nlihc.org/oor/2012/HI>
<http://nlihc.org/oor/2012>

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 4:52 AM
To: LABtestimony
Cc: sandrascar@aol.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Scarr	Individual	Support	No

Comments: Hawaii has the highest cost of living in the nation and needs to raise the minimum wage to a level that can support a family with a full- time worker. This bill, or similar bills, should be amended to raise the minimum wage in Hawaii to \$10.10/ hour as soon as possible. Hawaii has a lot of service workers in food and hospitality industries, who need a higher minimum wage. Just do it! Aloha, Sandra Scarr

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 6:38 AM
To: LABtestimony
Cc: jlouis@hawaii.edu
Subject: *Submitted testimony for HB1488 on Feb 11, 2014 09:00AM*

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Jamie Louis	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 6:40 AM
To: LABtestimony
Cc: islomane@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Shaun Campbell	Individual	Support	No

Comments: Aloha e Members on the Committee on Labor & Public Employment: My name is Shaun Campbell and I represent myself in declaring that I am in support of any and all House bills seeking to raise the minimum wage in Hawai'i to \$10.10 an hour, repeal all tip credits, and automatically peg future minimum wage increases to the CPI index. While \$10.10 is not a living wage, but truly a "minimum" wage, I still support getting closer to a wage that Hawaii's families can live on in this highest cost of living state. As you must know, even \$10.10 an hour is not commensurate with the cost of living here, but is is a step in the right direction. Also in speaking with social services workers it has come to my attention that current minimum wage rates in the state do not encourage recipients of Medicaid and other government-funded social services to move out of these programs through full employment. The wages they would then be working for are insufficient to match the benefits they have been previously receiving. Current minimum wage rates do not support the right to work and live in Hawai'i. For these reasons, I would ask your support of any bill which raises the minimum rate to \$10.10 an hour, repeals the tip credit, and ties future increases to the CPI index. Respectfully, Shaun Campbell 1911 Kalakaua Avenue, #305 Honolulu, Hawai'i 96815

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 6:56 AM
To: LABtestimony
Cc: lynneronderko@gmail.com
Subject: *Submitted testimony for HB1488 on Feb 11, 2014 09:00AM*

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Onderko	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 8:00 AM
To: LABtestimony
Cc: jasfcartw@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
James F. Cartwright	Individual	Support	No

Comments: I suggest that everyone consider how difficult it would be to live on what is now the minimum wage in Hawaii. It becomes obvious that one cannot survive on minimum wage. Please raise the wage and not the tip quota. Many who supposedly get tips do not and those who do often do not get enough to compensate them for the quotas imposed.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 8:11 AM
To: LABtestimony
Cc: dejamarie@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Deja	Individual	Support	No

Comments: Raising the minimum wage will promote Hawai'i's economic recovery and help lift our families out of poverty and toward financial security. Minimum wage workers are critical to our economy, but are falling further and further behind in their ability to make ends meet and this is contributing to our homelessness problem. Hawai'i needs a raise to build economic opportunity and stability for all of our workers.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 8:19 AM
To: LABtestimony
Cc: alleycat5135@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Alicia Nawatani-Dias	Individual	Comments Only	No

Comments: I stand in agreement of the bill HB1488. The minumum wage in Hawaii should be increased to give financial support to minumum wage income families. There are a vast amount of families in the state that struggle to continue living because of their low income. The increase in wages will give these families the extra finances they need to continue supporting themselves and their families.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: Stan Franco <stanfranco@hawaiiantel.net>
Sent: Monday, February 10, 2014 8:29 AM
To: LABtestimony
Subject: HB 1488

Dear Chair and members,

Increasing the minimum wage is a no brainer for me. I have lived my life working in feeding and sheltering programs for the poor on the Island of Maui. I have sat and talked with folks who struggle to make ends meet each day. Raising their wages so that they can buy food for themselves, find a decent home and care for their families is important stuff. Therefore, I ask you to do incremental step increases until our minimum wage is \$10.10 by 2017, eliminate the tip credit so that those working in restaurants and hotels can count on a base wage that is equal to all others, and tie the minimum wage to the cost of living as represented by the Consumer Price Index. This is a fair way to go; it is pono.

Blessings,

Deacon Stan Franco
St. Rita Church
Haiku, Maui
214-3575

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 8:45 AM
To: LABtestimony
Cc: fawnjade712@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Fawn Jade Koopman	Individual	Support	No

Comments: This legislation is about creating a living wage for the minimum wage workers in our community. On the ground level it means more money for local, working class people. Earning minimum wage guarantees more dollars spent in our local economy, and reduces the need for taxes to support the social safety net minimum wage workers are often forced to rely upon. Thank you for your careful consideration and support of this measure!!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 8:47 AM
To: LABtestimony
Cc: mlieberman1@hawaiiintel.net
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Liebeman	Individual	Support	No

Comments: I believe the minimum wage should be increased to \$10.10 per hour. I also believe the wage should be indexed to yearly inflation. In addition, the credit for tips to those workers who receive tips should be abolished.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 8:49 AM
To: LABtestimony
Cc: daniel.hodel@earthlink.net
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Hodel	Individual	Support	No

Comments: Please raise the minimum wage significantly and cleanly, without gimmicks. The cost of living in Hawaii is high. Workers are falling behind and that is what destroys the economy -- when more and more of us cannot afford things. So raise the minimum wage above \$10 ASAP and get rid of the "tip credit" loophole. And tie the minimum wage to the Consumer Price Index so we don't have to revisit the subject so frequently. Mahalo.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 8:53 AM
To: LABtestimony
Cc: mary@hiappleseed.org
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Mary	Individual	Support	No

Comments: I am in support of raising the minimum wage to \$10.00, repealing the tip credit, and indexing future increases to the Consumer Price Index. Hawai'i is already the most expensive state to live in -- and yet we have a wage that hasn't been increased in 7 years. Considering the rising costs of housing, transportation, and food here, how is the current wage a livable wage? Even energy costs are the most expensive here in Hawai'i, compared to the rest of the US. Other states have already raised their minimum wages, including California and Washington, and has seen a boost in number of jobs available, more economic activity, and a decrease in unemployment. Mahalo for taking the time to consider this important bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:03 AM
To: LABtestimony
Cc: peteandjim@hawaii.rr.com
Subject: *Submitted testimony for HB1488 on Feb 11, 2014 09:00AM*

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
James Mateo	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:26 AM
To: LABtestimony
Cc: jfarnsworth@hawaii.rr.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
JoAnn Farnsworth	Individual	Support	No

Comments: Amendments needed to the bill include Raise the wage to \$10.10 in 2017 Repeal the tip credit Automatically adjust the minimum wage for increases in the Consumer Price Index

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 12:04 PM
To: LABtestimony
Cc: holly.berlin18@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Holly Berlin	Individual	Support	No

Comments: Hawaii needs a raise. We are the state with the lowest minimum wage relative to the cost of living, creating a huge burden on our community's most vulnerable members. Minimum wage should be raised to \$10.10 per hour. There should be no tip credit. Tips are earned by those in the service industry through good work - these employees should not have their pay reduced in exchange for good service. Minimum wage should be tied to the Consumer Price Index in order to keep up with continuously rising costs of living. Thank you for this opportunity to testify.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 12:51 PM
To: LABtestimony
Cc: panther_dave@yahoo.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Dave Kisor	Individual	Support	No

Comments: Many would like to see all levels of legislators on minimum wage for a month. They would of course scream "I can't live like this!" The response from the chorus would be "What a shame, neither can we!" The minimum wage needs Hawaii compensation, as everything is more expensive here. Living on tips is hardly living.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 1:32 PM
To: LABtestimony
Cc: iveandjon6499@yahoo.com
Subject: *Submitted testimony for HB1488 on Feb 11, 2014 09:00AM*

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Ivory	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 1:38 PM
To: LABtestimony
Cc: randyc.09@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
	Individual	Support	No

Comments: By passing this bill Hawaii can join the progressive movement that is slowly gaining traction with other States, helping to improve quality-of-life for the lower earning end of our economic strata, which in turn will help everyone else by easing the strain on public resources necessary to support the working poor in this high priced paradise. Otherwise, Hawaii can move along as business as usual, creating a majority class of working poor in a globalized plantation-like economy, threatening every aspect of our economy and collective well-being.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: Jim Tollefson <jimtolleffson1@gmail.com>
Sent: Monday, February 10, 2014 3:16 PM
To: yamashita1-Kristine
Subject: Chair/Vice Chair/Members and My Legislator, I OPPOSE the Minimum Wage Bills

Jim Tollefson
343 Hobron Ln
Honolulu, HI 96815

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact businesses. Many businesses have faced uncontrollable increased costs in their prepaid healthcare premiums and on average 90% (\$4,500) of the cost of an employee's health care premium is paid for by the employer. Most employers would be unable to pass all of these new costs onto the consumer. In addition many small businesses will see their health care premiums increase next year by as much as 11-15%.

I am especially concerned with the proposed legislation which ties the increase to the Consumer Price Index, which means the wage will automatically increase each year.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Jim Tollefson

yamashita1-Kristine

From: Y Tassie Agena <tassie@hawaiiantel.net>
Sent: Monday, February 10, 2014 3:26 PM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Y Tassie Agena
2760 Aheahe Street
Lihue, HI 96766

February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed. All the bills raise the minimum in a steep manner and would negatively impact my business. Many businesses have faced uncontrollable increased costs in their prepaid healthcare premiums and on average 90% (\$4,500) of the cost of an employee's health care premium is paid for by the employer. Most employers would be unable to pass all of these new costs onto the consumer. In addition many small businesses will see their health care premiums increase next year by as much as 11-15%.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Y Tassie Agena

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 3:39 PM
To: LABtestimony
Cc: islandeyesvideo@yahoo.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Marvin Porter	Individual	Support	No

Comments: We need to give people a wage that they can live on.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 5:11 PM
To: LABtestimony
Cc: wao-hsl@WeAreOne.cc
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM



HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	Individual	Support	No

Comments: Raise the wage to \$10.10 in 2017. Repeal the tip credit. Automatically adjust the minimum wage for increases in the Consumer Price Index.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 8:45 PM
To: LABtestimony
Cc: chrisho01@yahoo.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM



HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Christopher Ho	Individual	Support	No

Comments: I firmly stand in support of increasing the minimum wage amount for those who are hourly employees of Hawaii businesses. In order for many families to be able to survive based off of minimum wage jobs they are usually forced to have multiple jobs leaving many of the children in the care of others. Please work to increase the minimum wage amount.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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To: Representative Mark M. Nakashima, Chair
Senator Kyle T. Yamashita , Vice Chair
Members, Committee on Labor and Public Employment

From: Laura Finlayson

Hearing: Senate Committee on Ways and Means

DATE: Tuesday, February 11, 2014
TIME: 9:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

HB 2208

Thank you for the opportunity to testify in support of HB 2580. This bill would increase the minimum wage over a three year period, delete the tip credit, and adjust the minimum wage in accordance with the consumer price index.

Hawaii has one of the highest costs of living in the nation yet our minimum wage has not increased since 2007. This has left many low-income workers living in poverty. By increasing the minimum wage, we will give buying power back to these low-income workers. In addition, by regulating the minimum wage with the consumer price index, we do not allow the minimum wage to fall victim to inflation. Currently, our minimum wage has lost a considerable amount of its buying power due to inflation.

As someone who has worked several minimum wage jobs, I have experienced first-hand how the low wages perpetuate the cycle of poverty. The vast majority of minimum wage positions are unable to offer benefits, paid time off, and sick days. This means workers are often faced with the choice of staying home to take care of a sick child or losing a considerable amount of their pay check. Many must also rely on government aid in order to make ends meet. Raising the minimum wage would give these workers the respect that they have earned. By doing nothing, we are not low-wage workers the opportunity to succeed.

Thank you once again for allowing me to testify in support of HB 2580.

Laura Finlayson

lfinlays@my.hpu.edu

(757) 646-8644

LATE

Aloha, Chair Nakashima and Committee members:

This is the year. As you're well aware, the minimum wage has not increased since 2007. It is beyond belief that Hawai'i, a state as blue as they come, *the* state with the highest cost of living, is subjecting our work force with the federal minimum wage. We were poised to come closer to even approaching a living wage last session until the Senate sent us back 7 years. Please do not let that happen again.

I strongly urge you to insist on raising the minimum wage to \$10.10, repealing the tip credit, and indexing future increases to the Consumer Price Index to offset inflation. The public will is here, as is the immediate need.

Hawai'i has the 9th highest poverty rate in the nation. We've become the land of the 20 percenters: one in five of our children under six lives in low-income working families, 1 in 5 minimum wage workers receive SNAP, 1 in five minimum wage workers have a family member on Medicaid, and 1 in 5 minimum wage workers have a child that receives free or reduced price school meals.

Our minimum wage is not a living wage and, as the level of minimum wage earners who rely on significant government assistance for the basic necessities of life clearly illustrates, help is needed. Each time such well deserved help was granted, businesses have thrived rather than suffer. More than 15,000 jobs were created each year following both the 2002 and 2006 increases in the minimum wage.

Offsetting a raise for some of our minimum wage workers with a pay cut for others is not the way to bring Hawaii's working families out of poverty. Our minimum wage workers have suffered for far too long, all of them.

President Obama knows it's time. Governor Abercrombie told us too. The House tried last session. Please, make it happen this year. The time is now.

Very truly yours,

Jason Parasco

LATE

1,379.31 hours (26 hours/week) is the amount of time I need to work on a minimum wage income in order to barely cover the basic costs of my \$10,000 UH Manoa tuition, which will probably keep increasing. But tuition is just one of the many places in which I have to allocate my small wage. Among the other costs are: gas and transportation, food, as well as repairs.

Last month alone I got a flat tire, had to replace another tire, and realign my car (due to the new safety check system, and the many pot holes here)totaling to about \$300, another 41 hours of work. This doesn't include gas, easily another \$150 dollars a month (\$1800 a year)...about 248 hours of work a year. Double that number because food costs are about the same (+248 hours). Luckily, I don't live at home and don't have to pay rent, but if I want to live in the dorms next year, tack on another \$10,000 ...or 1,379.31 hours of work.

In a year I would have to work a total of 3295 hours on a minimum wage income to barely cover room and board, tuition, car expenses, and food. There are about 8765 hours in a year, deduct maybe 6 hours a day (for showering, sleep, etc.) everyday and that number boils down to 6575 hours. Essentially I would have to work 9 hours a day or spend 50% of my time (3295hrs/ 365days or 3295/6575hrs) in order to cover all of these essential expenses. But 9 hours of work a day leaves me little time to go to school and do homework. Luckily I have scholarships to help me out this year, but I don't want to be dependent on them for next year. So how do I efficiently allocate my time when so much of it is consumed in work?

Please pass this bill and increase the minimum wage to slightly stay in pace with increasing costs of living in Hawaii and to help the people and economy of our home.

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 11, 2014 6:33 AM
To: LABtestimony
Cc: david.freitas82@gmail.com
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00A



HB1488

Submitted on: 2/11/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Kawika Freitas	Individual	Oppose	No

Comments: Inflation rates are around 1.5% the last 2 years, with the average over the last 15 years around 2.4%. You want to raise the minimum wage almost 14% in one year. People should be paid their worth, go to collage and better yourself and your services will be worth more. The state wants 55% of working adults to have degrees, this is not the way. Why go to school when you can make \$10 an hour working fast food.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: Paul Dziuban <hisc146@cox.net>
Sent: Monday, February 10, 2014 6:26 PM
To: yamashita1-Kristine
Subject: House Labor Committee: I Oppose the Minimum Wage Bills as Proposed (c: my legislator)

Paul Dziuban
1600 Kapiolani Blvd., Suite 212
Honolulu, HI 96814



February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

This is a job killer. in our industry (senior care), we try to keep our rates competitive and affordable to the senior population. Many seniors have a fixed income and a limited income, and this bill will just raise the cost of senior care and encourage the underground economy. Many seniors will be forced to hire private caregivers, and these unsupervised caregivers can take advantage of our senior population, which then leads to a rise in elder abuse. for all the above reasons, please oppose an increase in minimum wage and def eat these bills. This is just our industry, and I am sure it will have negative impacts on many other businesses.

Thank you!

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Sherry Dziuban

yamashita1-Kristine

From: Ina Chang <info@alohadata.com>
Sent: Monday, February 10, 2014 6:36 PM
To: yamashita1-Kristine
Subject: Please HOLD the Minimum Wage Bills (c: my legislator)

Ina Chang
700 Bishop Street, Suite 1920
Honolulu, HI 96813



February 10, 2014

Dear Chair Nakashima, Vice Chair Yamashita & Members of the Committee,

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580 (February, 11 at 9:00 a.m. hearing)

Please do not pass the minimum wage increase bills as proposed.

Please do not pass the minimum wage increase bills. Thank you for the opportunity to submit testimony.

Sincerely,
Ina Chang



EXECUTIVE OFFICE ON EARLY LEARNING
HONOLULU

GG WEISENFELD
DIRECTOR

Testimony in **Support of the Intent of**

H.B. 1488

H.B. 1623

H.B. 1890

H.B. 2136

H.B. 2278

H.B. 2850

By GG Weisenfeld, Director

House Committee on Labor & Public Employment

February 11, 2014

9:00 a.m., Room 309

Chair, Vice-Chair, and Members of the Committee:

Good afternoon. I am GG Weisenfeld, Director of the Executive Office on Early Learning. EOEL is in support of the intent of all these measures to increase the minimum wage. The Department of Labor and Industrial Relations is the lead on minimum wage issues for the Administration.

The Executive Office on Early Learning (EOEL) was established by Act 178 in 2012. The creation of EOEL provides government-wide authority to guide the development of a comprehensive and integrated statewide early childhood development and learning system. Since our creation, we have engaged over 100 public and private partners across the state to define the desired outcomes for children and families, as well as the critical strategies that are needed to achieve our collective priorities over the next three to five years.

A raise in the minimum wage would not only help many families escape or avoid poverty, but could also significantly boost their children's academic performance and future adult earnings.

Thank you for the opportunity to provide testimony on these measures.



To: Representative Nakashima, Chair
Representative Yamashita, Vice Chair
Committee on Labor & Public Employment

From: Melanie Bailey
T S Restaurants Hawaii
Human Resources Manager

Hearing: February 11, 2014

RE: HB1488, HB1623, HB1890, HB2136, HB2278, HB2580
Relating to Minimum Wage – INCREASE THE TIP CREDIT

We are in support of the intention to increase wages for low wage earners but correspondingly increase the tip credit. If you eliminate the tip credit you will have the unintended effect of creating INEQUITY IN WAGES in the restaurant industry. Non-tipped employees will suffer significantly (and unintentionally) if the tip credit is not increased.

T S Restaurants is a family owned company with eight locations on Oahu, Maui, and Kauai, employing 1400 Hawaii residents.

Tipped versus Non-Tipped Employees: In our company, two-thirds of our employees make \$7.25, less the \$.25 tip credit an hour, plus tips; they are the “front of the house” employees: Servers, Bartenders and support personnel like Bussers. With tips they average \$23 an hour. This is consistent with other restaurants of all sizes that we have spoken with. As a result of tips earned, Front of the House employees are not minimum wage earners. Many work part time with school and family obligations but based on forty hour weeks that would be an annual income of \$47,000. Their income has slowly risen and will keep rising through the years as menu prices increase. Higher check average = more tips. In fact, an increase in the minimum raise, will increase their annual income, since food prices will increase and therefore their tips.

Unfortunately, this is not the case for other restaurant employees. Unlike tipped staff, most “back of the house” kitchen employees’ (dishwashers, cooks, and cleaning staff) work full time. Currently, our restaurant kitchen wages range from \$10-\$20 an hour, averaging \$13.76. Other restaurants we have surveyed pay their kitchen staff starting wages of \$7.25-\$10 an hour with a high of \$11-\$20. They receive no additional income from tips.

Negative Impact on Non-Tipped Restaurant Employees, without an increase in Tip Credit : A minimum wage increase will immediately raise the menu prices in all Hawaii restaurants. Our primary concern is to insure that increase in minimum wage benefits primarily our Kitchen employees whose wages are not augmented with tips. It is critical that the tip credit be increased to insure EQUITY among restaurant employees, and to keep restaurants in business.

The restaurant business is a fragile industry with a high failure rate. They operate on tight profit margins and are dependent on many factors to be successful.

- Food Cost (30% of our budget). The cost of growing and purchasing food, especially local food will rise.
- Labor and Benefits (35% of our budget). With every extra \$1 of wages and tips, we pay an additional 10-14 cents of tax and insurance.
- That leaves 35% for rent, utilities, business expenses and perhaps profit!

Tip income is another expense. Employers pay taxes and insurance on tipped income. A recent analysis of one of our restaurants showed tax and insurance payments based on tips to be \$256,000. That same restaurants tip credit only equaled \$21,000. The tip credit was designed in part to assist restaurants in offsetting this expense.

Many have cited President Obama's commitment to raising the minimum wage. The current Federal minimum is \$7.25 with a tip credit of \$5.12 (compared to Hawaii's \$0.25). In the proposed "Fair Minimum Wage Act of 2013" as minimum wage rises to \$8.20 the tip credit would rise to \$5.20. 70% of the minimum wage!

Based on that, a tipped employee would have an increased wage from \$2.13 to \$3.00. \$4.00 less than what we are proposing.

PROPOSED Amendment:

SUGGESTED LANGUAGE-BASED ON FEDERAL LANGUAGE

Employers of "tipped employees" must pay a cash wage of at least ~~\$2.13~~ \$7.00 an hour if they claim a tip credit against their minimum wage obligation.

We hear the concern over the variability of the customer tips. We propose an increase to the following language which is unique to Hawaii. This would ensure an hourly rate of at least \$3 over minimum wage in order to claim the tip credit.

SUGGESTED LANGUAGE-CURRENT HAWAII LAW

The hourly wage of a tipped employee may be decreased on account of tips if the employee is paid not less than \$7.00 an hour by the employees' employer as long as the combined amount the employee receives from the employer and in tips is at least ~~50 cents~~ \$3 more than the applicable minimum wage.

An increase in minimum wage may prevent increases in the future because if we increase the wages of our tipped employees, we will be hard pressed to continue to raise the rates of our back of the house support staff and wages for new hires may be reduced.

We feel this has the opposite effect of the intent of this bill, which we understand to be to increase the income of the lowest wage earners.

Creating Equity: If minimum wage is increased, correspondingly increase the tip credit. This way, restaurants can increase wages for the non-tipped employees who would benefit the most.

Thank you for your time. Mahalo!

Contact Information:
Melanie Bailey
Human Resources Manager
T S Restaurants Hawaii
2530 Kekaa Drive
Lahaina, HI 968
808.277.5121
Melanie@tsrestaurants.com



PARTNERS IN CARE Oahu's Coalition of Homeless Providers

COMMENTS ON THE MINIMUM WAGE (HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, HB 2580)

TO: Representative Mark Nakashima, Chair; Representative Kyle Yamashita, Vice Chair; and members of the House Committee on Labor & Public Employment

FROM: Peter K. Mattoon, Advocacy Committee Co-Chair, Partners In Care

Hearing: Tuesday, February 11, 2014, 9:00 AM, Room 309

Dear Chair Nakashima, Vice Chair Yamashita, and committee members:

Thank you for the opportunity to comment on the proposed bills to increase the minimum wage (HB 1488, HB 1890, HB 2136, HB 2278, and HB 2580). We support **amendments** to raise the minimum wage to **\$10.10, repeal the tip credit**, and automatically adjust **future wage increases for the Consumer Price Index**. I am Peter K. Mattoon, and I am an Advocacy Committee Co-Chair for Partners In Care (PIC), a coalition of care providers focusing on the needs of homeless persons and strategies to end homelessness.

Homelessness is a pressing social crisis, and Hawai'i has the highest rate of homelessness in the nation. Many factors contributing to chronic, individual, and family homelessness. But for many households, especially families, their low income relative to the high cost of living—which is twice the national average—means they can barely make ends meet and risk or actually experience homelessness.

Partners In Care supports this increase to the minimum wage as a way to prevent homelessness and help households transition out of homelessness. Low-income families, especially those in poverty, struggle just to pay for necessities, including housing, with virtually none left over to save for a rainy day. Thirty percent of Hawai'i's families are liquid asset poor, meaning that they do not have enough in easily-liquidated assets to survive at the poverty level for three months. A 2006 study found that 170,000 people on Oahu alone were three paychecks away from homelessness. When these families are hit with a financial crisis, such as the loss of a job or medical emergency, they are greatly at risk of losing their housing.

We also see households who have worked hard to get their lives back on track and find employment struggle to find affordable housing. As a result, these households who are ready to work and live in permanent housing are stuck in transitional housing because they cannot find units affordable for those working at minimum wage. A two-bedroom apartment at fair market rent costs \$1,671. A minimum wage worker would need to work 177 hours per week, 52 weeks a year for this rent to be affordable (less than 30 percent of their income), or a household would need 4.4 minimum wage workers working full time to make this rent. Unsurprisingly, many of our low-income families are severely cost-burdened. Three out of four households at less than 30 percent of the area median income (\$17,000 for a single person; \$24,250 for a household of four) are paying more than *half* of their income toward rent. The 2010 Homeless Services Utilization Report found that more than half of homeless families had at least one adult working full or part-time, and that an inability to afford rent was a cause of their homelessness for 56 percent of all homeless families.

Adequate wages for all of our families are critical to ending and addressing homelessness. This bill will help families escape poverty and also ensure that the buying power of their wages keeps up inflation. Again, thank you for the opportunity to testify to comment in support of a minimum wage of **\$10.10, repeal of the tip credit**, and indexing **future increases to the Consumer Price Index** to account for inflation.

Partners In Care, c/o Aloha United Way, 200 N. Vineyard Blvd. Suite 700
Honolulu, Hawai'i 96817



TELEPHONE (415) 777-3400
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HEADQUARTERS: 450 HARRISON STREET
 SAN FRANCISCO, CALIFORNIA 94105



GUNNAR LUNDEBERG • PRESIDENT/SECRETARY-TREASURER

February 5, 2014

Aloha,

The Sailors Union of the Pacific (SUP) strongly supports a minimum wage increase of \$10.10 an hour.

We strongly support repeal of the tip credit, and strongly oppose any efforts to raise the tip credit.

Mahalo,

Michael Dirksen
 Honolulu Branch Agent
 Sailors Union of the Pacific
 707 Alakea St.
 Rm. 101
 Honolulu, Hi. 96813
 808-533-2777
suphono@suphono.com

yamashita1-Kristine

From: bumbaibuilder <bumbaibuilder@gmail.com>
Sent: Thursday, February 06, 2014 6:14 PM
To: LABtestimony
Subject: Opposition to HB1488, HB1623, HB1890, HB2136, HB2278, HB2580

I am in opposition to the following bills to increase the minimum wage:HB1488, HB1623, HB1890, HB2136, HB2278, HB2580

I am also in opposition to tying minimum wage to inflation or the CPI.

I am in favor of raising the tip credit, not lowering it or eliminating it.

If these bills or forms of such bills that increase the minimum wage and create escalator type systems of increase will force employers such as myself to lay employees off. The end result will be more people being unemployed, not less.

Respectfully,

Mark Watanabe



Hawaii's Finest Macadamia Nuts ~ Chocolates ~ Confections

January 29, 2014

House Labor Committee

Regarding House Bills : 1488, 1623, 1890, 2136, 2278 and 2580 Increase in the Minimum Hourly Rate

Greetings,

My name is Gwendolyn Purdy. I am the Vice President of Island Princess in Honolulu. We own a candy factory in Honolulu and a Macadamia orchard in Hilo. We employ over 150 employees. Please allow me a moment to contribute some thoughts on the bills referenced above being considered by your committees on February 11, 2014.

Undoubtedly, you have already surmised that I intend to discourage this committee from moving forward on any of these bills. Any one of them would make extra-ordinarily difficult demands on businesses that are still struggling in the current economic theater. The proposed raise in minimum wage will cheapen the hard work and commitment of hourly employees who have lifted themselves from minimum wage to compensation in the range proposed by these bills. All the bills discourage employment growth in the state. While mandated compensation increases at this magnitude will likely benefit some, it will just as easily damage others.

Marginal workers, whose performance at \$7.25 per hour is adequate, will probably find themselves unemployed at the higher levels being proposed. This is simply because if they were worth higher pay per hour, most companies would be compensating them at that level. Unemployed workers and young people with no experience looking to get into the work force will find companies reluctant to expand their ranks due to the additional costs. Workers who have loyally toiled for some time to reach higher pay levels will suddenly find themselves, once again, at the bottom of the wage scale, working next to new hires that the company must, by law, pay this same wage.

Please don't fool yourself into thinking that businesses are going to or can afford to just give their entire staff a raise simply because the state legislature has determined our current minimum wage is "unfair to the work force".

The costs to businesses from these proposed changes would be devastating. An increase of \$3 per hour in minimum wage for one full-time employee is \$6,240 a year. A company with 20 workers paid at minimum wage would have a \$124,000 increase in payroll for those workers alone. This is for the wages but the other payroll costs would go up as well. SUTA, FUTA, TDI, Workers Comp, FICA, etc.

A Division of Purdyco Ltd.

Corporate Office:
2846 Ualena Street
Honolulu, Hawaii 96819-1910
Phone: (808) 839-5222
Fax: (808) 836-2019
e-mail: info@islandprincesshawaii.com
Website : www.IslandPrincessHawaii.com

Kea'au Location:
16-261 Shipman Rd.
Kea'au, HI 96749
Phone : 808-966-7451
Fax : 808-966-8507

My experience tells me this will result in workers that will not be hired and workers that will be let go. I would also think many companies will throw their hands up and shut their doors. I'm sure it will discourage any new businesses from coming to or starting up in Hawaii.

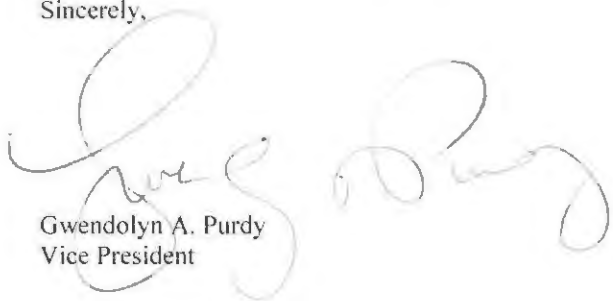
Minimum Wage Earners Tend to Be Young - The Department of Labor and Industrial Relations has argued that 85% of minimum wage earners are 21 and older. According to the Bureau of Labor Statistics ("BLS"), however, 50% of all minimum wage earners are 24 years of age or younger. Therefore, the argument that minimum wage earners are individuals who need to provide financially for their families appears to be somewhat of a misconception. In addition, the minimum wage is not meant to be a *living wage*; it is an entry level wage for workers without any particular skills or experience.

Half of Minimum Wage Earners are Tipped Employees - In addition, the BLS data also indicates that about half of minimum wage earners are tipped employees, meaning that they are already making over the minimum wage due to tips they receive.

In an economic environment that has our representatives ostensibly encouraging job creation, these measures are undeniably inconsistent with that objective.

I will tell you that we are still hiring people on a regular basis at \$7.25 per hour and receive thanks from them for the opportunity we give them. And, what is more, we continue to give wage increases for productivity, skills development and seniority. Not a single soul, hired at Island Princess at minimum wage last year who has passed their probation, is still making minimum wage. We call this personal growth. The process empowers people and makes them strong.

Sincerely,



Gwendolyn A. Purdy
Vice President

A Division of Purdyco Ltd.

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2846 Ualena Street
Honolulu, Hawaii 96819-1910
Phone: (808) 839-5222
Fax: (808) 836-2019
e-mail: info@islandprincesshawaii.com
Website : www.IslandPrincessHawaii.com

Kea'au Location:
16-261 Shipman Rd.
Kea'au, HI 96749
Phone : 808-966-7451
Fax : 808-966-8507



LEILANI'S

On the Beach

To: Representative Nakashima, Chair
Representative Yamashita, Vice Chair
House Committee on Labor & Public Employment

From: Jason Donez
General Manager

Hearing Date: February 11, 2014, 9am

RE: HB1488, HB1623, HB1890, HB2136, HB2278, HB2580
Relating to Minimum Wage

We support the intent to increase wages for low wage earners. However, due to the industry of which we have chosen to operate a business, we request the following amendment: A minimum wage increase with a corresponding increases to the max tip credit. An increase in the max tip credit would continue to enable restaurants the ability to raise pay for non-tipped employees, thus creating more equality in wages.

The State of Hawaii currently has the lowest tip credit of any state with an allowed maximum tip credit at .25, well below the FLSA max credit limit of \$5.12. The next lowest tip credit is \$1.60 for the State of New York with the max tip credit for food service employees in this state at \$2.25.

In addition, Hawaii's minimum cash wage is also the highest of any state with an allowed maximum tip credit at \$7.00, well above the FLSA minimum limit of \$2.13. The next highest state is Connecticut at \$5.69 with the exception of only bartenders in this state which earn \$7.31 after the max tip credit is applied.

Leilani's on the Beach employs 195 Maui residents. Approximately 150 work in the front of the house, making \$7.25 minimum wage less tip credit of .25 an hour plus tips. With tips, their average was \$22.67 an hour. The most entry level front of house employee averaged \$15.14 an hour!

Conversely, our non-supervisory Kitchen employees average \$13.87 an hour with none of them working at the minimum wage. The proposed increase would not increase their wages and in fact would most likely lower them over time. Restaurants will be hard pressed to continue to raise the rates of their back of the house/kitchen staff. Also, wages for potential new hires may be reduced, resulting in greater challenges to staff these positions.

We feel this has the opposite effect of the intent of this bill and will provide a wage increase to the wrong group of employees. An increase in minimum wage, along with an increase in the maximum tip credit (Hawaii would still exceed the minimum and maximum requirements of the FLSA in these areas) means restaurants can continue to increase wages over time for their non-tipped employees who would benefit the most.

Thank you for your efforts.

TO: Senate Committee on Judiciary and Labor

FROM: Mr. Orrin Cross – General Manager @ Hula Grill

**RE: HB1488, HB1623, HB1890, HB2136, HB2278, HB2580
Relating to Minimum Wage (Increase the Tip Credit)**

Aloha,

I am writing this letter in support of the February 11, 2014 hearing to increase the minimum for low wage earners. An amendment to the bill has to be attached so the intentions of the bill will not be diluted. I am in favor of the bill but with an increased tip credit attached.

Each year brings new challenges to the business climate. Rising cost of goods, fuel prices and health care make the business environment difficult to survive. Labor with benefits represent 35% of the money we take in. Restaurants run on small profit margins that are easily pushed into the red.

The Hula Grill employs approximately 200 employees. Of those employees, about 120 are currently making \$7.00 per hour with a .25 an hour tip credit. Their wages average from a low of \$18.47 up to a high of \$34.72. Your intentions are not to give this pay group a raise!

Our kitchen and maintenance staff currently averages \$14.05 per hour. When the increase of minimum wage goes through, it will affect this group of employees negatively. Not only will they not receive a raise from the increase, we will be forced to pay the servers, bus staff etc. more, taking away future money that would be available for increases.

Please consider the negative impact this will put on all Hawaii restaurants. We are a huge source of income for the state but need to make a profit to continue to contribute. Thank you for your time and consideration.

PLEASE ADD AN AMENDMENT TO THE BILL

Thank You,

**Orrin Cross
Hula Grill
2435 Kaanapali Parkway
Lahaina, HI 96761**



To: Representative Nakashima, Chair
Representative Yamashita, Vice Chair

From: Dylan Ching
General Manager

Hearing Date: February 11, 2014, 9am

RE: HB1488, HB1623, HB1890, HB2136, HB2278, HB2580
RELATING TO MINIMUM WAGE (**KEEP THE TIP CREDIT**)

We are in support of the intent to increase wages for low wage earners but request a minimum wage increase that correspondingly increases the tip credit. An increase in the tip credit will enable restaurants to raise pay for non-tipped employees creating more equity in wages.

Duke's Waikiki has approximately 325 employees. We use the tip credit and can report that our front of house employees in 2013 averaged 3 times minimum wage with their tip income. The average hourly wage with tips was \$21.76.

If the minimum wage is increased \$1 and the tip credit is eliminated, it is estimated it will cost our restaurant \$250,000 in one year! This expense will immediately cause us to increase our menu prices which will lead to a higher check amount, and increased tips for our front of house employees'.

Conversely, we consider our low wage earners to be our Kitchen employees who do not receive tips. They average \$12.45 an hour. The increase in minimum wage will not increase our kitchen employees' wages and in fact it may lower them because we will be hard pressed to continue to raise the rates of our back of the house support staff.

We feel this is has the opposite effect of the intent of this bill.

Creating Equity: If minimum wage is increased, correspondingly increase the tip credit. This way, restaurants can increase wages for the non-tipped employees who would benefit the most.

Thank you for your support.

DUKE'S CANOE CLUB WAIKIKI
RESTAURANT AND BAREFOOT BAR
2335 Kalakaua Avenue, Suite 116, Honolulu, HI 96815



To: House Committee on Labor & Public Employment
From: Shaughn Helliar
General Manager
Hearing: February 11, 2014, 9am
RE: HB1488, HB1623, HB1890, HB2136, HB2278, HB2580
Relating to Minimum Wage

Duke's Beach House Maui is in support of the intent to increase wages for lower wage earners; however we do request the following amendments.

A minimum wage increase that congruently increases the tip credit by the same value, as an increase in the tip credit will enable it affordable for restaurants to increase pay rates for non-tipped employees creating greater equality in wages.

Duke's Maui, has approximately 180 employees. 135 work in the front of the house, with more that 95% making \$7.25 minimum wage less tip credit of .25 an hour plus tips. Their average hourly wage with tips in 2013 was \$23.05. This average goes up annually as our menu prices increase.

Conversely, our non-supervisory Kitchen employees average \$15.06 an hour. We value our Kitchen employees and all earn greater than the current minimum wage, however not comparable to those employees that earn wage + tips.

Any increase in minimum wages for tipped employees which are 2/3rds of our staff will, needless to say reduce any chance of any further in-house wage increases for the non-tipped kitchen employees. Possibly even create a reduction in new employee starting rates.

We feel this is has the opposite effect of the intent of this bill.

Without a corresponding change in the tip credit, we will be giving an increase to the wrong group of employees. If minimum wage is increased, correspondingly increase the tip credit. This way, restaurants can increase wages for the non-tipped employees who would benefit the most.

Thank you for your efforts.

Dukes Beach House Maui Management.

DUKE'S BEACH HOUSE MAUI
130 Kai Malina Parkway, Lahaina, 96761



To: House Committee on Labor & Public Employment
Representative Nakashima, Chair
Representative Yamashita, Vice Chair

From: Jaime Arreola
Regional Manager Kauai

Hearing Date: February 11, 2014, 9am

RE: HB1488, HB1623, HB1890, HB2136, HB2278, HB2580
Relating to Minimum Wage (**KEEP TIP CREDIT**)

We support the proposal to increase the existing minimum \$7.25 hourly rate, however request the following amendment to be incorporated; a minimum wage increase that correspondingly increases the tip credit. An increase in the tip credit will enable restaurants to raise pay for non-tipped employees creating more equity in wages.

Duke's Canoe Club Kauai has approximately 140 employees. Approximately 100 work in the front of the house, more than 71% making \$7.25 minimum wage less tip credit of .25 an hour plus tips. Their average hourly wage with tips was \$22.14 last year.

Conversely, our non-supervisory back of the house support staff which consists primarily of our Kitchen employees average \$14.15 an hour; none of whom are at minimum wage. Unfortunately, this minimum wage increase will not increase their current wages but may in fact hinder future pay increases due to monetary fund's being subsidized towards the tipped employees. We feel this has the opposite effect of the intent of this bill.

I've spoken with many smaller local restaurants on the island of Kauai who have similar concerns. When asked for more specifics to include with my testimony they estimate their tipped employees make minimum \$14 an hour in tips up to \$30 an hour in tips. That does not include their hourly wage. These same restaurants pay \$9-\$16 an hour for Kitchen employees.

Without a corresponding change in the tip credit, we will be giving an increase towards the wrong group of employees.

Creating Equity:

If minimum wage is increased; correspondingly increase the tip credit. This way, the restaurant industry can increase wages for the non-tipped employees who would benefit the most.

Mahalo for your support.

DUKE'S CANOE CLUB KAUAI
RESTAURANT AND BAREFOOT BAR
3610 RICE STREET, LIHUE, HAWAII 96766

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 06, 2014 1:08 PM
To: LABtestimony
Cc: krissi@hukilaulanai.biz
Subject: Submitted testimony for HB1623 on Feb 11, 2014 09:00AM

HB1623

Submitted on: 2/6/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
kristine miller	Scratch LLC dba Hukilau Lanai Restaurant	Oppose	No

Comments: Directly tipped and indirectly tipped employees at our restaurant already make \$12-\$25 per hour including minimum wage and tips. This should be taken into consideration when looking at minimum wage increases. The tip credit should be raised and not eliminated.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: Andrew A Chun <andrew_chun@ktasuperstores.com>
Sent: Friday, February 07, 2014 7:57 AM
To: LABtestimony
Subject: against minimum wage increase

I oppose any minimum wage increase as well as tying it to inflation. My position would be very similar to the Hawaii Employers Council (HEC) assessment on minimum wage. Basically the minimum wage is for those entering the work force who don't have the proper skills and knowledge. It is not a living wage. As employers, our ability to rank order our associates and compensate them appropriately allows us to be "fair" in the governance of our associates. By increasing the minimum wage, it will force us to treat our employees equally, not fairly.

Andrew Chun
57A Hoaka Road
Hilo, Hawaii 96720

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 10:32 PM
To: LABtestimony
Cc: alohabettylou@hotmail.com
Subject: Submitted testimony for HB1623 on Feb 11, 2014 09:00AM

HB1623

Submitted on: 2/9/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Betty Lou Larson	Individual	Comments Only	No

Comments: With the high cost of living in Hawaii, most workers at minimum wage are not young students. They are working people who need to make a living. Raising the minimum improves the economy since workers will usually spend any increase in their income. So this money goes right back into the economy and helps strengthen other businesses. I urge you to: 1) Raise the minimum wage to at least \$10.10/hour. 2) Put NO tip credit into the bill. My tip is for their services, NOT so their employer can pay them less. 3) Include an automatic annual increase, based on the consumer price index. Thank you for listening to the plight of the poor.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

Testimony to the House Committee on Labor & Public Employment
State Capitol, Conf. Room 309 at 9am
February 11, 2014

**RE: OPPOSING BILLS TO INCREASE THE MINIMUM WAGE
(AS CURRENTLY WRITTEN)**

Dear Chair Nakashima, Vice Chair Yamashita, and Committee Members:

The Maui Chamber of Commerce on behalf of our membership is asking that you oppose all of the bills before you today that seek to increase the minimum wage as they are currently written, particularly the measure to increase the minimum wage to \$2.75 per hour on January 1, 2015 to \$10.00 per hour and the bill that attempts to tie an increase to the Consumer Price Index. We adamantly OPPOSE both of these measures as they are flat out harmful and will have many unintended consequences.

Close to 90% of our members are small businesses with 25 or fewer employees. While the economy is picking up, many are still operating with fewer employees than before and are struggling to keep up with rising costs that are beyond their control, especially with rising health care costs. They need an environment where they can stabilize their business, then grow and thrive. Raising the minimum wage right now will not help them do that. It will inflate many of their costs, starting with those in that pay category, and beyond. It does not increase productivity or add to the bottom line. In fact, it takes away from the bottom line and reduces money available for increases to workers who are making a measurable difference and growing the business.

Minimum wage increases cause a wage compression, squeezing or eliminating the gap between the wage of new hires and those who have been with a company a while, requiring employers to look at their pay structures across the board to be fair and equitable to all employees. According to the Chamber of Commerce of Hawaii, this could increase the cost of a business' labor by almost 30% in a span of 2 years (depending on the proposal). That, combined with other costs beyond their control, elevates costs to a rate that outpaces gains. It is not sustainable and threatens to put businesses out of business.

A fair amount of our members pay higher than the minimum wage now, but would still be hurt by it because the boost is subjective and creates wage increase expectations for all workers. Since it is not based on merit, why should some versus all, particularly those who have been employed with the business over time and working hard to help it succeed, not get an additional raise if new hires do.

But it doesn't stop there. Increasing the minimum wage, hikes all other related worker costs tied to wage, such as workers' compensation, Social Security tax, Medicare tax, temporary disability insurance, and unemployment insurance tax. This further adds to the already high cost of doing business in Hawaii. And, businesses are already challenged with other increasing costs, such as health care (particularly with the age banding), rising insurance and gas prices, etc. They are getting hit on many different levels. This will equate to another blow for those who pay minimum wage and those who don't but needed to amend their pay structures as a result of legislation.

We adamantly oppose tying future minimum wage increases to the Consumer Price Index because automatic increases takes away the opportunity to consider economic realities and hear business concerns on the matter moving forward. We believe that it will not achieve the stated expectations and will instead set the stage for economic hardships and job losses.

The minimum wage was never meant to be a living wage. It is a starting point for unskilled workers and businesses bringing in "unskilled workers" make huge investments in training those employees to give them skills, which they sometimes take elsewhere. Arbitrarily raising the minimum wage can decrease the incentive and/or desire for upward mobility to achieve higher wages and contribute to stagnant growth. Additionally, these measures could significantly hurt unskilled workers, those that often need jobs the most, as they may be bypassed for more skilled labor when the price differential is compressed.

Ultimately, we feel the negative impacts of this measure on businesses and our economy have not been adequately weighed. We feel more details are needed for better discussion, including:

- What percentage of overall workers are we talking about?
- Will it help to create new jobs or eliminate jobs?
- Will it contribute to further outsourcing to other countries?
- What is the average increase that businesses who pay minimum wage are likely to be hit with?
- What percentage of these businesses are small businesses?
- How will it impact businesses overall?
- Can significant economic gains be demonstrated to offset the cost?
- What will the impact be on internships and unskilled labor?
- Given our low unemployment, how much of a need is this right now?
- What will it do to the cost of goods and services in Hawaii?

We cannot continue to make decisions in a vacuum, absent the impact on businesses and the economy. Please take the time to get needed facts before moving these measures forward.

We, therefore, ask that you oppose these bills as written as they are detrimental to businesses in Hawaii and would pass higher costs onto consumers, hitting all families here. We are looking for better measures that include a solid understanding of what businesses are facing and are happy to work with you on winning solutions.

Please contact me if I can answer any questions, provide you with additional information on what small businesses are up against, or help.

Sincerely,



Pamela Tumpap
President

Testimony of Simone Terstegge
IN SUPPORT OF HB 1623; RELATING TO WAGES
February 10, 2014

LATE

I support HB 1623, which amends the previous statute so that the minimum wage will be raised to \$10.00 an hour at the start of 2015.

As a student at the University of Hawaii at Manoa, and a resident of Hawaii, which has the highest cost of living in the country, I have found that the current minimum wage of \$7.25 per hour is scarcely enough to pay for food and shelter. As a result, I find myself dependent on loans in order to cover the cost of tuition as well as some of the cost of housing. If I, a student with limited expenses am struggling, I am sure that families who depend on what they earn working minimum wage jobs are struggling far more.

Therefore, I urge the committees to support HB 1623. Thank you for the opportunity to submit testimony.



02/09/14

House Committee on Labor and Public Employment
Chairman Mark M Nakashima
Vice Chair Kyle T Yamashita
Committee Members:

I am in opposition to HB1488 as it increases minimum wage to quickly and does not increase the Tip Credit.

I am not opposed to modest increases in the minimum wage over time.

However, not increasing the Tip Credit is actually counter productive to increasing the wages of the lowest paid workers in Hawaii's largest private sector employer, the hospitality industry.

Tipped employees earning 2 to 5 times the minimum wage in tips do not need minimum wage protection. They already earn well above what many consider a "living wage".

Mandating restaurateurs to increase the wage they pay their tipped employees significantly reduces their ability to increase the wages of their other un-tipped workers being paid above the minimum wage, but not nearly as much as the tipped employees. This creates a huge wage disparity between the service staff and the production staff.

The lack of a meaningful tip credit puts undue pressure on restaurateurs to keep kitchen wages low. Please enact meaningful tip credit and help us pay our kitchen workers more. We want to.

I suggest changing the tip credit from 25 cents to 25% of hour tip income claimed by the employee, but the employer not paying less than \$5 per hour.

Under this formula, an employee claiming \$20 per hour in tips would be subject to a \$5 tip credit. However, since the employer cannot pay the employee less than \$5 per hour, the employee would be making \$25 in total wages and tips.

I would hope that the committee members and others would recognize the restaurant industry for providing so many above "living wage" employment opportunities that do not require a college education and can be filled by single



moms and others as part time second jobs.

So many of our kitchen workers earning above the minimum wage could benefit from wage increases too if restaurateurs were able to get credit for the highly compensated tipped positions they create.

Note: Federal labor laws prohibit employer mandated tip pools that include kitchen staff.

It may seem counter intuitive, but increasing the Tip Credit will help increase the wages of the lowest paid restaurant workers. Please believe me. Not increasing the Tip Credit will have the unintended consequences of continued pressure to keep kitchen worker wages down.

Key Points:

- The "not less than \$5 per hour" provision could be any amount equal to or less than the current \$7 "Cash Wage".
- A tip credit based on tips claimed as income is fair across a variety of restaurants and across industries (taxi driver, nail & beauty salon workers, valets, bellman, others)
- Consistent with current law it is the responsibility of the employer to justify the tip credit with accurate payroll and tip report records.
- Servers tip income is generally 2 to 5 times the minimum wage and their tip income increases when menu prices increase.
- Increases in the minimum wage are intended to provide additional income for those earning the lowest wages.
- Demographically servers tend to be younger than kitchen workers with fewer dependents.
- Continued increases in tipped employee's minimum wage actually jeopardizes those jobs which can be minimized with digital ordering systems.
- Hawaii's restaurants should be encouraged to create more server jobs, not less.

Sincerely,

Thomas H Jones

President
REI Food Service, LLC
d.b.a. Gyotaku Japanese Restaurants

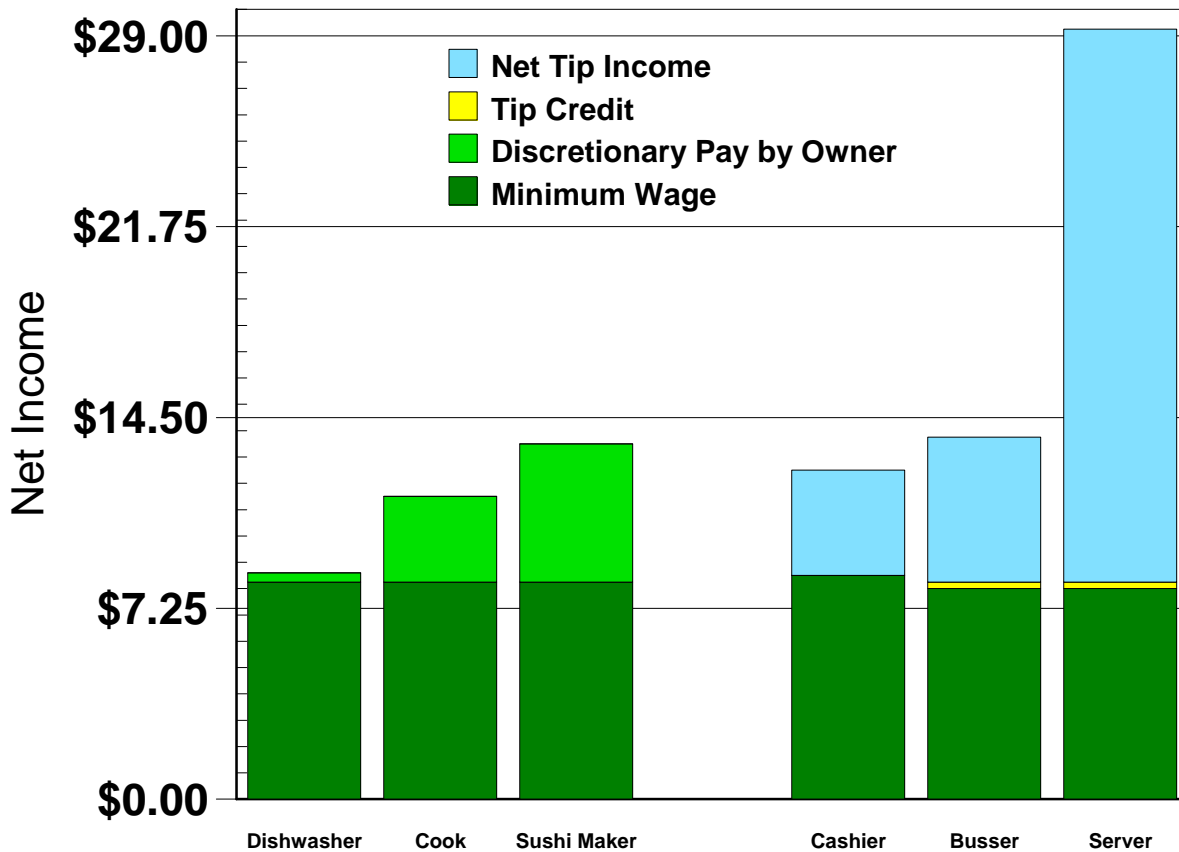
Tip Credit Data

At Gyotaku Restaurants Servers earn on average about \$34 per hour in tips and share some of those tips with other Front of the House staff (Bussers and Hosts). Their net tip income is about \$22 per hour on average. That combined with their Cash Wage (Minimum Wage less 25 cent Tip Credit) of \$7, results in net hourly income of about \$29.

An increase in the Minimum Wage without an increase in the Tip Credit will result in immediate increase in Server and Busser wages. An will not result in automatic increases for the kitchen staff. In fact, the amount paid to tipped employees will decrease every restaurateur's ability to continue to pay wages several dollars over minimum wage. In our restaurants there are 1.3 Server and Busser hours worked for every 1 hour worked in the kitchen.

Wage & Tip Income Analysis

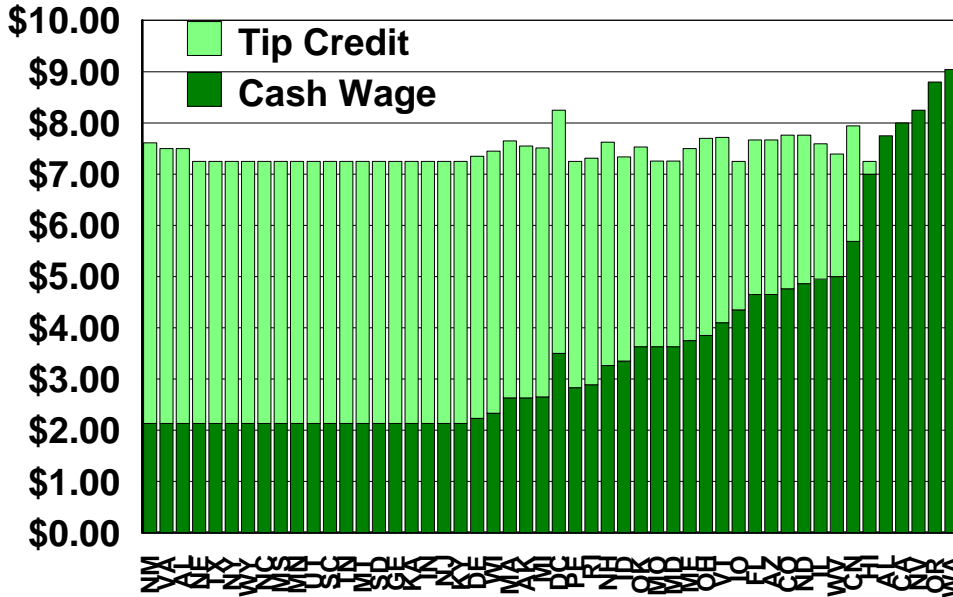
Gyotaku Japanese Restaurants
December 2013



Prepared by Gyotaku Japanese Restaurants

Tip Credit Data

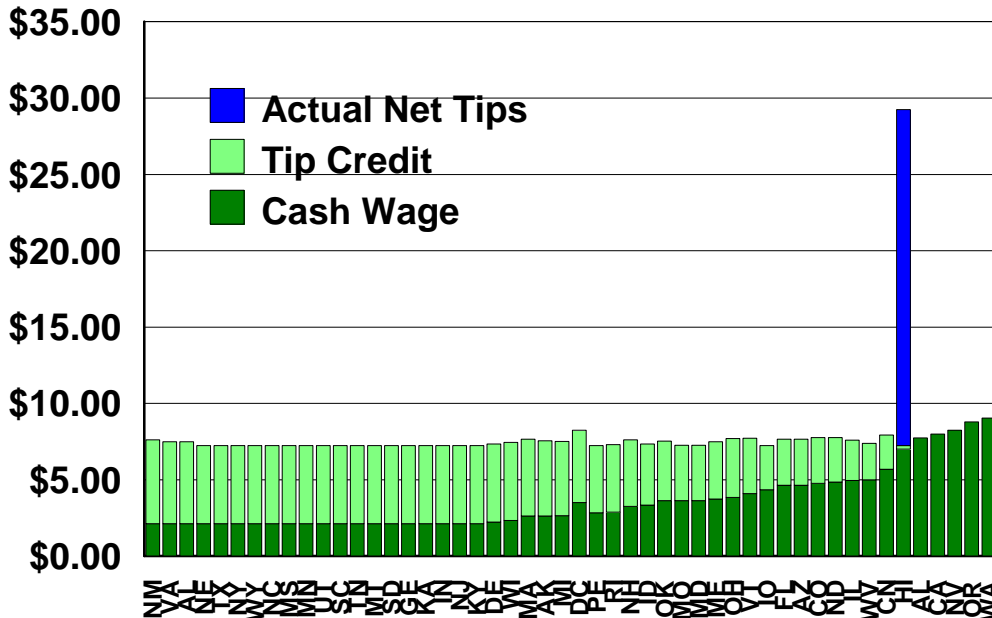
Tip Credit By State Ranked Highest Tip Credit To Lowest



ABOVE: 42 States have Tip Credits on over \$2 per hour. 24 are over \$5.

BELOW: You see our servers tip income on top of the Min Wage & Tips Credit relative to all 50 state min wage and tip credit.

Tip Credit By State Ranked Highest Tip Credit To Lowest



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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Commenting on Minimum Wage Bills:
HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, and HB 2580
House Committee on Labor & Public
Scheduled for Hearing Tuesday, February 11, 2014, 9:00 AM, Room 309

Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.

Thank you for the opportunity to comment on the various House bills relating to minimum wage scheduled for this hearing. We strongly support amending legislation on minimum wage to raise the minimum wage to **\$10.10, repeal the tip credit**, and automatically **adjust the minimum wage for increases in the Consumer Price Index**.

Our minimum wage workers work hard at jobs that are essential to our economy, but they haven't seen a raise going into eight years, while the average weekly income of all workers has grown 16% during this time. We should be sharing our state's prosperity with our minimum wage workers. Raising the wage makes sense: a growing body of research has established that raising the minimum wage does not decrease jobs (as evidenced by Hawai'i's own experience), but that it does reduce poverty and stimulate the economy. We also know that minimum wage workers do not fit the stereotype of a teenager working part-time: 85% of Hawai'i's minimum wage workers are over the age of 21, and 84% of them work at least 20 hours a week, with 30% working over 35 hours.

Hawai'i has the highest cost of living in the nation, at almost 60 percent of the national average, yet our minimum wage of \$7.25 is as low as the federal level. Meanwhile, we are the eighth poorest state in the country. It's virtually impossible for a single person to survive working full-time on minimum wage (*see chart on p. 2*), yet alone a family with children: a household with one minimum wage worker and one child falls 16% below the federal poverty guidelines. As a result, public expenditures must subsidize these low wages so families can make ends meet. But a minimum wage of \$10.10 would lift this same family out of poverty and closer to financial stability. The impact of poverty on children's education, health, and overall well-being is clear, and thousands of Hawai'i's low-income workers who would be affected by an increase in the wage to \$10.10 contribute substantially to the household's income.

In addition to raising the wage to \$10.10, we respectfully urge you to **repeal the tip credit**. Doing so would allow workers to keep all of the gratuities that they have earned for their service. Customers' appreciation of quality service should go to the worker who provided this service, not to subsidize the employer's ability to pay below the minimum wage. Seven states have recognized this system is unfair and that workers should keep what they earn. Moreover, tipped workers are often not highly paid, with the average wages for a server below those of a cook. And as a matter of principle, there is no reason to begrudge hard-working tipped employees who are fortunate to earn closer to a living wage.

In order to ensure that our workers do not again lose ground, we urge you to maintain the buying power of minimum wage workers by **tying future increases in the wage to the Consumer Price Index**. This will also spare the legislature from having to regularly revisit the minimum wage—and from workers going years without a raise, as they have for almost the last eight years.

We can do better—and we must. It's time to raise the minimum wage so that our workers receive a fair day's pay for a fair day's work. Again, thank you for the opportunity to comment on these bills and propose an increase of the minimum wage to **\$10.10, elimination of the tip credit**, and indexing **future increases to the CPI**.

Monthly Budget

What's it like to survive on minimum wage alone in Hawai'i?
 Answer: you can't. Here's a sample budget for the minimum expenses of a single individual in Hawai'i:

Monthly Net Income

Income.....\$1160

(40 hours a week, minimum wage)

Monthly Expenses

Rent (Studio Apartment).....\$1,159

Transportation (bus pass).....\$60

Health Insurance.....\$17

Cable/Phone.....\$38

Electric.....\$70

Food.....\$288

Other.....\$0

Monthly Expenses Total.....\$1632

Monthly Spending Money.....-\$472

(Monthly Net Income minus Monthly Expenses Total)

Daily Spending Money Goal.....-\$16

(Must work an additional 16.3 hours per week to cover minimum expenses.)

**Does not include savings, child care, clothing, internet or any other necessities*

Without food: expenses \$1344; monthly spending money -\$184

Hawai'i's Workers Can't Survive on Minimum Wage

Rental housing: According to the National Low Income Housing Coalition, fair market rent for a studio in Hawai'i is \$1,159. A one-bedroom runs \$1,278.

Transportation: A monthly pass for The Bus is \$60. The cost of owning a car in Hawai'i is considered the highest in the nation. Meanwhile, gas prices are continually the highest in the country and not included in the budget.

Health insurance: The Hawaii Prepaid Health Care Act has helped make sure that employees working over 20 hrs./week can afford health care. For single coverage, an employer must pay at least half of the premium cost, and the worker's contribution cannot exceed 1.5% of monthly gross wages.

Cable and phone: Oceanic offers basic cable and a land line for \$38. Low-speed internet is another \$25, and a very basic cell phone plan would tack on about \$35.

Electricity: Electricity costs are consistently the highest in the country. For a household of one, we estimate a bill of approximately \$70 per month.

Food: Food will cost a single adult in Hawai'i approximately \$293 per month based on the Thrifty Food Plan. This is the USDA's standard for a nutritious diet at a minimal cost and is used as the basis for SNAP benefits.

Savings and asset building: Almost 15% of families in Hawai'i are considered asset poor, meaning that they do not have sufficient net worth to survive three months at the poverty level in the absence of other income. Total net worth includes not only cash and savings, but also "durable assets," such as a home, car, or business, that would need to be liquidated to cover everyday needs. When only cash or other monetary assets are considered, 30% of Hawai'i's households do not have enough to live at the poverty level for three months without any other income.



House of Representatives
Twenty-Seventh Legislature, 2014
State of Hawai'i

TO: Honorable Mark N. Nakashima, Chair
Honorable Kyle T. Yamashita, Vice Chair
Members of the Committee on Labor & Public Employment

DATE: Tuesday, February 11, 2014
TIME: 9:00 a.m.
PLACE: Conference Room 309
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

FROM: National Federation of Independent Business (NFIB) Hawai'i

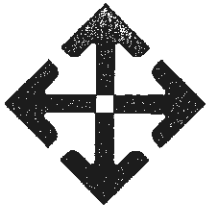
RE: HOUSE BILL 1488, RELATING TO THE WAGE AND HOUR LAW

Chair Nakashima, Vice Chair Yamashita, and members of the Committee,

Thank you for the opportunity to testify in opposition of HB 1488. NFIB Hawai'i respectfully **opposes** this measure.

Mandatory wage increases hurt not only small businesses, but their employees as well. Most minimum-wage jobs are offered by small businesses. The overwhelming majority of economists continue to affirm the negative impact of mandatory wage increases on jobs. Mandatory minimum-wage increases end up reducing employment levels for those people with the lowest skills.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.



The Hawaii Business League

1188 Bishop St., Ste. 1003, Honolulu, Hawaii 96813

Phone: (808) 533-6819 Facsimile: (808) 533-2739

February 11, 2014

Testimony To: House Committee on Labor & Public Employment
Representative Mark M. Nakashima, Chair

Presented By: Tim Lyons
President

Subject: H.B. 1488 - RELATING TO THE WAGE AND HOUR LAW.
H.B. 1623 - RELATING TO WAGES.
H.B. 1890 - RELATING TO LABOR
H.B. 2136 - RELATING TO MINIMUM HOURLY WAGE.
H.B. 2278 - RELATING TO MINIMUM HOURLY WAGE.
H.B. 2580 - RELATING TO LABOR.

Chair Nakashima and Members of the Committee:

I am Tim Lyons, President of the Hawaii Business League, a small business organization. We are in opposition to these bills.

For some reason it seems difficult to get across the concept that when there is only so much of the pie to cut into wages, pension, health benefits, annuity benefits, sick leave, holiday pay, etc. that by dictating how much the employer will pay in one area, automatically means an decrease in other areas.

We understand the problem of some individuals feeling that they are not making enough money and, in a lot of cases, employers that are forced to pay minimum wage also feel they do not make enough money. The problem is exacerbated since the employee sees their net pay, after all the taxes have been deducted. What the

employer sees however is the gross cost which includes workers' compensation premiums, temporary disability insurance premiums and unemployment insurance taxes, all of which are based on how much the employee makes. As an example, on a \$1.00 paycheck the employer sees \$1.45(e) in costs; the employee perhaps only gets a \$0.67(e) pay check. Any increase in wages automatically calls for a corresponding increase in fringe benefits costs however because of the tax rates the employee only sees a very small increase in their net pay check.

We also find it very difficult to compare our employee's pay rates with employees from other states. Employers in other state don't have the costs of the Hawaii Pre Paid Health Care Act to deal with, a cost that can add another \$300 to \$1200 cost factor to each employee, per month. Most also do not have temporary disability insurance costs for off the job injuries to deal with. Factor those costs alone in and our full time employees are getting around another \$2.00, plus per hour on top of the minimum wage.

There is no doubt that those supporting this bill will feel like they should make more money and we do not disagree with that. However, given today's realities for most small businesses there is no extra money for companies to pay more wages and what you will do is cause the demise of individual positions so that existing employees can be paid a higher rate.

It has already been reported that there are some allegations that because of the mandatory health insurance law, some employers have converted their full time employees to part-time employees because of the cost of health insurance. This is not a cruelty act on the part of the employer but it is life in the real world. If you can only afford to pay "X" amount of dollars however, they are eaten up through wages or through fringe benefits then, it automatically means action one of two ways: 1) the price of the goods offered goes up causing the rest of the consumers that purchase goods and services from the business to pay more or, 2) the employer cuts back on the number of people he has to pay all of these mandates to. Either way, we believe the people of this State lose.

We also find it quizzical that part of the reason, we are told, to increase the minimum wage is that the wage earners will immediately infuse their dollars into the economy. That may be true but even the Department of Labor noted in their 2011 testimony on this subject that only 1.7% of the workforce in the first six (6) months of 2010 were earning minimum wage. An infusion of that nature won't even make the meter move.

Lastly, we object to any bill that uses the CPI and having some automatic, mathematical formula dictate the wage amounts. Wages should have some relationship to abilities and effort. Again, an automatic increase in wages may mean an automatic decrease in other benefits, something that should be considered on an individual employee basis.

Thank you.



HAWAII CATHOLIC CONFERENCE
6301 Pali Highway
Kaneohe, HI 96744-5224

Submitted: Online
Hearing on: Tuesday, February 11, 2014 @ 9:00 am
Conference Room: 309

DATE: February 8, 2014
TO: House Committee on Labor & Public Employment
Rep. Mark Nakashima, Chair
Rep. Kyle Yamashita, Vice Chair
From: Walter Yoshimitsu, Executive Director
Re: Support for HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, HB 2580 Relating to Minimum Wage

Mahalo for the opportunity to provide written testimony in support of these measures. I am Walter Yoshimitsu, representing the Hawaii Catholic Conference. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in the State of Hawaii under the leadership of Bishop Larry Silva. We strongly urge the Committee to support an increase to the minimum wage in Hawaii. **We believe such an increase is consistent with the tenets of Catholic social teaching on the dignity of workers, the needs of low-income wage earners in our state, and the principles that have driven welfare reform at both the state and federal levels.**

For over a century, the Catholic Church has addressed the rights of workers in modern industrial societies in light of the principles of Catholic social teaching. A number of these principles are relevant to a discussion over the minimum wage and I offer them for thought.

The Dignity of Workers.

Ultimately, the value of work is grounded in the dignity of the human beings who toil in various workplaces across our great state. Every life has value and every worker has dignity. Wages are a critical way by which we recognize that dignity.

Rights and Responsibilities.

Our rights are grounded in our own personal responsibility as well as to those in our community. Each of us has the twin responsibility of developing our own God given skills to its fullest and being able to provide for the needs of our families. This is why Catholic social teaching has long defined a just wage in terms of a "family wage," or that which is necessary to meet the needs of a family.

Strengthening the Family.

Many of these working people are parents. In this context, raising the minimum wage is one way to strengthen the families of Hawaii. We strongly believe that an increase in the minimum wage is a matter of fairness and justice, and we hope it can be addressed as soon as possible so that it will benefit the people in Hawaii that need it most.

In light of these considerations, raising the state minimum wage is good public policy and we encourage you pass legislation that would do.

Mahalo for the opportunity to testify.



Hearing Date: February 11, 2014, 9am

To The Members of the House Committee on Labor & Public Employment,

I'm writing to you, in my capacity as the General Manager/ Partner of Keoki's Paradise (a restaurant located on the island of Kaua'i) in regards to Hawaii Bill Proposal HB1488, HB1623, HB1890, HB2136, HB2278, HB2580 RELATING TO MINIMUM WAGE. My management team and I are **in support of the intent** to increase wages for low wage earners, but, we would like to request the following amendment for your consideration: **a minimum wage increase that also increases the tip credit accordingly**. We ask this because we feel that a corresponding increase in the tip credit will enable restaurants (such as ours) to raise the rate of pay for non-tipped employees.

We have approximately 110 non-supervisory employees at Keoki's Paradise. Of these 110 employees, 70 of them (64%) work in the front of the house making the \$7.25 minimum wage less tip credit of \$0.25 an hour, plus tips. The average hourly wage for our front of the house employees in 2013 (with tips) was \$22.45.

On the other hand, our kitchen and maintenance staff make up the remaining 40 employees and averaged \$12.82 an hour in 2013. Without a corresponding tip credit to the proposed minimum wage increase it will be very difficult to continue to raise the wages for these employees whom would benefit most.

Thank you for your consideration.

Respectfully,

Derek Kessler
General Manager / Partner
Keoki's Paradise
2360 Kiahuna Plantation Drive
Koloa, HI 96746
808-742-7534
derek@keokis.com



February 11, 2014

TO: Representative Mark Nakashima, Chair
Representative Kyle Yamashita, Vice Chair and
Members of the Committee on Labor and Public Employment

FROM: Jeanne Y. Ohta, Co-Chair

RE: HB 1488 Relating to Wage and Hour Law
Hearing: Tuesday, February 11, 2014, 9:00 a.m., Room 309

POSITION: SUPPORT INCREASING MINIMUM WAGE

The Hawai'i State Democratic Women's Caucus writes in support of increasing Hawaii's minimum wage.

The minimum wage in Hawai'i has not been increased in almost 8 years. Hawai'i is the most expensive state to live in, yet 21 states and the District of Columbia have higher minimum wages. Hawai'i also has a higher cost of living, which makes it even more difficult for minimum wage workers to make ends meet and to support themselves and their families.

Raising the minimum wage is important to our families because 20% or 22,000 of Hawai'i's children under six live in low-income working families. Many claim that minimum wage earners are teenagers working for the summer or at part-time jobs; however, 85% of minimum wage earners are 21 and older and 84% of minimum wage earners work more than 20 hours a week and 30% work 35 or more hours a week.¹

Increasing the minimum wage is especially important for women, LGBT workers, and immigrants, who are more likely to be low-wage earners.²

Although this measure is silent on the matter of the tip credit, we strongly support its elimination. Restaurant servers, the largest group of tipped workers, experience poverty at nearly three times the rate of the workforce as a whole, and 70% of servers are women;³ 52% of non-tipped workers are men.⁴ Sub-minimum wages should not be allowed.

During the time that minimum wage earners have not seen a raise in their wages, the median pay of a CEO at a company in the Standard & Poor's 500-stock index rose by nearly 20 percent from 2011 to 2012, according to a report by the research firm GMI Ratings.

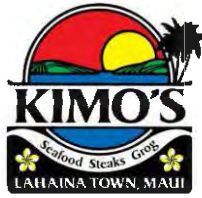
We urge the committee to pass a measure which increases the minimum wage so that employees may earn a fairer wage and become more able to provide for themselves and their families.

¹ U.S. Census Bureau, 2008-2012 American Community Survey

² U.S. Census Bureau, 2008-2012 American Community Survey

³ Bureau of Labor Statistics (BLS), U.S. DOL, from the Current Population Survey by the U.S. Census Bureau

⁴ Restaurant Opportunities Centers United, February 2012.



To: House Committee on Labor & Public Employment

From: Chris Almeroth
General Manager

RE: HB1488, HB1623, HB1890, HB2136, HB2278, HB2580 MINIMUM WAGE – TIP CREDIT
February 11, 2014, 9am

Kimo's Restaurant supports the proposed minimum wage increase. The concern for us, as an employer of both tipped and non-tipped employees, lies in the need for Hawaii to adjust the tip credit to correspond with the growing minimum wage and ultimately provide fair pay for all those employed at Kimo's Restaurant.

We currently employ 125 employees. Of that number, more than half are minimum waged employees that represent the "front of the house". They comprise our food servers, cocktail servers, bartenders and bussers. These positions are the most sought after, as well as, the positions that we have the least amount of turnover. In 2013 Kimo's tipped employees earning minimum wage less .25 tip credit averaged \$24.98 per hour (\$1.77 an hour more than 2012). Front of house employees income goes up as menu prices go up.

On the other hand, we have the portion of the staff who are non-tipped or the "back of the house"; the cooks, food preps and dishwashers. On average in 2013, these "back of the house" employees made \$13.86 per hour. In our community, we strive to stay competitive with our hourly wage for our staff that provides the support from behind the scenes. We feel all our employees are vital to operating a successful restaurant. However, with the minimum wage increase and the possibility of not increasing the tip credit, it will be these "back of the house" employees who will suffer.

It will be difficult to provide pay increases or highly competitive starting wages to our non-tipped employees without somehow balancing out the two very different but equally important groups that contribute to the staff at Kimo's Restaurant. We believe that an increase to Hawaii's tip credit is the answer...it will enable us as an employer to continue to provide fair wages to all.

Without a change to Hawaii's tip credit...we will create inequality in pay.



TO: HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
Representative Mark M. Nakashima, Chair
Representative Kyle T. Yamashita, Vice Chair

FROM: Richard Parry
President and Chief Executive Officer of Aloha Petroleum, Ltd.

HEARING DATE: Tuesday, February 11, 2014
DATE:
TIME: 9:00 a.m.
PLACE: Conference Room 229, State Capitol

RE: Testimony in Opposition to the House Bills Relating to the Wage and Hour Law and the Minimum Hourly Wage

Chair Nakashima, Vice Chair Yamashita, and Members of the House Committee on Labor and Public Employment, I am Richard Parry, President and Chief Executive Officer of Aloha Petroleum, Ltd. ("Aloha Petroleum").

Aloha Petroleum submits this testimony in opposition to the following House Bills related to the Wage and Hour Law and the Minimum Hourly Wage (collectively, "House Bills"), which are before your Committee for a hearing:

1. House Bill 1488, Relating to the Wage and Hour Law;
2. House Bill 1623, Relating to Wages;
3. House Bill 1890, Relating to Labor;
4. House Bill 2136, Relating to Minimum Hourly Wage;
5. House Bill 2278, Relating to Minimum Hourly Wage; and
6. House Bill 2580, Relating to Labor.

While Aloha Petroleum is sympathetic to the intent of these House Bills, these bills will adversely impact our company as well as many small businesses and the overall economy in Hawaii.

Like many businesses that employ workers at or near the minimum wage, Aloha Petroleum's convenience stores provide an entry point to the work place for many people who do not have the training or experience to work elsewhere in higher paying jobs. This includes many unskilled women returning to the workforce, recent immigrants to the U.S., and others. While they are being paid at or near the minimum wage, these employees receive valuable training and benefits. In Aloha Petroleum's case, employees receive a formal 3-day training course upon hiring and regular



House Bills on Wage and Hour Law
and Minimum Hourly Wage
Hearing Date:
Feb. 11, 2014

continuing training thereafter. Employees also receive enhanced benefits and, upon completion of three months of work, a 25-cent per hour increase and additional periodic increases are given after that.

Aloha Petroleum currently employs over 500 employees and roughly 360 of those employees work at about 42 convenience stores statewide. While no Aloha Petroleum employees actually work at the minimum wage, all our convenience store employees would be affected by the proposed increase by what is known as “compressed wages” since their pay would also need to be increased to provide equity. As wages rise, so do the premiums for the cost of Social Security, Medicare premiums, unemployment compensation insurance, and worker’s compensation, as these required coverages are all based on the employee’s wages.

The minimum hour wage increases proposed in the House Bills will cause substantial financial burdens on the operations of locally run businesses like Aloha Petroleum. Aloha Petroleum estimates that the labor cost impact of the proposed minimum hourly wage increases on Aloha Petroleum alone will be more than \$300,000 in the first year if the minimum wage is increased by \$1.00 per hour starting July 1, 2014 as proposed under House Bill 1488 and could be over \$1.7 million per year if the minimum wage is immediately increased to \$10.00 per hour starting January 1, 2015 as proposed by House Bill 1623.

Cost increases of this magnitude leave us with 4 options. We can try to pass the costs on to customers through higher prices. We can hire fewer entry-level workers, or reduce the numerous benefits that are currently provided to employees. Or we can reduce profitability. All of these have negative consequences for our employees, for the company and for Hawaii as a whole.

For instance, Aloha Petroleum provides employees with temporary disability insurance at no charge. In addition to the medical insurance coverage required under Hawaii law, Aloha Petroleum provides employees with drug, vision, and dental insurance, which are not required by law, at only a 1.5% charge of their average monthly wage to the employees. Moreover, Aloha Petroleum provides its employees with paid sick leave, vacations, and holidays. To the detriment of the employees, these and many other benefits may have to be eliminated or downgraded if labor costs are increased for businesses as a result of increasing the minimum hourly wage.

Reducing Aloha Petroleum’s profitability substantially would threaten the company’s viability in the long run particularly in light of other ever increasing costs to meet the State’s regulations.

Testimony of
Aloha Petroleum, Ltd.



House Bills on Wage and Hour Law
and Minimum Hourly Wage
Hearing Date:
Feb. 11, 2014

The most likely option in these circumstances is to reduce the number of employees in our convenience stores. The economics of the convenience store industry in Hawaii do not support the type of wage increase proposed in this law. The large size of these increases and rapid implementation during a relatively short period will likely cause considerable disruption in the labor market, because it will not only be limited to entry level positions but will also likely have a ripple effect on most wages across the state, with a particularly hard impact on the state's small businesses.

For the above reasons, Aloha Petroleum opposes the House Bills relating to increasing the hourly minimum wage. Thank you for the opportunity to testify in opposition to these bills.

Food Pantry

February 10, 2014

House Committee on Labor and Public Employment
State of Hawaii
State Capitol
Honolulu, HI 96813

RE: HB 1488; HB 1623; HB 1890; HB 2136; HB 2278; HB 2580, RELATING TO MINIMUM WAGE

Chair Mark Nakashima, Vice Chair Kyle Yamashita and Members of the Committee:

My name is Andrew Kawano. I am the Executive Vice President for Food Pantry Ltd. We employ approximately 700 employees in over 50 stores statewide. I appreciate the opportunity to provide testimony, and respectfully convey my opposition to the House Bills 1488, 1623, 1890, 2136, 2278, 2580, relating to minimum wage.

These measures require an increase in the minimum wage ranging from \$.50 to \$2.75; effective as early as July 1, 2014 and each subsequent year up through January 1, 2017. One measure would tie minimum wage to the price index. While we pride ourselves in offering competitive wage rates for our employees, any of these changes would result in a substantial increase in labor expense and would be difficult for our business to bear in the challenging economic environment within which we operate today.

While I understand the concerns presented in these measures, our company currently provides hourly rates above the current minimum wage rate of \$7.25. Nevertheless, the increased minimum wage will impose an increase on all hourly rates and will especially increase costs for the group of employees where we traditionally experience the highest turnover. Our employees are our most valuable asset and we take great pride in providing fair hourly wage rates for all positions. We also offer a comprehensive and generous benefits package, which includes medical and dental coverage at either low or no cost to the employee and their family, even while medical premiums have increased year after year. We also offer paid leave including holiday pay, vacation pay, and sick leave benefits; retirement contributions, group life insurance, temporary disability insurance, long term disability, worker's compensation coverage, Social Security coverage and other industry related benefits. On average, these additional benefits increase the hourly rate for an employee by 34%.

In addition, all of the benefits listed above are all based on wage. These bills will not only increase our direct labor costs but will also increase our voluntary and mandated benefit costs and taxes.

The passage of any of these measures will force our company to offset the increase in the hourly wage rate through a reduction in our discretionary benefits and available jobs.

Thank you for the opportunity to submit testimony regarding House Bills 1488, 1623, 1890, 2136, 2278, 2580. If you have any questions, please contact me at Food Pantry Ltd., 3536 Harding Avenue, Honolulu, HI 96816, or via phone at (808) 732-5515.

Sincerely,



Andrew T. Kawano
Executive Vice President
Food Pantry Ltd.



February 10, 2014

House Committee on Labor and Public Employment
State of Hawaii
State Capitol
Honolulu, HI 96813

RE: HB 1488; HB 1623; HB 1890; HB 2136; HB 2278; HB 2580, RELATING TO MINIMUM WAGE

Chair Mark Nakashima, Vice Chair Kyle Yamashita and Members of the Committee:

My name is Jamle Tokunaga-Magno. I am the General Manager for Coffee Pacific LLC. We employ approximately 260 employees in 18 The Coffee Bean & Tea Leaf locations statewide. I appreciate the opportunity to provide testimony, and respectfully convey my opposition to the House Bills 1488, 1623, 1890, 2136, 2278, 2580, relating to minimum wage.

These measures require an increase in the minimum wage ranging from \$.50 to \$2.75; effective as early as July 1, 2014 and each subsequent year up through January 1, 2017. One measure would tie minimum wage to the price index. While we pride ourselves in offering competitive wage rates for our employees, any of these changes would result in a substantial increase in labor expense and would be difficult for our business to bear in the challenging economic environment within which we operate today.

While I understand the concerns presented in these measures, our company currently provides hourly rates above the current minimum wage rate of \$7.25. Nevertheless, the increased minimum wage will impose an increase on all hourly rates and will especially increase costs for the group of employees where we traditionally experience the highest turnover. Our employees are our most valuable asset and we take great pride in providing fair hourly wage rates for all positions. We also offer a comprehensive and generous benefits package, which includes medical and dental coverage at either low or no cost to the employee and their family, even while medical premiums have increased year after year. We also offer paid leave including holiday pay, vacation pay, and sick leave benefits; retirement contributions, group life insurance, temporary disability insurance, long term disability, worker's compensation coverage, Social Security coverage and other industry related benefits. On average, these additional benefits increase the hourly rate for an employee by 34%.

In addition, all of the benefits listed above are all based on wage. These bills will not only increase our direct labor costs but will also increase our voluntary and mandated benefit costs and taxes.

The passage of any of these measures will force our company to offset the increase in the hourly wage rate through a reduction in our discretionary benefits and available jobs.

Thank you for the opportunity to submit testimony regarding House Bills 1488, 1623, 1890, 2136, 2278, 2580. If you have any questions, please contact me at Coffee Pacific LLC, 3536 Harding Avenue, Honolulu, HI 96816, or via phone at (808) 735-7377.

Sincerely,

Jamle Tokunaga-Magno
General Manager
Coffee Pacific LLC

Coffee Pacific LLC

3536 Harding Avenue, Suite 100 • Honolulu, Hawaii 96816
Phone: 808 735-7377 • Fax: 808 737-4583
www.coffeebeanhawaii.com



February 10, 2014

House Committee on Labor and Public Employment
State of Hawaii
State Capitol
Honolulu, HI 96813

RE: HB 1488; HB 1623; HB 1890; HB 2136; HB 2278; HB 2580, RELATING TO MINIMUM WAGE

Chair Mark Nakashima, Vice Chair Kyle Yamashita and Members of the Committee:

My name is Jenai Wall. I am the Chairman and CEO of Foodland Super Market Ltd. We employ over 2,600 employees and are Hawaii's only locally owned supermarket with stores statewide. I appreciate the opportunity to provide testimony, and respectfully convey my opposition to the House Bills 1488, 1623, 1890, 2136, 2278, 2580, relating to minimum wage.

These measures require an increase in the minimum wage ranging from \$.50 to \$2.75; effective as early as July 1, 2014 and each subsequent year up through January 1, 2017. One measure would tie minimum wage to the price index. While we pride ourselves in offering competitive wage rates for our employees, any of these changes would result in a substantial increase in labor expense and would be difficult for our business to bear in the challenging economic environment within which we operate today.

While I understand the concerns presented in these measures, our company currently provides hourly rates above the current minimum wage rate of \$7.25. Nevertheless, the increased minimum wage will impose an increase on all hourly rates and will especially increase costs for the group of employees where we traditionally experience the highest turnover. Our employees are our most valuable asset and we take great pride in providing fair hourly wage rates for all positions. We also offer a comprehensive and generous benefits package, which includes medical and dental coverage at either low or no cost to the employee and their family, even while medical premiums have increased year after year. We also offer paid leave including holiday pay, vacation pay, and sick leave benefits; retirement contributions, group life insurance, temporary disability insurance, long term disability, worker's compensation coverage, Social Security coverage and other industry related benefits. On average, these additional benefits increase the hourly rate for an employee by 34%.

In addition, all of the benefits listed above are all based on wage. These bills will not only increase our direct labor costs but will also increase our voluntary and mandated benefit costs and taxes.

The passage of any of these measures will force our company to offset the increase in the hourly wage rate through a reduction in our discretionary benefits and available jobs.

Thank you for the opportunity to submit testimony regarding House Bills 1488, 1623, 1890, 2136, 2278, 2580. If you have any questions, please contact me at Foodland Super Market, Ltd., 3536 Harding Avenue, Honolulu, HI 96816, or via phone at (808) 732-0791.

Sincerely,

Jenai S. Wall
Chairman and CEO
Foodland Supermarket Ltd.



HAWAII RESTAURANT ASSOCIATION

2909 Waialae Avenue #22
Honolulu, Hawaii 96826
www.hawaiirestaurant.org

Phone: (808) 944-9105
Fax/Toll Free: (877) 494-3245
Info@HawaiiRestaurant.org

DATE: February 10, 2014

FROM: Roger Morey, Executive Director

RE: HB1890, relating to minimum wage

There are more than 3,000 licensed foodservice operations in Hawaii. Without exception, a change in the minimum wage will affect their business. As such, we are seeking a balanced approach to this difficult issue.

Specifically, our request is that the hourly wage of a tipped employee be decreased on account of tips if the employee is paid not less than \$7.00 an hour by the employees' employer as long as the combined amount the employee receives from the employer and in tips is at least \$3.00 more than the applicable minimum wage.

Finally, it will be worthwhile to read this information, provided by the National Restaurant Association:

- The vast majority of restaurant industry employees earn more than the minimum wage. Only 5% of restaurant workers make the federal minimum wage, nearly half of whom are teenagers, and most are working part-time.
- The average household income for restaurant employees that earn the federal minimum wage is more than \$62,507; however, only 1 out of 4 minimum wage restaurant workers are considered heads of their house. The vast majority of restaurant workers are teenagers or working part-time.
- 1 in 3 Americans started their working career in the restaurant industry. Efforts to devalue or portray these jobs as inferior only hurt workers and feed a stereotype. In reality, restaurant jobs provide valuable skills to inexperienced workers and offer opportunities for workers to advance their careers.
- 78% of quick service chain restaurants are owned by franchisees, not by the brand. And overall, more than 90% of all restaurants are owned and operated by small business owners, who play a critical role in the success of our local, state and national economies and would be affected most by an increase in the minimum wage.

- Right now, restaurateurs are facing high operating costs in the form of high food prices and significant increases in health care expenses. With razor-thin profit margins - just 4% to 6% - raising the minimum wage would encourage companies to freeze hiring and even cut jobs. This will have a greater impact on low-skilled and entry-level positions where unemployment rates are the highest.

Respectfully submitted,

Roger Morey

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:22 AM
To: LABtestimony
Cc: barbarapolk@hawaiiintel.net
Subject: Submitted testimony for HB1890 on Feb 11, 2014 09:00AM

HB1890

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Oppose	Yes

Comments: HB 1890 is the worst of the minimum wage bills presented this session and I strongly oppose it for doing almost nothing to allieviate the poverty of low income workers! Surely a Democratic legislature can do better than this!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:25 AM
To: LABtestimony
Cc: barbarapolk@hawaiiintel.net
Subject: Submitted testimony for HB2136 on Feb 11, 2014 09:00AM

Categories: Input w/ other bill

HB2136

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Oppose	Yes

Comments: HB 2136 is the second worst minimum wage bill to be offered this year. The increase, over a three year time, is very substantially below that needed for a person to live on in Hawaii. It is also well below the nationally proposed minimum wage, despite the fact that Hawaii's cost of living is higher than the national average. Please pass a minimum wage bill that will make a real difference in the lives of the poor, as well as an improvement in the economy of Hawaii! This bill does not do it.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:18 AM
To: LABtestimony
Cc: barbarapolk@hawaiiintel.net
Subject: Submitted testimony for HB1623 on Feb 11, 2014 09:00AM

HB1623

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Comments Only	No

Comments: I can give only very qualified support to HB 1623. It has the advantage of providing a substantial increase in the minimum wage next January, but leaves out some of the worst paid workers by increasing the tip credit. Why would anyone think that part of an earned bonus should go to the employer rather than to the worker! If you pass this bill, I urge you to eliminate the tip credit, and provide for yearly \$2/hour increases until such time as the minimum wage is a the level of a liveable wage, with cost of living adjustments after that. Otherwise, you are asking the middle class to pay part of the cost of doing business, rather than requiring a business to absorb its own costs.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:33 AM
To: LABtestimony
Cc: barbarapolk@hawaiiintel.net
Subject: Submitted testimony for HB2278 on Feb 11, 2014 09:00AM

HB2278

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Support	Yes

Comments: I can give only very qualified support to this bill and request amendments that make for more rapid and larger increases in the minimum wage. By 2017, this bill will not have raised the minimum wage to the level of the earning power of the \$7.50 that was passed in 2007! It will continue to develop an underclass of people who struggle to survive and who depend on public welfare, despite working full time. Those anti-poverty programs, which only the hard-hearted oppose, in effect are subsidies to businesses that pay minimum wage. Why should the public be asked to subsidize the profits of business! I ask you to amend this bill by raising the minimum wage immediately to the 10.50/hr. that is closer to meeting the cost of living increases since 2007; then increasing it by \$2 a year until it reaches the level of a liveable wage Anything else continues to ask the middle class to let employers off the hook by paying part of their labor costs.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:36 AM
To: LABtestimony
Cc: barbarapolk@hawaiiantel.net
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM

HB2580

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Oppose	No

Comments: I cannot support HB250, since the amount of increase in the minimum wage is ridiculously low, not even covering the increase in cost of living since 2007, let alone the increase that is likely to come in the next three years. Please pass a bill that makes a real difference to the working poor and to the economy of the state. This bill is not it!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:12 AM
To: LABtestimony
Cc: barbarapolk@hawaiiintel.net
Subject: Submitted testimony for HB1488 on Feb 11, 2014 09:00AM

Categories: Input w/ other bill

HB1488

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Support	Yes

Comments: I support HB 1488 as the best of the bills on minimum wage this session because it would provide immediate relief to minimum wage workers, as well as wage increases over the next years. However, it does not go nearly far enough. I would point out that the eventual increase to \$10.25 by January 2016 leaves workers behind where they were in 2007! A liveable wage today is around \$15 an hour, and cost of living increases over the past 5 years since the last minimum wage increase would be equal to about \$12 today. So our minimum wage is falling farther and farther behind what is needed to support workers. You have much testimony from businesses opposing an increase, or suggesting a ludicrously low increase of 25 cents each year! But a business that pays its employees less than a liveable wage is in effect asking taxpayers to subsidize their business. I am sick of doing that--government is not there to guarantee businesses a profit! While all but the hard-hearted support the various programs that alleviate poverty, we do not normally realize that programs for the working poor also increase the profits of business by relieving them of some of their costs of doing business. Why should businesses expect the public to pay part of their workers' wages? I ask you to amend this bill by raising the minimum wage immediately to \$10.40 an hour, with \$2 increases for each of the next three years and a cost of living increase thereafter. Let's stop shifting the cost of doing business to taxpayers.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

We are Patsy M. Izumo and Mona M. Chang Vierra, owners of Grand Café & Bakery located across the street from the Capitol. We are opposed to the following House Bills: 1488, 1623, 1890, 2278, and 2580.

Our restaurant, founded in 1923 and re-established in 2004, is a family owned and operated establishment that employs less than a dozen workers. The proposed wage increase could force us to close. If our servers, who, presently earn \$7.00 per hour and receive tips, would then get an additional three dollars, we would be compelled to raise the salaries of each employee in the restaurant by three dollars. Our budget is extremely tight and we watch food costs grow almost daily. i.e. five dozen eggs at Sam's Club, was once \$9.00 is presently \$12.40. The wage increase would then need to be passed on to the patrons.

Presently our servers with their tips earn anywhere between \$13.80 - \$25.00 per hour. This wage per hour is more than anyone in the café makes, including the executive chef.

Increasing the minimum wage is the tip of the iceberg. If the \$3.00 increase goes into effect, employers will be forced to pay all employees \$3.00 more; suppliers and vendors will be forced to raise their prices on goods; utilities and services will increase their prices. Based on all the price increases, menu prices will rise to meet wages/goods/ services. Customers will either cut back dining at the restaurant or stop coming altogether. Restaurants will be forced to close! Outcome: employees will be out of work then seek unemployment, tax revenue will stop, rental revenue will stop; loans may not be repaid; and patrons will lose a great dining experience. **There will be a demise of a small business!**

Thank you for the opportunity to testify.

Patsy M. Izumo Mona M. Chang Vierra

NOTE: WE WISH TO SPEAK AT THE HEARING. THANK YOU.

Phone: 531.0001 / fax: 531.0007

We are employees of Grand Cafe & Bakery. We request that all House bills that deal with increasing the minimum wage be returned to the makers for an **IN DEPTH STUDY** of the impact on all citizens of the State of Hawaii. These present bills have not examined the far reaching negative results that it will have on the entire community.

We work for a family owned and operated small business that has ten employees. Our servers do good work and are paid \$7 per hour BUT they receive daily tips. Including the tips received, their hourly wages range from \$14.50 to \$22.00. This is far over what the rest of us earn. They are NOT MINIMUM WAGE EARNERS. In fact, the majority of us could fall into that "just above" minimum wage category.

As these minimum wage bills are reviewed, please factor in the fiscal impact that this legislation will have on small business vs. corporate. Tiered levels for businesses with 15 or less employees, fifty or more, 100 or more and on up to the corporations should be a major factor in the crafting of a minimum wage bill.

Linking wage increase to the consumer index compounds an already difficult financial situation. Can all businesses then cite the consumer index to their increase prices in stores, supermarkets, general services and restaurants?

We like our jobs, our employers, and want to continue working at our restaurant. These bills that would increase the minimum wage must be given careful and thoughtful study. The problem and solution have many parts and all must be researched and fully studied BEFORE A RASH, ONE SIDED DECISION IS MADE!

Thank you.

Marie D. Soren
Chris
John
Pete King

~~William~~
William Din

I am Thomas Patrick Keating and am speaking for my fellow workers. We are opposed to the following House Bills: 1488, 1623, 1890, 2278, and 2580.

Thank you for the opportunity to testify.

A handwritten signature in black ink that reads "Thom. P. Keating". The signature is written in a cursive style with a large initial 'T' and a distinct 'K'.

NOTE: I WISH TO SPEAK AT THE HEARING. THANK YOU.



HAWAI'I LODGING & TOURISM
ASSOCIATION

Testimony of George Szigeti
President & CEO
HAWAI'I LODGING & TOURISM ASSOCIATION

Committee on Labor & Public Employment
Hearing on February 11, 2014, 9:00 a.m.
House Bills 1488, 1623, 1890, 2136, 2278, and 2580

Dear Chair Nakashima, Vice Chair Yamashita and Members of the Committee,

My name is George Szigeti and I am the President and CEO of the Hawai'i Lodging & Tourism Association (HLTA). HLTA is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms that benefit from and strengthen Hawai'i's visitor industry. Our membership includes over 150 lodging properties, representing over 48,000 rooms, and approximately 470 other Allied members. The lodging industry alone employs over 38,000 workers across the state of Hawai'i and generated over \$5.7 billion in annual sales in 2012. As part of the broader visitor industry – which employs 1/6 of all workers and 1/5 of those in the private sector, and generated \$14.4 billion in visitor spending in 2012 – we represent one of Hawai'i's largest industries and a critical sector of the economy.

On behalf of HLTA, permit me to offer these comments regarding House Bills 1488, 1623, 1890, 2136, 2278, and 2580, which would increase minimum hourly wage.

While we are not strongly opposed to an increase in the minimum wage, the Hawai'i Lodging & Tourism Association has concerns with the bills as written. We are particularly concerned with the drastic increase outlined in HB 1623, which would raise the minimum wage to \$10.00 by January 1, 2015. A dramatic increase in the minimum wage will negatively impact businesses that must now pay for increased wages without any related growth in profits. In order to meet the additional wage burden, businesses will face the decision to either cut entry-level jobs or increase the price of their product, both of which are not good for our State. Additionally, we are opposed to mandating annual increases in accordance with the Consumer Price Index (HB 2580), which fails to account for the future economic environment and would be unsustainable for many small businesses.

The Hawai'i economy has seen consistent growth over the past few years, much of it driven by the visitor industry; however, the economy remains tenuous. Any increase to the minimum wage should take into account the impact of rising labor costs on Hawai'i businesses, which will be hit with larger wage burdens and increased expenditures for workers' compensation, Social Security taxes, medicare taxes, temporary disability taxes, and unemployment insurance taxes. We also request that any increase in the minimum wage incorporate a comparable increase in the tip credit.

Thank you for this opportunity to testify.



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

Written Testimony in **support** of

HB1488

HB1623

HB1890

HB2136

HB2278

HB2580

Relating to Minimum Wage

Committee on Labor & Public Employment
Representative Mark Nakashima, Chair
Representative Kyle Yamashita, Vice Chair

February 11, 2014
9:30 am Room 016

Chair Nakashima, Vice-Chair Yamashita, and members of the Labor and Public Employment Committee:

The Office of the Governor submits this **written-only** testimony in **support** of the various House Bills listed above that all relate to increasing the minimum wage in the state of Hawaii.

Hawaii's minimum wage rate is currently lower than 21 other states plus the District of Columbia despite the fact that the cost of living is higher here than those other states.

It is a myth that increases to the minimum wage will only benefit entry level workers or mostly teenagers. In Hawaii, 85 percent of minimum wage earners are 21 years old or older. It has been seven years since the last increase in the minimum wage and these hard-working individuals deserve a raise.

DLIR is available to answer any questions you may have in this matter.

Thank you for the opportunity to submit testimony.



HAWAII

AMERICANS FOR DEMOCRATIC ACTION

OFFICERS

John Bickel, President
Barbara Polk, Vice-President
Fritz Fritschel, Treasurer
Chuck Huxel, Secretary

DIRECTORS

Guy Archer
Juliet Begley
Josh Frost
Karin Gill

Brien Hallett
Jan Lubin
Stephen O'Harrow
Jim Olson

George Simson
Bart Dame (Alt)

Marsha Schweitzer (Alt)

MAILING ADDRESS

PO. Box23404
Honolulu
Hawai'i 96823

February 6, 2014

TO: Chair Mark Nakashima, Vice Chair Kyle Yamashita
Members of the House Committee on Labor & Public Employment

FROM: John Bickel, President
Americans for Democratic Action/Hawai'i

RE: Oppose and Comments on HB 2136 Relating to Labor

Americans for Democratic Action/Hawaii opposes HB 2136. It only raises the minimum wage to \$9.00 per hour. One moderate estimate of a living wage in Hawaii comes from livingwage.mit.edu which calculates it to be \$12.91 for a single adult without dependents. A better bill would raise the wage to at least \$10.10 an hour, eliminate the tip credit instead of raising it, and have an escalator clause. Raising the minimum wage to a living wage would encourage people to do the important jobs done by many minimum wage workers.



HAWAII

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Marsha Schweitzer (Alt)

MAILING ADDRESS

PO. Box23404
Honolulu
Hawai'i 96823

February 6, 2014

TO: Chair Mark Nakashima, Vice Chair Kyle Yamashita
Members of the House Committee on Labor & Public Employment

FROM: John Bickel, President
Americans for Democratic Action/Hawai'i

RE: Support and Comments on HB 1488 Relating to Wage and Hour Law

Americans for Democratic Action/Hawaii reluctantly supports HB 1488. We have supported social justice causes for over half a century. We support the bill because it raises the minimum wage to an ok level of \$10.25. We are reluctant because we should understand that \$10.25 is not a living wage. One moderate estimate of a living wage in Hawaii comes from livingwage.mit.edu which calculates it to be \$12.91 for a single adult without dependents. The quick escalation to \$10.25 is a nice feature of this bill. The absence of an escalator clause and the maintenance of the tip credit are not so positive for working people. If our society values work, we must reward it. Raising the minimum wage to a living wage would encourage people to do the important jobs done by many minimum wage workers.



HAWAII

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Marsha Schweitzer (Alt)

MAILING ADDRESS

PO. Box23404
Honolulu
Hawaii'i 96823

February 6, 2014

TO: Chair Mark Nakashima, Vice Chair Kyle Yamashita
Members of the House Committee on Labor & Public Employment

FROM: John Bickel, President
Americans for Democratic Action/Hawaii'i

RE: Oppose and Comments on HB 1890 Relating to Labor

Americans for Democratic Action/Hawaii opposes HB 1890. It only raises the minimum wage to \$9.00 per hour. One moderate estimate of a living wage in Hawaii comes from livingwage.mit.edu which calculates it to be \$12.91 for a single adult without dependents. A better bill would raise the wage to at least \$10.10 an hour, eliminate the tip credit, and have an escalator clause. Raising the minimum wage to a living wage would encourage people to do the important jobs done by many minimum wage workers.



HAWAII

AMERICANS FOR DEMOCRATIC ACTION

OFFICERS

John Bickel, President
Barbara Polk, Vice-President
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DIRECTORS

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Josh Frost
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Jan Lubin
Stephen O'Harrow
Jim Olson

George Simson
Bart Dame (Alt)
Marsha Schweitzer (Alt)

MAILING ADDRESS

PO. Box23404
Honolulu
Hawai'i 96823

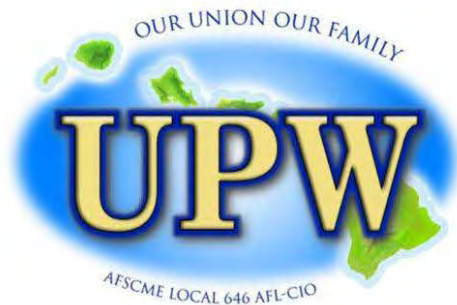
February 6, 2014

TO: Chair Mark Nakashima, Vice Chair Kyle Yamashita
Members of the House Committee on Labor & Public Employment

FROM: John Bickel, President
Americans for Democratic Action/Hawai'i

RE: Oppose and Comments on HB 1623 Relating to Wages

Americans for Democratic Action/Hawaii opposes HB 1623. Although it makes a quick jump to \$10.00 an hour for the minimum wage, it does not go far enough. One moderate estimate of a living wage in Hawaii comes from livingwage.mit.edu which calculates it to be \$12.91 for a single adult without dependents. A better bill would eliminate the tip credit and have an escalator clause. Raising the minimum wage to a living wage would encourage people to do the important jobs done by many minimum wage workers.



THE HAWAII HOUSE OF REPRESENTATIVES
The Twenty-Seventh Legislature
Regular Session of 2014

COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
The Honorable Rep. Mark M. Nakashima, Chair
The Honorable Rep. Kyle T. Yamashita, Vice Chair

DATE OF HEARING: Tuesday, February 11, 2014
TIME OF HEARING: 9:00 AM
PLACE OF HEARING: Conference Room 309

TESTIMONY ON HB1488 RELATING TO THE WAGE AND HOUR LAW

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

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

UPW strongly supports raising the minimum wage to no less than \$10.00 per hour. The cost of living in Hawaii is the highest in the nation, but our state's minimum wage is still equivalent to the federal minimum of \$7.25 an hour. The last time that the minimum wage was increased was in 2007. As of 2012, the poverty level for a family of two in Hawaii is \$17,410 and \$21,960 for a family of three. An individual who works 40 hours a week at minimum wage for 52 weeks would earn \$58.00 a day, \$290.00 a week, and \$15,080 a year. A family of two or more would be well below the poverty level.

We ask the you pass these bills.

Thank you for the opportunity to testify on this measure.



3375 Koapaka Street, D-108
Honolulu, HI 96819

Phone: (808) 831-0811
Fax: (808) 831-0833

Friday, February 7, 2014

Committee on Labor & Employment

RE: House Bill 1488 Relating to the Wage and Hour Law

Dear Chair Nakashima, Vice Chair Yamashita, and members of the Committee:

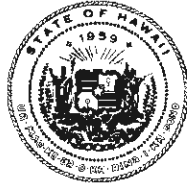
We appreciate the opportunity to testify on HB 1488, and respectfully submit the following written testimony in opposition to the bill. Times Supermarket is based on Oahu and operates 26 stores with locations in Maui, Kauai and Oahu.

HB 1488 increases the minimum wage by \$1 on 7/1/14, 1/1/15, and 1/1/16, respectively. This bill has the potential to seriously harm business and consumers alike. Thus, we ask that you hold this bill for further discussion.

Thank you for the opportunity to testify.

Respectfully,

Bob Gutierrez
Director of Government Affairs
Times Supermarket



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 11, 2014

MEMORANDUM

TO: The Honorable Mark M. Nakashima, Chair
House Committee on Labor and Public Employment

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2278 - RELATING TO MINIMUM HOURLY WAGE**

Hearing: Tuesday, February 11, 2014; 9:00 a.m.
Conference Room 309, State Capitol

PURPOSE: The purpose of the measure is to increase the minimum wage to \$8.75 starting 01/01/15, \$9.50 starting 01/01/16, and \$10.00 starting 01/01/17.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill that would increase the minimum wage in Hawaii.

According to the United States Department of Labor, Bureau for Labor Statistics, of the 321,000 hourly workers in Hawaii, 8,000 were paid the minimum wage of \$7.25 in 2011 while an additional 7,000 residents were paid below the minimum wage. For those workers earning minimum wage at a full-time job, annual earnings total \$15,080. This measure will ensure that Hawaii's lowest paid workers will earn wages that will at least support their basic needs.

If we accept the figures used by the United States Census Bureau to apportion cost of living expenses then 13% of an individual's earnings are applied towards grocery items, 29% towards housing, 10% towards utilities, 12% towards transportation, 4% towards healthcare, and 32% towards other miscellaneous items. Applying the United States Census Bureau's formula, a family earning \$7.25 per hour would allocate \$350 per month towards housing, \$120 towards utilities, \$145 towards transportation, and \$157 towards groceries. In urban Honolulu's housing market it is a stretch to find apartments renting for below \$1,000 per month and difficult to imagine utility bills including electricity, water, and telephone at costs below \$120 per month.

Raising the minimum wage is good for Hawaii's families and good for Hawaii's economy. Money in the pockets of working people will be spent to make ends meet, boosting our economy and creating jobs in our communities. According to the Federal Reserve Bank of Chicago, every \$1.00 in wage increases for a minimum wage worker results in \$2,800 in new consumer spending by the worker's household over the following year.

Raising the minimum wage is also good for Hawaii's working women who, together with their children, will benefit from increased economic security. In Hawaii, 47% of full-time minimum wage workers are women, and 75% of our heads of household for TANF/TAONF programs are women. Across the nation, women workers are concentrated in low-wage industries such as food service, retail, and home health care and despite the progress women have made, women still earn less overall than men in all occupations – a wage gap that translates into thousands of dollars of unearned income over a lifetime.

Raising the minimum wage is the right thing to do. Franklin D. Roosevelt called the minimum wage, “a fair day’s pay for a fair day’s work.” Yet, today’s minimum wage of \$7.25 buys 30% less of what it did 40 years ago. It’s time for Hawaii to ensure that poorest of our wage workers can at least support their most basic needs.

Thank you for the opportunity to provide testimony on this bill.



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
OFFICE OF COMMUNITY SERVICES
830 PUNCHBOWL STREET, ROOM 420
HONOLULU, HAWAII 96813
www.hawaii.gov/labor
Phone: (808) 586-8675 / Fax: (808) 586-8685
Email: dli.ocs@hawaii.gov

February 10, 2014

To: The Honorable Mark M. Nakashima, Chair,
The Honorable Kyle T. Yamashita, Vice Chair, and
Members of the House Committee on Labor and Public Employment

Date: Tuesday, February 11, 2014
Time: 9:00 a.m.
Place: Conference Room 309, State Capitol

From: Mila Kaahanui, Executive Director

Re: H.B. 2278 Relating to Minimum Hourly Wage.

POSITION: Strongly Support with

I. OVERVIEW OF PROPOSED LEGISLATION

The proposal is one of several bills introduced this Session to increase the minimum wage.

This bill would increase the minimum wage to \$8.75 per hour beginning January 1, 2015; to \$9.50 per hour beginning January 1, 2016, and to \$10.00 beginning January 1, 2017.

II. CURRENT LAW

The Hawaii Wage and Hour Law (chapter 387, HRS) was established to safeguard minimum wage and maximum hour standards to maintain the health, efficiency and general well-being of workers in the State of Hawaii. The current minimum wage is \$7.25, effective as of January 1, 2007. Employers are allowed to claim a tip credit of 25 cents an hour for tipped employees, i.e. pay them below the minimum wage at \$7.00 an hour, provided that the tipped employee receives 50 cents in tips or at least \$7.75 an hour.

The current Hawaii minimum-wage law lacks any provision for automatic increases that would take account inflation. The lack of such a provision acts as a brake on necessary increases in the minimum wage. The combination of inflation and the lack of such a provision for automatic increases creates a de facto "sunset" provision in the law as inflation eventually and inevitably erodes the gains created by each new amendment of the law.

III. COMMENTS ON HOUSE BILL 2580

The Office of Community Services (OCS) was created in 1986 by legislation codified at Chapter 371K, HRS, to be the lead voice and advocate in the State government for Hawaii's economically disadvantaged communities and individuals. OCS takes seriously its role as advocate as well as being administrator of numerous contracts and Federal and State grants to assist our economically disadvantaged people.

OCS strongly supports an increase in the minimum wage. OCS concurs with the justification proposed by the Office of the Governor. Raising the minimum wage will:

- Further the economic recovery of Hawaii,
- Improve the quality of life for minimum wage workers,
- Allow those moving from welfare to work to earn wages to promote self-sufficiency.

Additionally, twenty other states have higher minimum wage than Hawaii, while Hawaii is one of the most expensive states to live in.

Finally, OCS also suggests adjusting the minimum wage after 2017 by using the Consumer Price Index (CPI), in order to preserve the purchasing power of minimum wage workers beyond 2017.

HB 2278

My name is Jozette Montalvo and I am the Human Resources Director from Hawaii Petroleum, Inc. We have operations on Maui as well as on the Big Island which include the Minit Stop Convenience Stores which includes fifteen stores and one hundred eighty eight employees.

We oppose House Bill #2278

Any minimum wage increase would directly affect our entry level positions. At the present time, we hire many entry level part-time employees seeking hands on training and work experience. Committed, quality employees are able to advance within our organization based on merit and experience. The minimum wage law does not come into play here.

If entry level wages for these types of positions increased because the minimum wage increased, we would opt for reducing the number of employees at this level and only hire more experienced workers. This bill would overall significantly limit opportunities for inexperienced young people just starting their work life. Our employees already have the ability to earn more than the proposed wages based on effort, experience and ability. Again if entry level wages increased, there would be no room in our organization for inexperienced employees.

Overall, this is an added cost to our organization that would be passed onto the customer, or could potentially result in store closings and a reduction in our employee base. The increase in wages would restrict our ability to grow. All employer taxes would increase as well, creating *additional* burdens on employers already struggling to remain in business.

I kindly ask that you oppose Senate Bill #2278

yamashita1-Kristine

From: Chester E. Kaneshiro <CEK@tanakarestaurants.com>
Sent: Friday, February 07, 2014 8:26 PM
To: LABtestimony
Subject: HB 1488, 1623, 1890, 2136, 2278, and 2580

February 7, 2014

RE: Minimum Wage/Tip Credit

Dear Representatives,

Tanaka of Tokyo Restaurants Ltd. is a local chain of restaurants with over 200 employees. We have been serving the tourists and local community for the past 37 years. The proposal to increase the minimum wage would seriously upset the dynamics of the restaurant industry and threaten its ability to compete and survive as a viable business entity. We would strongly like to protest the current proposal to increase the minimum wage without consideration of improving the tip credit.

In reviewing the salaries of our staff who receive tips, their average hourly rate falls safely between 18.00 - 32.00 dollars per hour. Hawaii's tip credit is currently the lowest when compared to other states and the proposed bills to increase the minimum wage would substantially increase payroll expenses, tax liabilities, workers compensation insurance and place all employers in an extremely vulnerable position. The tip credit was specifically designed to help mitigate the effects of an hourly wage increase so please assist us in redressing an inequitable situation.

It is the responsibility of our elected officials to establish a climate in which businesses can contribute to the general welfare of the state by providing jobs. However, when the business environment becomes adverse and intolerable, businesses have no other alternative but to reduce employment opportunities or go out of business. Tourism the backbone of our economy is going through fundamental market changes and the proposed bills will have devastating economic ramifications for the entire State. It would deal a tremendous set back and financial burden for many establishments and the loss of jobs for our islands. The hospitality industry needs your assistance. Can you help us in any way?

Thank you for your time and consideration.

Sincerely Yours,

Chester E.
President

Kaneshiro

yamashita1-Kristine

From: Hiroshi Lamansky <HDL@tanakarestaurants.com>
Sent: Friday, February 07, 2014 7:43 PM
To: LABtestimony
Subject: HB 1488, 1623, 1890, 2136, 2278, and 2580

Dear Representatives,

Tanaka of Tokyo currently operates three restaurants in Honolulu and employs over 200 employees. We have been serving local families and tourists from around the world since 1978.

The majority of employees in the restaurant industry receives and relies on tips as a source of income. 80 percent of our staff falls in the category of "tipped employees". Based on our payroll records, our servers on average earns \$30 per hour, our busboys earn \$18 per hour, our bartenders \$32 per hour, and our chefs \$27 per hour. As you can see from these figures, which are comparable to the majority of full service restaurants, staff who receive tips are not the same as "minimum wage" earners and cannot be categorized as such. Any increase in the minimum wage without an equal increase in the tip credit will negatively affect all restaurants. Currently, Hawaii has a tip credit of \$0.25, by far the lowest in the nation. The second lowest tip credit in the nation is in Iowa at \$2.90 where their minimum wage is also \$7.25, whereas the rate for the majority of states that allows tip credits ranges between \$3.00-\$5.00. In an effort to make up for the additional labor costs due to an increase in the minimum wage without an equal increase in the tip credit, restaurants will be forced to raise menu prices, cut labor hours, and unfortunately, jobs will be lost as restaurants reduce payroll expenses just to stay in business.

The local and world wide economy has not recovered and any increase in menu prices will result in a decrease of business and put many restaurants out of business. Data from the Hawaii Tourism Authority shows that the Japanese market's total expenditures and per person per day spending for 2013 was down 7.6% per person spending per day and down 9.6% compared to the previous year. The downward trend in spending from this market will also make it harder for restaurants to attract the East bound visitors if menu prices are a raised as a result.

Full service restaurants are one of the largest employers in Hawaii as our state heavily relies on tourism. Whether it's students working part time to pay their way through school or those who simply enjoy their careers in the restaurant industry, it is our hope and goal that we will be able to continue to assist the state by providing jobs which we will only be able to do if the tip credit, at the very least is equal to the proposed increase in the minimum wage spread out over time.

I wish to thank you for your time to review our concerns. If you have any questions or require any additional information, please do not hesitate to contact me at any time.

Sincerely Yours,

Hiroshi Lamansky

Hiroshi D. Lamansky
Vice President & Executive General Manager
Tanaka of Tokyo Restaurants Ltd.
Waikiki Shopping Plaza
2250 Kalakaua Ave. 3rd Fl.
Honolulu, Hawaii 96815

Tel. 808-922-4702
Fax 808-922-5485
E-Mail HDL@tanakarestaurants.com
Website www.tanakaoftokyo.com

yamashita1-Kristine

From: John A. Nieto <JAN@tanakarestaurants.com>
Sent: Saturday, February 08, 2014 2:28 PM
To: LABtestimony
Subject: Minimum Wage and Tip Credit Legislation

February 8, 2014

To: Whom it may concern
From: John A. Nieto, Tanaka of Tokyo Restaurants
Subject: Minimum Wage and Tip Credit Legislation

Dear Representative,

I would like to take this opportunity to express my concerns regarding the proposed minimum wage and tip credit issues.

With the proposed increase, this will affect both large and small businesses in Hawaii and we will not be able to sustain ourselves with a negative domino effect that will cause most businesses to close up shop. Furthermore; with other increases to operate business in Hawaii already hurting all of us in the long term. Any consideration to increase the minimum wage will be adverse for all of us. The very least; increasing the tip credit to match minimum wage would be favorable.

Thank you for taking your time to review our concerns.

Sincerely Yours,

John A. Nieto
Corporate General Manager
Tanaka of Tokyo Restaurants Ltd.
Corporate Office
Waikiki Shopping Plaza
2250 Kalakaua Avenue, 3rd Floor
Honolulu, Hawaii 96815

yamashita1-Kristine

From: Jamie M. Harada <JMH@tanakarestaurants.com>
Sent: Sunday, February 09, 2014 10:43 AM
To: LABtestimony

February 9, 2014

To: To Whom it May Concern
From: Jamie M. Harada, Tanaka of Tokyo Restaurants
Subject: Minimum Wage and Tip Credit Legislation

Dear Representatives,

The majority of employees in the restaurant industry receives and relies on tips as a source of income. 80 percent of our staff falls in the category of “tipped employees” at Tanaka of Tokyo. Our payroll records show our tipped employees earn between \$18-\$32 per hour. These figures, which are comparable to the majority of full service restaurants, staff who receive tips should not be classified in the same category as “minimum wage” earners. Any increase in the minimum wage without an equal increase in the tip credit will negatively affect all restaurants. Currently, Hawaii has a tip credit of \$0.25 which is the lowest in the nation whereas the tip credit in most states range between \$3.00-\$5.00. In an effort to make up for the additional labor costs due to an increase in the minimum wage without an equal increase in the tip credit, restaurants will be forced to raise menu prices, cut labor hours, and unfortunately, jobs will be lost as restaurants reduce payroll expenses just to stay in business.

Data from the Hawaii Tourism Authority shows that the Japanese market’s total expenditures and per person per day spending for 2013 was down 7.6% per person spending per day and down 9.6% compared to the previous year. The minimum wage increase with force all business to increase menu prices which will negatively impact spending from our Eastern Visitors.

I wish to thank you for your time to review our concerns. If you have any questions or require any additional information, please do not hesitate to contact me at any time.

Sincerely,

Jamie Harada
General Manager
Tanaka of Tokyo Restaurants Ltd, WEST
1450 Ala Moana Blvd, 4th Fl
Honolulu, HI 96814
Tel: (808) 945-3443
Fax: (808) 945-3772
Email: JMH@Tanakarestaurants.com
Website: www.tanakaoftokyo.com

yamashita1-Kristine

From: Yung Hua C. Tang 'Nio' <YCT@tanakarestaurants.com>
Sent: Monday, February 10, 2014 10:12 AM
To: LABtestimony
Subject: Minimum wage and tip credit legislation.

Dear Representatives,

We wish to thank you for your time to review our concerns regarding the proposed minimum wage and tip credit issues.

The majority of our staff (including servers, busboys, bartenders and Chefs) falls in the category of “tipped employees”. Based on our payroll records, our average “tipped employee” earns at least \$30.00 per hour with their hourly wage and tips combined. These figures, which are comparable to most full service restaurants, staff who receive tips are not the same as “minimum wage” earners. Any increase in the minimum wage without an equal increase in the tip credit will make it very difficult for restaurants to continue to operate. With higher operating labor costs, restaurant will be forced to increase menu prices and significantly reduce labor hours to stay in business. Each time when we increase our labor cost, we will also lose part of our market share for both locals and tourists. Furthermore, we will also not be able to provide more job opportunities to the community whether it's full time or part time position due to the high labor expenses.

The local and world wide economy has not recovered and any increase in menu prices will result in a decrease of business. Many restaurants may even go out of business as a result. The Hawaii Tourism Authority reported that a decrease in total expenditures (-7.6%) and per person per day spending (-9.6%) by the Japanese market in 2013 compared to the previous year. Signs are showing that this will not recover in the near future which will make it harder for restaurants to attract the East bound visitors if menu prices are increased.

If you have any questions or require any additional information, please do not hesitate to contact me at any time.

Sincerely yours,

Yung Hua Kamemoto

Nio Kamemoto
General Manager
Tanaka of Tokyo Restaurants Ltd., East
Kings Village
131 Kaiulani Ave., 3rd Floor
Honolulu, Hawaii 96815
Tel. 808 - 922-4233
Fax 808 - 922-6948
E-mail YCT@tanakarestaurants.com
Website www.tanakaoftokyo.com

yamashita1-Kristine

From: Shunpei (Joey) Asato <SJA@tanakarestaurants.com>
Sent: Sunday, February 09, 2014 12:02 PM
To: LABtestimony
Subject: Minimum Wage and Tip Credit Legislation

Dear Representatives,

I am writing to you on behalf of Tanaka of Tokyo Restaurants to petition proposals for HB 1488, 1623, 1890, 2136, 2278, and 2580.

We are already operating on marginal resources and with the alarmingly fast rate at which the minimum wage would be increased on yearly basis, we would be compelled to cut our labor forces, which would ultimately affect our guests' dining experiences. I assert that this would apply to any hospitality establishment, which would negatively impact tourism in general. While other destinations such as Macau and Singapore are gaining momentum from the Japanese sector, I strongly feel that this proposal will hurt Hawaii as a popular destination, which, in turn, would affect our economy and the community's job securities.

I must humbly press upon you to reconsider the aforementioned bills, and at the least, please consider adjusting the tip credit to match the increased wages.

Thank you very much for your time and consideration.

Sincerely,

Joey Asato, Assistant General Manager
Tanaka of Tokyo Restaurants

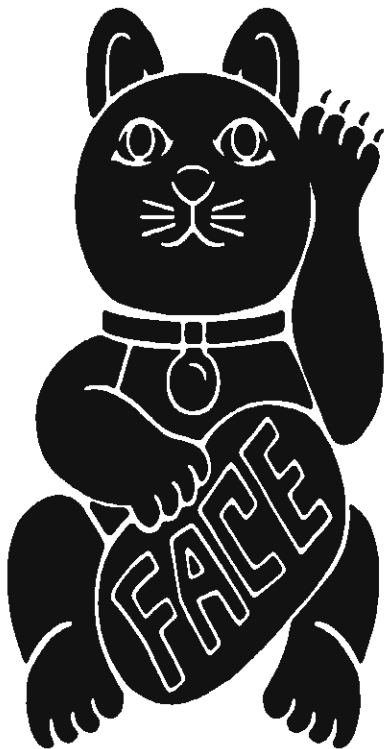


At least \$ 10.10 an hour, please!!

Hawaii is the most expensive state to live in, but our minimum wage is right at the bottom, and it hasn't changed in 8 years.

Maui people are struggling just to stay afloat. Raising the minimum wage will lift the floor for 1,000's of Hawaii workers, and will help almost 80,000 people directly.

www.facehawaii.org



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www.facehawaii.org

Hawaii State Legislature

Hawaii State Legislature



February 9, 2014

WRITTEN TESTIMONY

To: The Honorable Mark M. Nakashima, Chair
The Honorable Kyle T. Yamashita, Vice-Chair
Members, House Committee on Labor & Public Employment

From: Hawaii Public Health Association

Subject: **HB 2278 RELATING TO MINIMUM HOURLY WAGE - SUPPORT.**

Aloha Chair Nakashima, Vice-Chair Yamashita and Members of the Committee;

The Hawaii Public Health Association (HPHA) is respectfully submitting testimony in support of HB 2278, regarding raising Hawaii's minimum hourly wage to \$10 an hour by January 1, 2017. HPHA is an association of over 600 community members, public health professionals and organizations dedicated to improving public health. HPHA also serves as a voice for public health professionals, and as a repository for information about public health in the Pacific (see attached HPHA fact sheet).

While HPHA tends to focus on legislation that has a direct impact on public health in Hawaii, the HPHA is providing testimony on this bill, because an employee's salary has an impact on their quality of life as well as personal and public health status. The U.S. Census Bureau estimates that the 2013 population totals approximately 1,404,054 people in the State of Hawaii. Of that population, between 2008-2012, 10.8% of those people are living below poverty level, compared to the U.S. poverty level estimate of 14.9%. While the disparity seems favorable compared to the US, over 4.1% in Hawaii can be attributed to individuals who work multiple jobs, earning a cumulative salary that puts them in an income range that keeps them just out of poverty.

An increase in minimum wage can result in several favorable outcomes, including but not limited to: (1) people may not need to work multiple jobs, allowing more people currently looking for work to move into these positions and contributing to increasing the labor participation rate; (2) employees will be able to afford living necessities, specifically health care; and (3) employees and employers will benefit from the reduction in risk of illness and other health hazards associated with working multiple jobs..

The HPHA believes that this measure will have a positive effect on both a micro and a macroeconomic level which has lasting effects on almost all aspects of peoples' lives, including health, overall quality of life and greater future opportunities. It is for these reasons that we support the passage of this measure.

Thank you for your consideration of our supportive testimony on HB 2278.

Mahalo.

Attached: HPHA Fact Sheet – Who We are



HPCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Labor & Public Employment

The Hon. Mark M. Nakashima, Chair

The Hon. Kyle T. Yamashita, Vice Chair

Testimony in Support of HB 2278

Relating to Minimum Hourly Wage

Submitted by Robert Hirokawa, Chief Executive Officer

February 11, 2014, 9:00 am, Room 309

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 2278, increasing the state minimum wage over each of the next three years.

The HPCA is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. These conditions serve as risk factors endemic to a person's living and working environment, rather than their behavioral or genetic histories. Factors such as income, education, access to recreation and healthy foods, housing, and employment, can and do have measurable impacts on a person and a community, both in health and financial outcomes.

House Bill 2278 speaks to a fundamental determinant by taking steps to bring the state minimum wage up to a living wage standard. Here in Hawaii, the rate of unemployment is just 4.4%, while over 17% lives in poverty. This is in no small part because the state minimum wage of \$7.25 has not been adjusted in seven years, despite rapid rises in inflation and cost of living.

For these reasons, we strongly support this measure and thank you for the opportunity to testify.

February 10, 2014

To: Chairperson Mark M. Nakashima
Vice Chairperson Kyle T. Yamashita
Members of the Labor & Public Employment committee

From: Matthew Darrah

Subject: Support of HB2278, Relating to minimum hourly wage

Aloha, my name is Matthew Darrah and I'm a freshman at Kalaheo High School in the windward district. I am in support HB2278, in increasing the minimum wage the \$8.50 for all minimum wage workers in the state of Hawaii who definitely need this hike in payment.

Hawaii is a state with a very high cost of living, primarily due to the shipping of most our goods from the mainland, local workers trying to get through day by day are having it rough. "Food costs are 60 percent higher than on the mainland." (Hawaii Appleseed Center) The state of Hawaii is in desperate need of a new minimum wage increase, with the last increase from \$6.75 to \$7.25 taking place more than six years ago (Chad Blair).

With the low wages fighting the high cost of living, poverty is at an all-time high, with more than 11% of our residents currently living below the poverty line with 5.8% considered to be living in extreme poverty (spotlightonpoverty.org). Shockingly, 28% of working families in Hawaii are living paycheck to paycheck. Considering that 19 other states including the District of Columbia have higher minimum wage than Hawaii, a change should be made for our hard working locals.

An increase in the hourly minimum wage will benefit our local society. With more money in pocket, young workers well spend more at our locally owned and operated stores, giving an economic boost to small business owners throughout Hawaii. The money earned will circulate within our state, granting greater economic prosperity in a time we need it most.

With this in mind, I humbly ask for your support in HB2278; Mahalo for your valuable time and consideration.

**February 11, 2014 – Tuesday, 9:00 AM
Conference Room 309
State Capitol**

**To: Representative Nakashima, Chair
Representative Yamashita, Vice Chair
House Committee on Labor and Public Employment**

From: Lori Kamemoto, MD, MPH, FACOG

Re: HB2278, Relating to Minimum Hourly Wage and HB2580, Relating to Labor

Position: Strongly Support

Dear Chair Nakashima, Vice Chair Yamashita, and Labor Committee Members:

Please note that I am submitting this testimony as a private citizen, and not representing any organization.

I strongly support an increase in the minimum wage, which will have a positive effect on the lives of many of Hawaii's women and their families.

As an obstetrician-gynecologist, I have had the opportunity to work with many of Hawaii's underserved populations. My experience includes caring for patients at: three federally-funded clinics in low-income areas, the neighbor islands, a free clinic volunteer seeing patients who had no medical insurance (> 10 years), resident training clinics, and an HIV clinic. Many of my patients have worked at fast-food establishments, as waitresses, and other minimum wage jobs.

As an example, the majority of patients I saw at the free clinic worked multiple minimum wage jobs, and each job made sure that they did not give my patient enough work hours to qualify for health insurance or benefits. Oftentimes, a patient would not be able to afford the medication needed for her health condition. She had a choice to either pay for her children's food, or the recommended medication. I often gave these patients money out of my own pocket to pay for the necessary treatment. This is not a unique situation, many physicians have felt the need to assist their patients in this way.

Nationally, the wage gap still exists between women and men. Even in my own profession as a physician, this wage gap still exists. Therefore, any increase in the minimum wage will help many women and their families earn a closer to living wage.

I urge you to increase the minimum wage to benefit Hawaii's women and families. Thank you for the opportunity to present this testimony.

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 11:51 PM
To: LABtestimony
Cc: barb@punapono.com
Subject: Submitted testimony for HB2278 on Feb 11, 2014 09:00AM

HB2278

Submitted on: 2/9/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barb Cuttance	Individual	Support	No

Comments: I testify in support of HB2278.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

NEIL ABERCROMBIE
GOVERNOR



DWIGHT Y. TAKAMINE
DIRECTOR

JADE T. BUTAY
DEPUTY DIRECTOR

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

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813

<http://labor.hawaii.gov>

February 11, 2014

To: The Honorable Mark M. Nakashima, Chair,
The Honorable Kyle T. Yamashita, Vice Chair, and
Members of the House Committee on Labor & Public Employment

Date: February 11, 2014

Time: 9:00 a.m.

Place: Conference Room 309, State Capitol

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

Re: 2014 House Minimum Wage Proposals

I. OVERVIEW OF PROPOSED LEGISLATION

The proposals before the Committee today all increase the minimum wage in various degrees and stages. Some authorize the DLIR to adjust the minimum wage using the Consumer Price Index (CPI), and some repeal or increase the tip credit provision in chapter 387, Hawaii Revised Statutes (HRS).

The department strongly supports an increase in the minimum wage and supports indexing the minimum wage to preserve the purchasing power of minimum wage workers. DLIR notes that the last four times that the minimum wage was increased the number of jobs increased by an average of 2.2% after twelve months while the other costs to businesses (Prepaid Health Care, Workers' Compensation Insurance, etc.) were present then as they are now. President Obama recently addressed the issue of rising inequality and declining mobility in the United States in advocating for an increase in the federal minimum wage:

"It was Adam Smith, the father of free-market economics, who once said, "They who feed, clothe, and lodge the whole body of the people should have such a share of the produce of their own labor as to be themselves tolerably well fed, clothed, and lodged. And for those of you who don't speak old-English let me translate. It means if you work hard, you should make a decent living. If you work hard, you should be able to support a family."

"Now, we all know the arguments that have been used against a higher minimum

wage. Some say it actually hurts low-wage workers -- businesses will be less likely to hire them. But there's no solid evidence that a higher minimum wage costs jobs, and research shows it raises incomes for low-wage workers and boosts short-term economic growth."

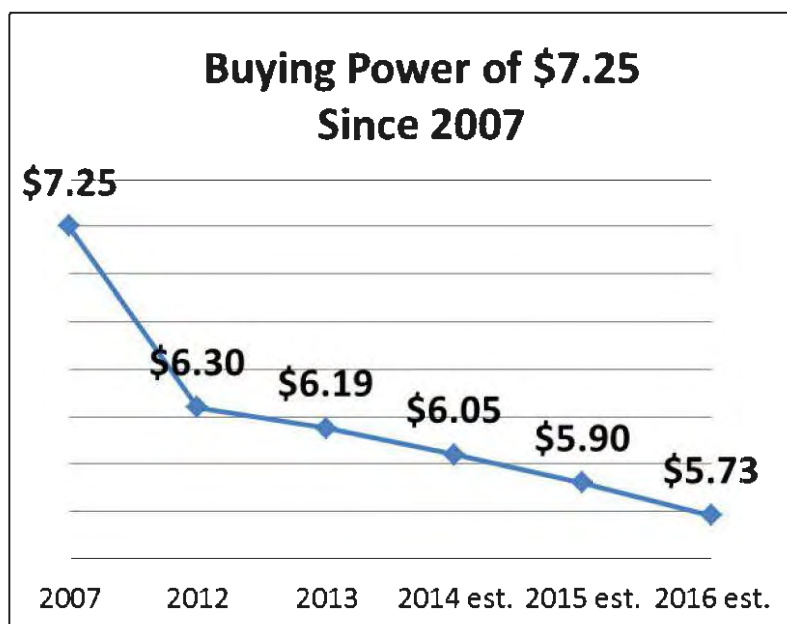
II. CURRENT LAW

The Hawaii Wage and Hour Law (chapter 387, HRS) was established to safeguard minimum wage and maximum hour standards to maintain the health, efficiency and general well-being of workers. The current minimum wage is \$7.25 and was effective January 1, 2007. Employers are allowed to claim a tip credit of 25 cents an hour for tipped employees, i.e. pay them below the minimum wage at \$7.00 an hour, provided the tipped employee receives 50 cents in tips or at least \$7.75 an hour.

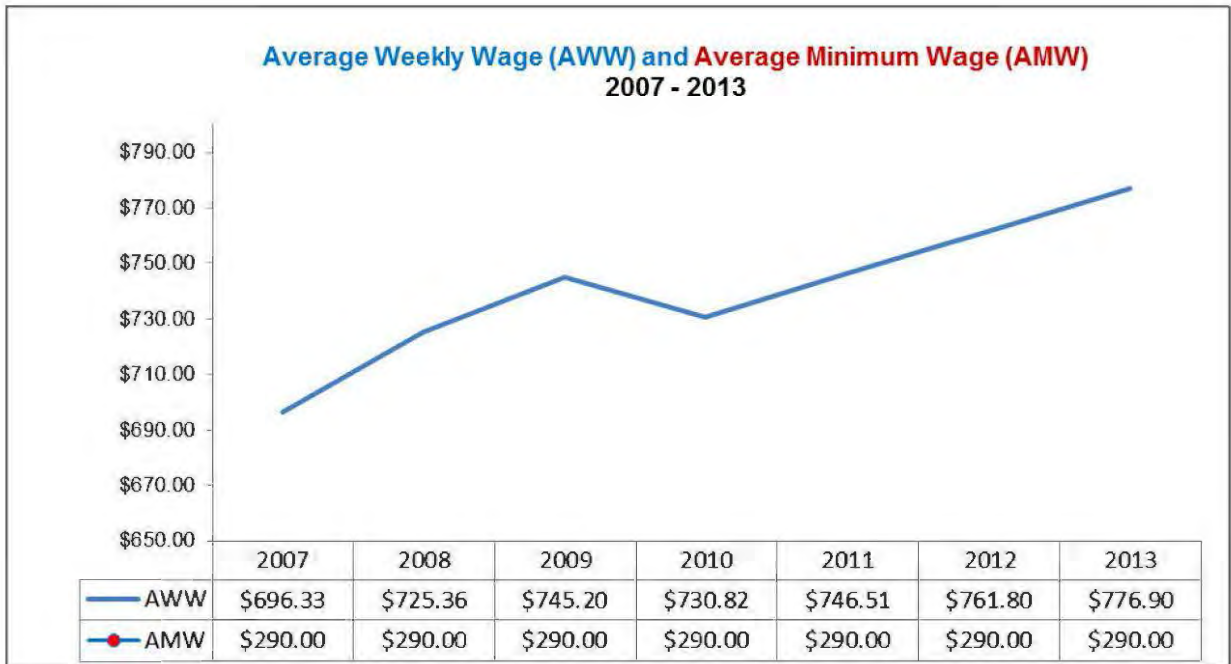
III. COMMENTS ON THE HOUSE BILL

The purpose of the proposal is to raise the minimum wage to further the economic recovery of Hawaii and lift Hawaii residents out of poverty. An increase in the minimum wage will boost consumer demand and jobs because minimum and low-wage workers spend most if not all of their increased wages and therefore will generate economic activity.

Hawaii's minimum wage earners are going into their **8th year** without a raise while everybody else is moving forward—the average weekly earnings have **increased 12% since 2007 but 0%** for minimum wage workers. Adjusting the current \$7.25 minimum wage for inflation since the last time the minimum wage was raised in 2007, a worker would have to be paid **\$8.68** an hour to match the buying power of 2007.¹



¹ Research & Statistics Office (R&S), DLIR



Data and chart by Research & Statistics, DLIR

The average annual salary has increased from **\$36,200 to \$40,400** since 2007:
\$4,200

Historically, the federal minimum wage was higher than \$7.25 an hour in 2013 dollars for most of the last 60 years.²

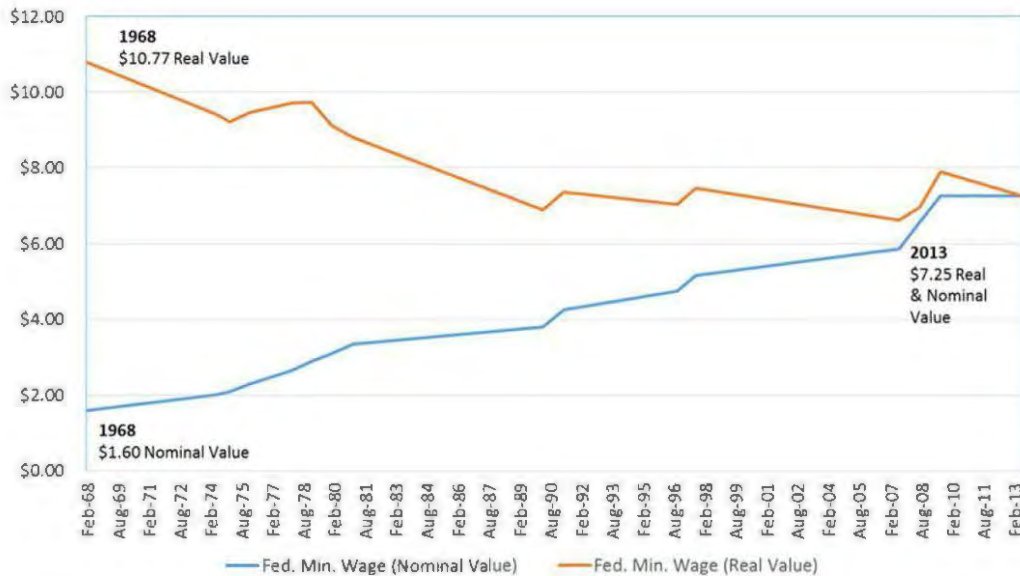
²Nominal Wages: Department of Labor CPI Bureau of Labor Statistics



²Nominal Wages: Department of Labor CPI Bureau of Labor Statistics

In fact, the minimum wage in 1968 was \$10.77 in 2013 dollars.

Value of the Minimum Wage Over Time (1968-2013)



Source: Congressional Research Service, September 2013

Prepared by PHOCUSED (Protecting Hawaii's Ohana, Children, Under-Served, Elderly & Disabled)

Minimum Wage is higher in 21 states and D.C. despite higher cost of living in Hawaii³

The following twenty states or jurisdictions have a higher minimum wage than Hawaii as of January 1 2014; thirteen of these states index their minimum wage to inflation so that the real value of the minimum wage does not fall every year.

- \$9.32 Washington*
- \$9.10 Oregon*
- \$8.73 Vermont*
- \$8.70 Connecticut*,
- \$8.25 District of Columbia*, Nevada*, Illinois, New Jersey
- \$8.00 California, Colorado*, New York, Massachusetts*, Rhode Island,
- \$7.95 Ohio*
- \$7.93 Florida*
- \$7.90 Arizona*, Montana*
- \$7.75 Alaska,
- \$7.50 Maine*, Missouri, New Mexico
- \$7.40 Michigan

*Denotes indexed to a cost of living or other indexing mechanism.

³ Wage and Hour Division, U.S. Dept. of Labor (DOL)

Give Hawaii's minimum wage earners more buying power

Minimum wage workers are critical to our economy, but are falling further and further behind in their ability to make ends meet and this is contributing to our homelessness problem. This proposal will improve the quality of life for current minimum wage workers by giving workers more purchasing power. The majority of minimum wage workers in such occupations as waitperson, food service counter worker, and bus person, will also see an improvement in their economic sustainability.

The last minimum wage increase was in 2007. Using that as the base year, and adjusting the current \$7.25 minimum wage for inflation based on the most recent Consumer Price Index and using the Department of Business Economic Development and Tourism's (DBEDT) CPI-U forecast for 2013 to 2016, a worker would have to be paid \$9.16 by 2016 to have the same purchasing power that the worker had in 2007 at \$7.25 an hour. Conversely, if the current minimum wage were deflated to 2007 dollars, it would be worth only \$5.73 in 2016.⁴

The low minimum wage is exacerbated by the high cost of living in Hawaii. In research generated by the Missouri Economic Resource and Information Center on the cost of living, Hawaii continues to have the highest cost of living as of the third quarter 2013. (http://www.missourieconomy.org/indicators/cost_of_living/index.stm)

Washington's minimum wage: \$9.32 **29% higher** Cost of Living: **55% lower**

Nevada's minimum wage: \$8.25 **14% higher** Cost of living: **64% lower**

Oregon's minimum wage: \$9.10 **26% higher** Cost of living: **49% lower**

A few comparative statistics with Western states helps to bring this disparity into focus: in Nevada where the minimum wage is **one dollar higher** than Hawaii at \$8.25, the cost of groceries is **40% lower** and in Washington State where the minimum wage is **more than two dollars** higher than Hawaii at \$9.32, the cost of housing is **50% lower** than in Hawaii.

By increasing the minimum wage and providing a mechanism for it to keep up with the cost of inflation, the purchasing power of minimum wage workers will be preserved while providing employers with predictable, smaller increases in the minimum wage over time.

⁴ R&S, DLIR

Raising the Minimum Wage Will Decrease Poverty

2013 Federal Poverty Guidelines for Hawaii

Household Size	100%	133%	138%	150%	200%	300%	400%
1	\$13,230	\$17,596	\$18,257	\$19,845	\$26,460	\$39,690	\$52,920
2	17,850	23,741	\$24,633	26,775	35,700	53,550	71,400
3	22,470	29,885	\$31,009	33,705	44,940	67,410	89,880
4	27,090	36,030	\$37,384	40,635	54,180	81,270	108,360
5	31,710	42,174	\$43,760	47,565	63,420	95,130	126,840
6	36,330	48,319	\$50,135	54,495	72,660	108,990	145,320
7	40,950	54,464	\$56,511	61,425	81,900	122,850	163,800
8	45,570	60,608	\$62,887	68,355	91,140	136,710	182,280
For each additional person, add	\$4,620	\$6,145	\$6,376	\$6,930	\$9,240	\$13,860	\$18,480

A single parent of one child working at minimum wage 40 hours per week, 52 weeks per year, earns **\$2,770 or 16% below** the federal poverty guidelines for a family of two. Hawaii's poverty rate of **17.3%** makes **Hawaii the 9th poorest** in the nation according to the U.S. Census Bureau.⁵

If the minimum wage was increased to \$8.20 an hour in January 2015, a single parent of one child working at minimum wage 40 hours per week, 52 weeks per year would still fall **nearly \$800 below the 2013** federal poverty guidelines for Hawaii.

20% or 22,000 of Hawaii's children under six live in low-income working families. Research of early childhood development has found that income insecurity negatively affects three key aspects of brain development – positive relationships, learning resources, and high stress. A 2011 study suggests that a \$1,000 increase in household income raises combined math and reading test scores by up to 6%.⁶

Increase in minimum wage and job count

Since 2002, the minimum wage has increased four times and on each of those occasions, the seasonally adjusted job count continued to grow—the number of **jobs increased by an average**

⁵ U.S. Census Bureau, Current Population Reports, Supplemental Poverty Measure: 2012

⁶ The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit, American Economic Review, 2012.

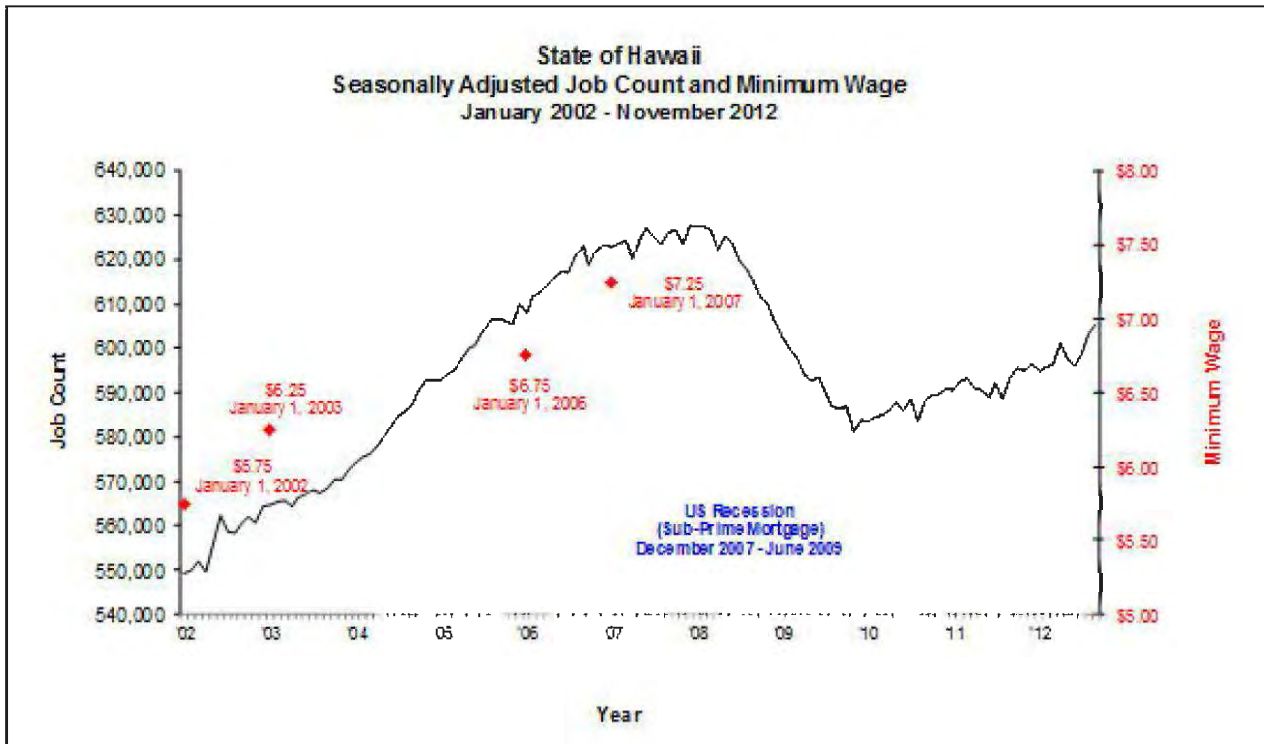
⁷ All Jobs Data from R&S, DLIR

of 2.2% over the next twelve months after the minimum wage increase.⁷

⁵ U.S. Census Bureau, Current Population Reports, Supplemental Poverty Measure: 2012

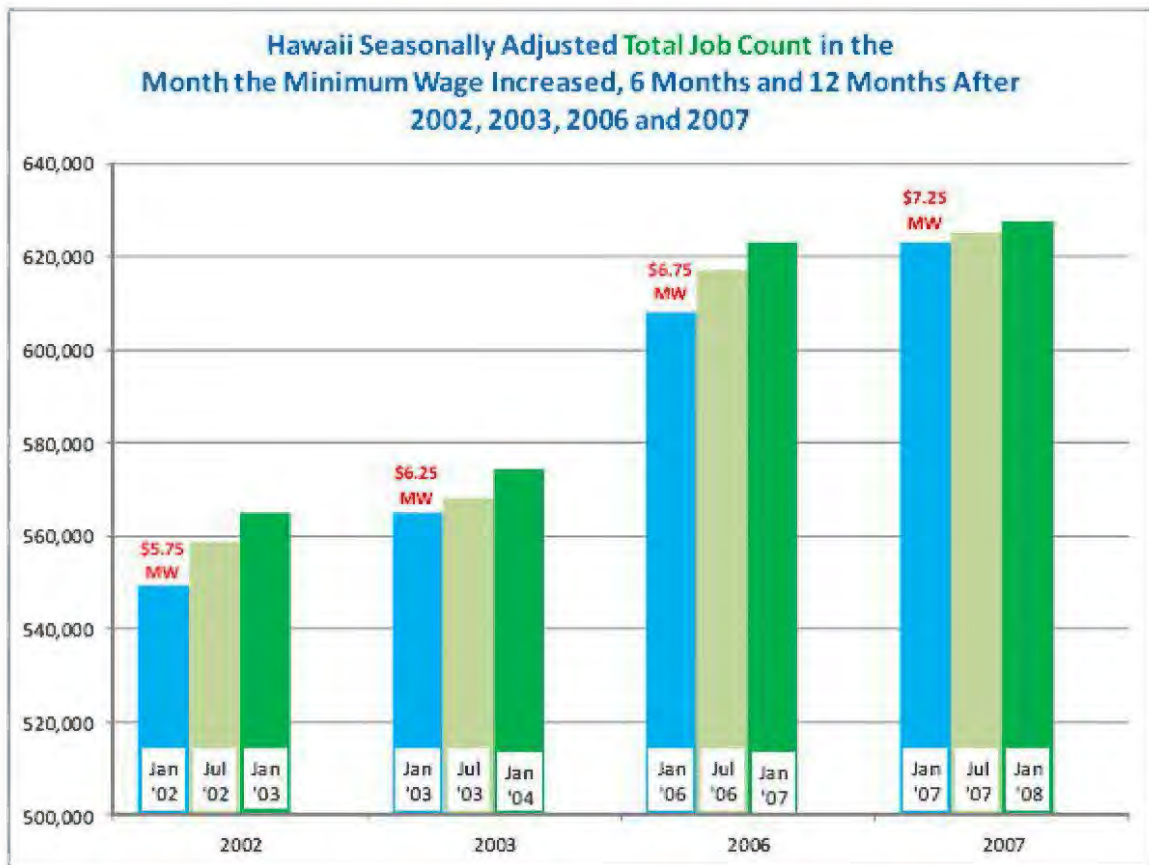
⁶ The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit, American Economic Review, 2012.

⁷ All Jobs Data from R&S, DLIR



- ✓ **15,700 jobs were added** in the twelve months following the minimum wage increase from \$4.75 to \$5.75 on January 1, 2002.
- ✓ **15,000 jobs were added** to Hawaii's economy in the twelve months after the increase from \$6.25 to \$6.75 on January 1, 2006.⁸

⁸ R&S, DLIR



State of Hawaii - Minimum Wage and Seasonally Adjusted Total Job Count

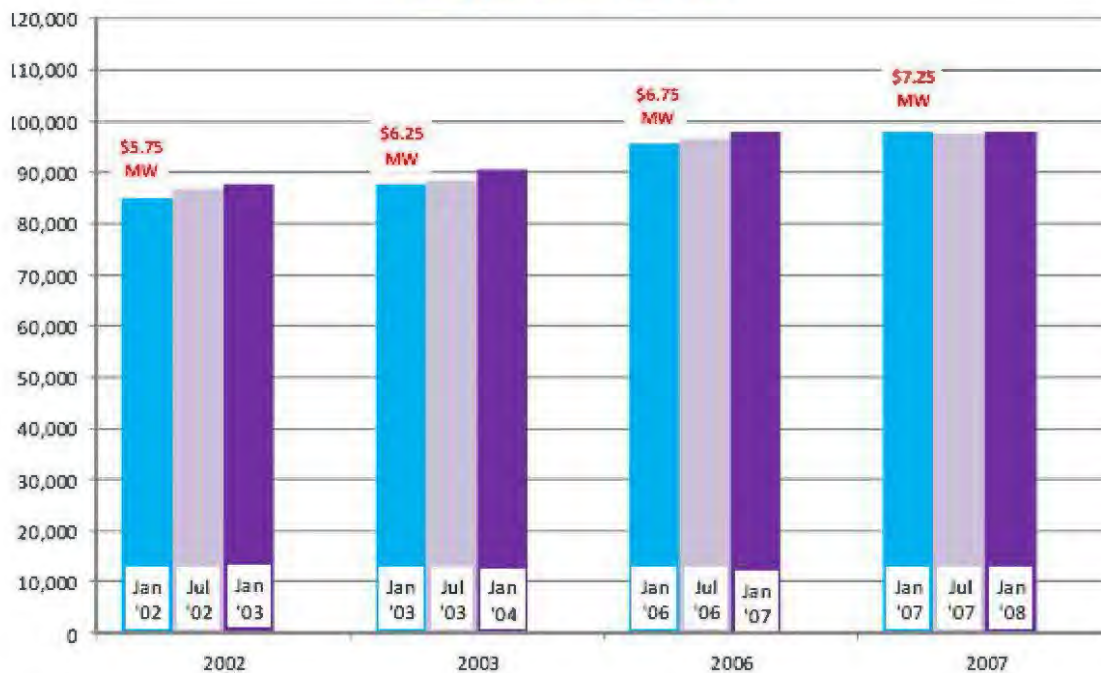
Minimum Wage Increase Date	January 1, 2002			January 1, 2003			January 1, 2006			January 1, 2007		
Minimum Wage	\$5.75			\$6.25			\$6.75			\$7.25		
Job Count Date	Jan '02	Jul '02	Jan '03	Jan '03	Jul '03	Jan '04	Jan '06	Jul '06	Jan '07	Jan '07	Jul '07	Jan '08
Job Count	549,100	558,700	564,800	564,800	568,000	574,200	607,900	617,100	622,900	622,900	625,000	627,400
6 month Job Count Change		9,600			3,200			9,200			2,100	
12 month Job Count Change			15,700			9,400			15,000			4,500
6 Month % Change		1.7%			0.6%			1.5%			0.3%	
12 Month % Change			2.9%			1.7%			2.5%			0.7%

Notes:

US Recession (Sub-Prime Mortgage): December 2007 – June 2009

Data and chart by Research & Statistics, DLIR

**Hawaii Seasonally Adjusted
 Accommodation and Food Services Industry Job Count in the Month
 the Minimum Wage Increased, 6 Months and 12 Months After
 2002, 2003, 2006 and 2007**



The number of jobs in **Accommodations & Food Service** has increased by an average of 2.2% over the next twelve months after the last four minimum wage increases. An average of **2,012 more jobs or 3.8%** more were added in **Food Services & Drinking Places** (restaurants & bars) within 6 months the last 4 times the minimum wage increased. In the 12 months after these minimum wage increases, the **Accommodations & Food Service** saw an additional :

- ✓ **2,900 jobs** following the minimum wage increase from \$4.75 to \$5.75 on 1/1/2002.
- ✓ **2,800 jobs** following the minimum wage increase from \$5.75 to \$6.25 on 1/1/2003.⁹

Who are Minimum Wage Workers?

- ✓ **85%** of minimum wage earners are 21 and older.
- ✓ **84%** of minimum wage earners work 20+ hours a week and 30% work 35+ hours a week.¹⁰

⁹ R&S, DLIR

¹⁰ U.S. Census Bureau; Current Population Survey Basic Micro Data Set, <http://dataferrett.census.gov>, data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu. Hawaii 2012 data

Statistical Profile of Minimum Wage Workers in Hawaii—2012*

Statistical Profile of Persons Earning \$7.25 or Less*

Total: 14,303 2.2% of Labor Force

Exactly \$7.25: 8,195 1.2% of Labor Force

Subminimum Wage: 7,624 1% of Labor Force

Gender Profile of Persons Earning \$7.25 or Less

Percentage of Males Earning \$7.25 or below: 49.5%

Percentage of Females Earning \$7.25 or below: 50.5%

Age Profile of Persons Earning \$7.25 or Less:

Under 18: 13%

Between 21 and 55: 72%

55 and Over: 13%

Total over 18: 85%

Hours Worked by Persons Earning \$7.25 or Less:

Works Less than 20 hours: 17%

Works 20 - 34 hours: 54%

Works More than 35 Hours: 30%

Total working more than 20 hours and presumably eligible for employer paid healthcare: 84%

*Source: U.S. Census Bureau; Current Population Survey Basic Micro Data Set, <http://dataferrett.census.gov>, data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu. Hawaii 2012 data

By major occupational group, the highest proportion of hourly paid workers earning at or below the federal minimum wage was in service occupations, at about 12 percent. About three-fifths of workers earning the minimum wage or less in 2012 were employed in service occupations, mostly in food preparation and serving related jobs.

The industry with the highest proportion of workers with hourly wages at or below the federal minimum wage was leisure and hospitality (about 19 percent). About half of all workers paid at or

¹¹ Characteristics of Minimum Wage Workers: 2012, Bureau of Labor Statistics, U.S. Department of Labor

below the federal minimum wage were employed in this industry, the vast majority in restaurants and other food services.¹¹

We All Subsidize Minimum Wage Workers:¹²

- 1 in 5 minimum wage workers receives SNAP (formerly food stamps).



- 1 in 5 minimum wage workers have someone in the family on Medicaid.



- 1 in 5 minimum wage workers have at least one child that receives free or reduced price school meals.



The department offers the following information pertaining to the tip credit.

Many of the Western states do not have tip credit provisions in their law.

¹¹ Characteristics of Minimum Wage Workers: 2012, Bureau of Labor Statistics, U.S. Department of Labor



- Alaska
- California
- District of Columbia
- Montana
- Minnesota
- Nevada
- Oregon
- Washington

The average tipped worker earns just \$9.87 per hour including tips, and tipped workers are more likely to live under the federal poverty guidelines.¹³ Waiters and servers earn an average of \$26,280 a year (\$12.64/hour) in Hawaii while cooks average \$29,200 (\$14.04/hour). The average annual wage for all workers in Hawaii is \$44,786 (\$21.53/hour).¹⁴

Who Are Tipped Workers in the United States?

2 in 3 are women **1 in 3** are parents **Half** are 30 years old or older

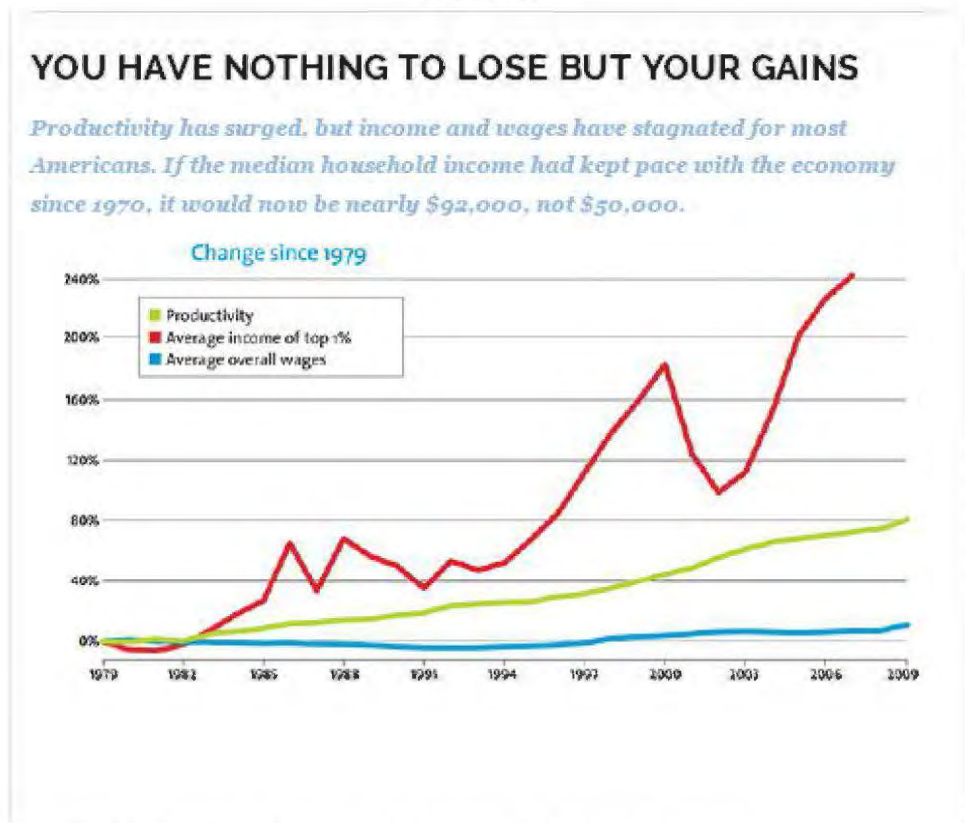
1 in 6 rely on free lunches to feed their children **1 in 7** rely on SNAP (food stamps)

1 in 4 people of color working for tips lives in poverty¹⁵

“We can either settle for a country where a shrinking number of people do really well, while a growing number of Americans barely get by,” said President Obama in his 2012 State of the Union address. ***“Or we can restore an economy where everyone***

¹² U.S. Census Bureau, Current Population Survey March Supplement Micro Data Set, <http://dataferrett.census.gov>, data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu. Hawaii Data 2012

gets a fair shot, everyone does their fair share, and everyone plays by the same set of rules.”



<http://www.mothersjones.com/politics/2011/02/income-inequality-in-america-chart-crash>

¹³ Sylvia A. Allegretto and Kai Filion, "Waiting for Change: The \$2.13 Federal Subminimum Wage", Economic Policy Institute & Institute for Research on Labor and Employment at University of California at Berkeley

¹⁴ R&S, DLIR

¹⁵ U.S. Census Bureau, 2006-2012 American Community Survey, calculated by Restaurant Opportunities Center United.

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



Chair
LESLIE WILKINS

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February 11, 2014

To: Representative Mark M. Nakashima, Chair
Representative Kyle T. Yamashita, Vice Chair
Members of the House Committee on Labor

From: Cathy Betts, Executive Director, Hawaii State Commission on the Status of Women

Re: HB 2580-Relating to the Minimum Wage
Testimony in Strong Support

On behalf of the Hawaii State Commission on the Status of Women, I would like to thank the Committee for the opportunity to testify in support of an increase in the minimum wage. Of the proposed legislation before you today, the Commission strongly supports an increase in the minimum wage, linked to the CPI, and a stall or complete repeal of the tip credit.

Current Minimum Wage and Subsidization of the Minimum Wage

Hawaii's minimum wage has been stuck at \$7.25 per hour since 2007, while the cost of living and basic expenses (food, housing, utilities and gasoline) have drastically risen. Average weekly earnings for non minimum wage earners have increased 16% since 2007, while there has been a 0% increase for minimum wage earners.ⁱ If the minimum wage had kept pace with inflation since 1968, the minimum wage would be over \$10.70 per hour today.ⁱⁱ

In Hawaii, 1 in 5 minimum wage earners receive Supplemental Nutrition Assistance Program (SNAP). 1 in 5 minimum wage workers has someone in the family reliant on Medicaid. Additionally, 1 in 5 minimum wage workers have at least one child that receives free or reduced price school meals.ⁱⁱⁱ The longer we wait to increase the minimum wage, the more our low wage earners become reliant on state benefits to make ends meet. Currently, 22,000 of Hawaii's children under six live in low income working families.^{iv} Hawaii's poverty rate of 17.3% makes Hawaii the 9th poorest in the nation.^v

How the Minimum Wage Affects Women

A woman working full time, year round at the minimum wage level of \$7.25 per hour earns nearly \$4000.00 below the poverty line for a family of three.^{vi} Most female minimum wage earners are the sole breadwinners for their families, which means more women live below the poverty level and are more reliant on state and federal benefits in order to do important things, like pay the rent, pay their electricity and feed their children.^{vii} Increasing the minimum wage to **\$10.10** per hour boosts annual earnings, and is enough to pull a *family of three out of poverty*.^{viii}

The majority of women working in minimum wage jobs are tipped workers. The restaurant industry has one of the highest concentrations of workers (39%) earning at or below the minimum wage.ⁱ Restaurant servers, the largest group of tipped workers, experience poverty at nearly three times the rate of the workforce as a whole. Of these servers, 71% are women.^x A female restaurant worker is paid just 79% of what her male counterpart earns. The tip credit exacerbates the hardship of gendered disparities in earnings. In this way, pay inequity stifles the economy, exacerbating poverty and forcing more women onto government assistance.

Increasing the minimum wage has been identified as one of the most important ways *we can alleviate the wage gap between men and women*. Over a 40 year working career, the average woman is paid \$413,000.00 less than her male counterparts, with the same education, performing the same work. Nationally, that means the United States loses out on close to 477 billion dollars because of this wage gap. Increasing the minimum wage raises the floor so that women can earn more, thereby decreasing the wage gap.

Finally, the Commission supports a repeal of the tip credit. At the very least, we support no increase to the tip credit, which should be seen as it truly is: a tip deduction. Tips rightfully belong to the employee performing a service for the tip. While a few employers of tipped workers will argue otherwise, the majority of tipped workers in Hawaii are not becoming wealthy off of their tips. Their tips are hard earned, paid by customers to the employee for a very specific service performed, and help subsidize their (very low) minimum wage.

Raising the Minimum Wage Benefits All

Increasing wages to our lowest paid workers directly leads to lower turnover and encourages employers to invest in their workers.^{xi} Raising the minimum wage has the ability to promote our economic recovery by raising income for Hawaii's workforce and thereby lifting families out of poverty and toward financial security.^{xii}

The Commission strongly supports an increase in the minimum wage. Specifically, the Commission supports HB 2278 and HB 2580, which would benefit working individuals and families the most. Thank you for this opportunity to testify.

ⁱ Research and Statistics Office, Department of Labor and Industrial Relations (DLIR)

ⁱⁱ Julie Vogtman and Katherine Gallagher Robbins, National Women's Law Center, *Fair Pay for Women Requires Increasing the Minimum Wage and Tipped Minimum Wage*, September 2013

ⁱⁱⁱ Bureau of Statistics from U.S. Census Bureau, Current Population Survey, Hawaii Data (2012).

^{iv} The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit, American Economic Review (2012).

^v Bureau of Statistics from U.S. Census Bureau, Current Population Survey, Hawaii Data (2012).

^{vi} Julie Vogtman and Katherine Gallagher Robbins, National Women's Law Center, *Fair Pay for Women Requires Increasing the Minimum Wage and Tipped Minimum Wage*, September 2013.

^{vii} *Id.*

^{viii} *Id.*

^{ix} The Restaurant Opportunities Centers United, *Tipped Over the Edge: Gender Inequity in the Restaurant Industry 1* (2012).

^x Bureau of Statistics from U.S. Census Bureau, 2006-2012 American Community Survey, calculated by Restaurant Opportunities Centers United.

^{xi} T. William Lester, David Madland & Nick Bunker, Ctr. For American Progress, *An Increased Minimum Wage is Good Policy Even During Hard Times* (June 2011).

^{xii} Research and Statistics Office, DLIR



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COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

Tuesday, February 11, 2014 at 9:00 a.m.

Conference Room 309

HB 2580, Relating to Labor

TESTIMONY

Beppie Shapiro for the League of Women Voters of Hawaii

Chair Nakashime, Vice-Chair Yamashita, Members of the Committee:

The League of Women Voters of Hawaii supports HB2580, which raises the minimum wage in \$1 steps over three years ending in 2017; thereafter indexes the minimum wage to the annual cost of living increase; and eliminates the tip credit.

We draw your attention to the following facts:

1. The minimum wage is not enough to keep a full-time worker from dire poverty – e.g. a household income of less than \$15,200 a year for a worker with one dependent. Is this how we encourage people to work?
2. Taxpayers have to pick up some of the needs of these very very poor working families – through SNAP (foodstamps), Med-Quest, public housing, etc.
3. The last 4 times Hawaii raised the minimum wage, the number of jobs increased over the next 12 months.¹
4. When wages go up, taxable income goes up.

Advocates have been trying to raise the minimum wage since 2007, while the real incomes of those earning minimum wage continued to fall compared to other workers². Indexing the minimum wage to the CPI increases will keep minimum wage workers from falling further behind the rest of the working population.

¹ All Jobs Data from Research and Statics Branch, Hawaii Dept. of Labor and Industrial Relations

² David Cooper and Doug Hall, analysis of Current Population Survey Outgoing Rotation Group microdata and U.S. Department of Labor Wage and Hour Division (2012)



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We point out that it is very hard to formulate a tip credit which is fair to all concerned. While a few workers (e.g. wait-help in high-end restaurants) may get a substantial amount of their income from tips, most tipped workers receive little, and can't count on tips to raise their incomes. It may be even harder to enforce the tip credit provisions. This dilemma leads us to support the part of HB 2580 which removes the tip credit from minimum wage calculations.

It is hard to think of any legislation this year which could so significantly affect the well-being of so many of Hawai'i's residents, including many of our youngest residents.

We urge you to pass this bill. Thank you for the opportunity to submit testimony.

Twenty-Seventh Legislature
Regular Session of 2014

HOUSE OF REPRESENTATIVES
Committee on Labor & Public Employment
Rep. Mark M. Nakashima, Chair
Rep. Kyle T. Yamashita, Vice Chair
State Capitol, Conference Room 309
Tuesday, February 11, 2014; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2580
RELATING TO LABOR**

The ILWU Local 142 **strongly supports** increasing the minimum wage, the subjective of the six bills being heard this morning. Of the six, the ILWU believes that H.B. 2580 will best serve the interests of all minimum wage workers. H.B. 2580 will increase the minimum wage to \$8.00 on 1/1/15, to \$8.75 on 1/1/16, to \$9.50 on 1/1/17 and thereafter requires DLIR to adjust the minimum hourly wage in accordance with the Honolulu region Consumer Price Index. The bill also repeals the tip credit.

The minimum wage in Hawaii is \$7.25 an hour. For more than seven years, workers with the lowest wage had no increase in pay while government workers, legislators, judges, and many others received pay raises in recognition of a recovering economy. Meanwhile, the cost of living continued to climb. Groceries cost more today than in 2007, “affordable” rental housing is almost non-existent, parents even struggle to buy school supplies. The buying power of the dollar is weakening.

Contrary to what opponents of the minimum wage are saying, it’s not just teenagers working their first job who are earning a minimum wage. A minimum wage earner is very likely an adult, supporting a family, working two or three jobs to make ends meet, and spending every dollar earned to help boost our economy.

Yet minimum wage earners are denigrated as only able to work at entry-level positions because they lack skills to get a better-paying job, thus should not expect to be paid more than the lowest minimum possible. But workers in entry-level positions perform work that is needed in the community, contribute to the economy with their purchases and taxes, and have families and themselves to support just like others. They need a livable wage, too. If their wages do not allow them to be self-sufficient, they will be forced to rely on taxpayer-supported services like TANF, food stamps, Med-QUEST, and free and reduced school lunch.

Most people in Hawaii, including some employers, agree that the minimum wage should be increased and were stunned that, even with a “super-majority” of Democrats in both the House and Senate, the Hawaii State Legislature could not pass a minimum wage increase in 2013. The main issue then, as now, appears to be the tip credit.

What is a tip credit? Hawaii's tip credit, currently 25 cents, is the amount below the minimum that employers may pay their tipped employees. Theoretically, an employer may pay a tipped employee as low as \$7.00 an hour. However, most employers do not apply the tip credit, possibly because the amount is relatively small. If they do, it is only applied to restaurant servers, not other workers who routinely receive tips and earn the minimum wage. Increasing the tip credit could open the door for more workers to be paid less than the minimum.

Restaurant owners and operators argue that tipped employees earn far more than the minimum when tips are included. But why should that matter to the employer? Tipped employees earn their tips, just as they earn their wages. And who pays the tips? Not the employer, who actually benefits from a subsidy provided by the tipping customer. Without tips, the employer might be forced to pay a worker two or three times more in wages. Finally, a tip is not guaranteed. While it is customary in the U.S. for customers to leave a tip for restaurant servers, a tip is nevertheless voluntary.

In other states and municipalities that have increased their minimum wage, there is no tip credit. In Washington state, the minimum wage is \$9.32 with no tip credit. In San Francisco, the minimum wage is \$10.55 with no tip credit. In all, seven states (Alaska, California, Minnesota, Montana, Nevada, Oregon, Washington) and the District of Columbia allow NO tip credit at all. Yet Hawaii, once one of the most progressive states in the nation, has now fallen far below other jurisdictions.

The most egregious argument offered by those who want to increase the tip credit is that increasing the minimum wage for those who earn tips will mean less for non-tipped employees. Pitting one group of workers against another is what plantation owners used to do when they separated workers by ethnic groups to keep them from organizing their power. Those early plantation ways are long gone. All workers deserve to be paid wages that acknowledge their labor and help them to support themselves and their families. Furthermore, there is no guarantee that non-tipped employees will get a raise even if the tip credit is increased. Employers who push for an increase in the tip credit seem to resent that their tipped employees are able to make a decent living.

Penalizing tipped employees is just not right. H.B. 2580 rightly calls for the elimination of the tip credit in Hawaii law altogether.

The final proposal in H.B. 2580, to adjust the minimum wage in accordance with the Honolulu Consumer Price Index, is both sensible and reasonable. Once adopted, the law will automatically allow for nominal wage increases indexed to the cost of living. The increases may not be huge, but they will be steady. Furthermore, with politics removed from the equation, the Legislature can devote their full attention to other serious issues that confront them and the State.

The ILWU strongly urges passage of H.B. 2580. We thank you for the opportunity to share our views and concerns.



Progressive Democrats of Hawai'i

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HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

Rep. Mark Nakashima, Chair

Rep Kyle Yamashita, Vice Chair

Feb 11, 2014, 9:00 a.m.

Conference room 309

HB 2580, RELATING TO LABOR IN SUPPORT, with AMENDMENTS

Aloha Chair Nakashima, Vice-Chair Yamashita and Members,

My name is Bart Dame and I am testifying on behalf of Progressive Democrats of Hawaii in support of HB2580, but with a suggested amendment. We have read the other bills and have found things to like in most of them, but believe HB2580 is the best vehicle to move forward, as it covers our concerns. Except we believe the proposed wage hike is too low, given how the Legislature has neglected raising the minimum wage for over seven years and the cost of living has severely eroded its value.

HB2580 would raise the minimum wage in three steps, to \$9.50 in January 2017. We note Rep. Takumi's bill would raise it to \$10.25 and the Governor's bill would raise it to \$10 even. While we like Rep. Takumi's bill, we can support the figure of \$10.10, as it is consistent with the bill moving through the Senate, as well as the Federal rate proposed by President Obama and the US Senate leadership.

We support also support the elimination of the tip credit and the provision which would provide for automatic hikes in the minimum wage, tied to the Consumer Price Index. We think this final provision, which has not elicited much discussion, is vitally important.

We have attached to this testimony a chart of the historical rate of the minimum wage in Hawaii. That is shown in the blue line. The orange line shows the value of the 1968 minimum wage, in current dollars, which reflects where it would be, had the legislature raised it to keep up with the cost of living.

You will see a growing gap between the two lines, starting at about 1980. This gap replicates the widening of incomes which occurred across the United States, as the wages of working people stagnated. There is a myth going around that increased globalization has led to a decline of wealth in the United States and the decline of income for middle and working class people is an inevitable outcome of global competition. We disagree. Income in the United States has gone up during this period, but it has not been shared equally. The rich HAVE been getting richer, the poor HAVE been getting poorer and the middle class has been collapsing. And it is not the inevitable result of changes in the economy, but the result of conscious action –and INACTION- of legislative bodies like this at the

state and federal level, lowering taxes on the wealthy, on corporations, on capital gains, weakening labor laws, cutting social services and other programs, giving away tax credits to investors and refusing to raise the minimum wage to help keep low-income workers from falling into poverty.

If you look at the graph, the widening gap between the orange and blue lines can be seen as a transfer of income from lowly paid workers to their employers. We can see three lengthy periods where previous legislators failed to raise the minimum wage to keep up with the rising cost of living. From 1981-1987, from '93 to 2002, and from 2007 until now. Those are periods of 6 years, 9 years and now, it will be 8 years if this bill passes. Should the legislature fail to enact the CPI provisions being proposed, it is very likely this pattern will repeat itself.

We have seen testimony claiming the CPI provision will subject business owners to sudden, difficult to anticipate increases, which will render budgeting difficult, even "impossible." That strikes us as absurd. Other costs for businesses go up, such sometimes unexpectedly and at rates greater than the CPI, yet businesses adapt to hikes in rent, utilities, gasoline, insurance, the cost of merchandise or materials. Only the cost of labor cannot be adjusted to? And by chaining future hikes in the minimum wage to the overall rate of the cost of other items, this makes such hikes predictable and incremental. Leaving it to legislative action, on the other hand, will inevitably result in sudden, difficult to anticipate jumps when the legislators finally, after delaying for 6,8, or 9 years (!), finally get spurred into action by the obvious injustice of forcing workers to work for less and less, in real terms, each year.

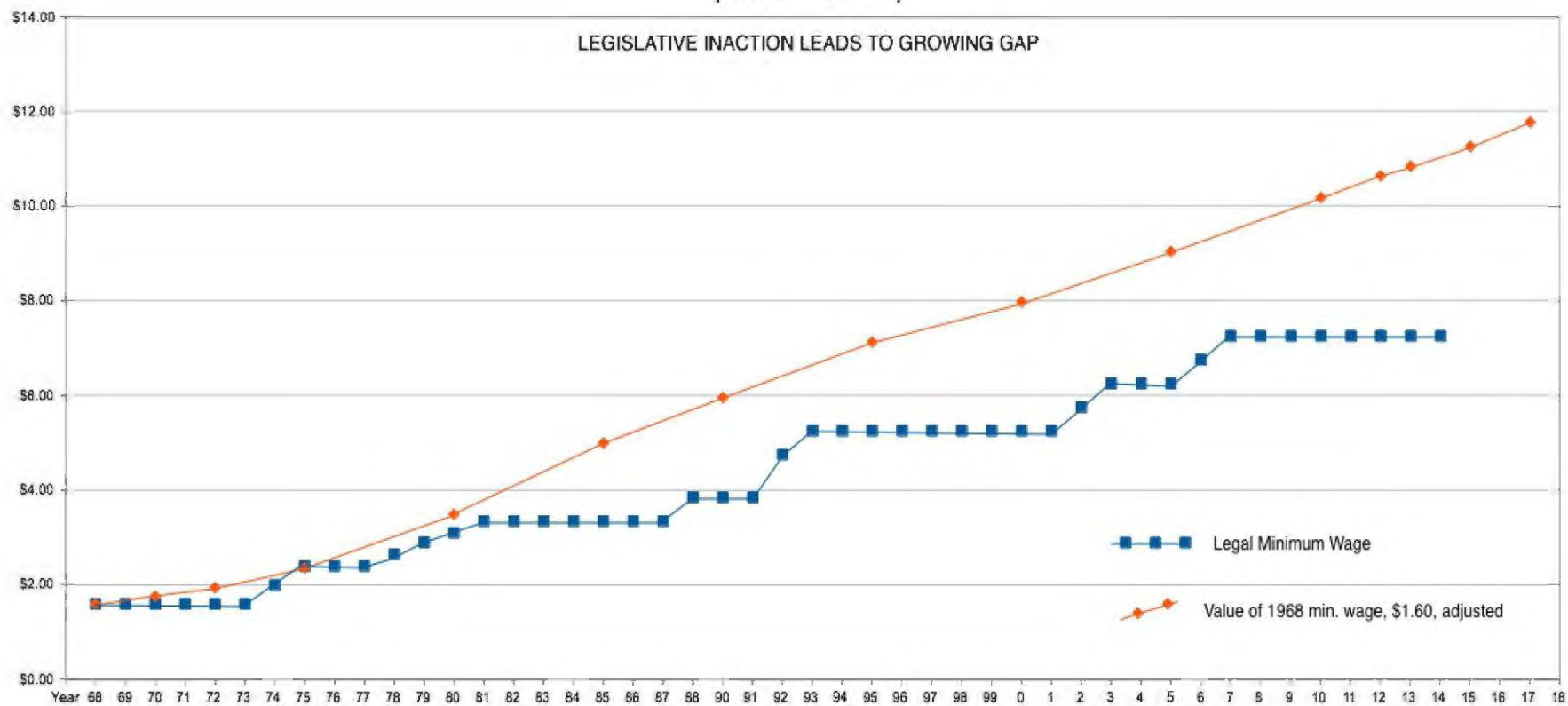
If business owners want to complain about the jump proposed with this bill, they should realize it reflects their success, over the last 7 years in preventing smaller hikes.

Please pass this bill, retaining the CPI provisions, but amending the amount of the hikes to those in the Senate bill, SB2609.

Thank you for the opportunity to testify.

[CHART ATTACHED]

DECLINE OF MINIMUM WAGE IN HAWAII (1968 - 2014)



Testimony

Re: H. B. 2850 Relating to Minimum Wage

**To: The Honorable Mark M. Nakashima, Chair,
The Honorable Kyle T. Yamashita, Vice Chair and Members of the
House Committee on Labor & Public Employment**

Date: February 11, 2014

Time: 9:00 a.m.

Place: Conference Room 309, State Capitol

**From: Lawrence W. Boyd Ph. D., Center for Labor Education and Research,
University of Hawaii at West Oahu***

***Institutional identification for identification only, it does not mean support,
or endorsement for this testimony or its conclusions by the institutions
listed**

Summary

The following is suggested by the data and analysis below:

- **The minimum wage should be raised to \$10.10. And it should be indexed. Primarily because this will reduce the incidence of poverty among low wage workers and also reduce their dependence on public assistance.**
- **The effects on employment and firms will be non-existent. One reason being because the minimum wage and its rise is so low, covers so few people, and basically restores the minimum wage to levels it achieved several years past due to inflation. Secondarily the common mechanism by which firms react to a minimum wage increases is a price rise. If all minimum wage increases were passed through as price rises then restaurants, whose labor costs are 30 percent of total costs, would raise prices by 3 percent for every 10 percent rise in the minimum wage. Because fewer workers are covered by an increase and other labor costs are part of that total the price rise would be 1.5 to 1 percent for each 10 percent rise.**
- **The tip credit should be eliminated because it serves no useful purpose as far as the goals of the minimum wage and actually works at odds to the reasons for a minimum wage hike. It reduces incomes and increases poverty. That participation by employers in it is so low that no harm would come from its elimination.**

Introduction

Since 2000 there have been a series of studies, published in peer-reviewed journals that indicate increases in the minimum wage produce no statistically significant job losses. There are small increases in restaurant prices, but overall minimum wage increases led to increased wages and incomes for workers. A recent study indicates that a 10 percent increase in the minimum wage reduces poverty by 2 percent among low-income workers.

The intent of minimum wage legislation, going back to its original passage in 1937, has been to reduce poverty among the working poor. The policy goal of reducing poverty should be the primary criteria for assessing any minimum wage legislation. Some of the outcomes might be debatable but it is essentially an antipoverty measure. Table 1 below contains three poverty guidelines. One is the official federal poverty guideline for Hawaii and Alaska, the second is the official poverty guidelines for the remaining 48 states, and the third is the Supplemental Poverty Measure. Using federal poverty guidelines the poverty rate in Hawaii is 8.3 percent of the population. Using the Supplemental Poverty Measure it is 17.3 percent.

Household Size	100% Federal Poverty Guidelines Hawaii, Alaska	100% Federal Guidelines; 48 States	100% Supplemental Poverty Measure Hawaii
1	\$13,230	\$11,504	14,611
2	17,850	\$15,522	19,713
3	22,470	\$19,539	24,815
4	27,090	\$23,557	29,917
5	31,710	\$27,574	35,019
6	36,330	\$31,591	40,121
7	40,950	\$35,609	45,223
8	45,570	\$39,626	50,325

Source: Bureau of Labor Statistics, Department of the Census and <http://aspe.hhs.gov/hsp/14/GeographicVariation/UrbanGeographicVariation.pdf>

The federal guidelines are used as the “means test” by which assistance to the poor is awarded and it is 15 percent higher for Hawaii and Alaska than it is for the remaining forty-eight states. The Supplemental Poverty Measure takes into account what people receive in assistance, whether it is Social Security or the

Earned Income Tax Credit, taxes, and housing costs. It is 27 percent higher for Hawaii entirely because of housing costs. The SPM can be used to assess the impact of many poverty measures by simply reducing the amounts paid by one or another program and assessing the outcome. It explains the gap we perceive between the lower poverty rate and the magnitude of our homelessness problem. It also explains the prevalence of multifamily, multigenerational dwelling arrangements that exist in Hawaii. Significant numbers of people simply don't earn enough to house and feed themselves.

In terms of the minimum wage at \$7.25 on a two thousand hour work year provides annual income of \$14,500 dollars, compared to the one person SPM measure of \$14,611. It is inadequate at this level for every household no matter what size. As the table below indicates significant numbers of minimum wage workers, as well as those earning up to \$9.50 receive welfare. These are awarded based on the lower federal guidelines and indicate how serious poverty is among minimum wage and low wage workers.

Table 2: Minimum Wage Workers and those earning up to \$9.50 who receive some form of means tested public assistance 2013		
	Earning \$7.00-\$7.25	Earning \$9.50 or less
Food Stamps	13.0%	14%
Someone in Family on Medicaid	31.0%	27%
School Lunch Program	12.7%	37%
Source: U.S. Department of the Census; Current Population Survey March Supplement 2013, Micro Data Set, http://dataferrett.census.gov , data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu.		

The numbers of people on welfare for those earning \$9.50 or less are important not only in assessing a minimum wage rise on poverty. This hourly wage does not include tips. Because the median median hourly wage, including tips for waitresses is \$9.46, this would actually include more than 50 percent of all waitresses. The average hourly wage excluding tips for waitresses was about \$8.50 in 2013.

Until 1996 there was no provision for a "tip credit" in the federal minimum wage. Since then this has become an issue in Hawaii, which has a small tip credit. The "tip credit," at whatever level it is set at, hurts low-income workers by reducing their earnings and incomes. The second and related issue is that raising the tip credit, at the same time the minimum wage is raised, reduces the number of people covered by minimum wage increases. It means many, would not get any benefit from the increase. It would depend on how large the tip credit was. But if the tip credit were increased so that the sub minimum wage stayed a \$7.00 then at least 50

percent of those who would have normally received some benefit from the increase would not receive any raise. For example the median hourly wage for waitresses is \$8.50 without tips. Raising the minimum wage to \$8.50, with a twenty-five cents tip credit means just under 50 percent of all waitresses would see a rise in their earnings. Increasing the minimum wage and increase the tip credit so that “tipped employees” remained at \$7.00 means no waitress would receive a raise.

Minimum wage legislation is supposed to reduce poverty. The tip credit introduces a reverse means test into the minimum wage. In Hawaii you can earn \$7.25 unless you earn 50 cents or more per hour in tips. Then your hourly wage can be reduced to \$7.00. This is somewhat similar to poverty programs that place an income limit on participation. But the difference is this sets a cap on earnings rather than allowing earners to supplement their income. Some highly successful measures allow workers to earn up to a certain amount from working. The earned income tax credit (EITC), which all agree, is a program that works well, especially in conjunction with the minimum wage, has a \$40,000 per year income limit for a family of four. This means those who participate in the EITC get a tax refund that supplements their income up to \$40,000. Similarly Social Security, which has virtually eliminated poverty among the elderly, allows participants to earn up to \$12,000 annually to supplement their pensions. The tip credit actually works to reduce wages, and then incomes for participants. Philosophically and programmatically it is the opposite of what is normally done in poverty alleviating legislation.

The Minimum Wage and Its effects on Industry and Occupations

Table 3 below list broad industry and occupations for those earning the minimum wage, the sub minimum wage tip credit, and those who earned up to \$9.50 per hour. From this it is evident that there are some who are in the tip credit (below \$7.25) who earn tips. But there are others that don't; retail sales for example, education and health care. Food preparation and serving has the bulk of those occupations earning the sub minimum. Usually cooks aren't tipped.

The proportion of minimum wage workers is very small around 2 percent of the employed labor force, less than 1 percent for sub-minimum wage, workers. At this level the minimum wage simply plays no role in the labor market. Raising it to \$9.50 would benefit a significant number of workers but again the magnitudes involve would have no discernable effect. The initial rise merely returns it to the inflation, adjusted level it was in 2007. And there is no reason to believe in that case that it would have any effect at all. The proportion for industries and occupations indicates that they are concentrated in restaurants and retail sales. It should be noted that not all workers normally receive tips in restaurant.

The concentration in these industries masks the magnitudes involved. Most workers and most tipped workers earn more than the minimum wage. Substantial numbers earn hourly rates even above the proposed level of increases. Table 4 below contains data on two commonly “tipped” occupations; waitresses/waiters

and counter attendants. There are ten times more counter attendants earning more than the tip credit than those earning it; similarly eight times more waters/waitresses earn more than the tip credit. These numbers indicate that the vast majority of employers do not take advantage of the tip credit. Furthermore there are problems with those that do.

Minimum Wage	\$7.25 and Below	Exactly \$7.25	Below \$7.25	Below \$9.50
Ratio to Employed Labor Force	2.4%	1.6%	0.8%	11.0%
Total	14,819	9,644	5,175	68,212
Industry				
Accommodation and Food Service	56.2%	52.0%	65.0%	40%
Retail Trade	20.0%	15.0%	26.0%	28%
Management, Administrative and Waste Management	6.9%	12.0%		
Educational Services and Health Care	9.6%	12.0%		16%
Occupation				
Food Preparation and Serving	47.1%	40.0%	60.0%	34%
Sales	26.2%	25.0%	26.0%	21%
Transport and Materials Moving	6.0%	4.0%	11.0%	9%

Source: U.S. Department of the Census; Current Population Survey Basic Micro Data Set, 2013 all months. <http://dataferrett.census.gov>, data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu.

	Earn tip credit \$7.00-\$7.24	Earn more: Greater than \$7.25	Ratio, Greater than: tipped
Counter attendants, cafeteria, food concession, and coffee shop	230	2,376	10
Waiters and Waitresses	1,476	12,193	8
Total	1,706	14,569	9

Table 5 below indicates what could potentially happen were the tip credit increased. Although the numbers of those in the tip credit subminimum wage are incredibly small, they can tell us something about what happens with the subminimum wage.

Table 5: Subminimum wage workers in the tipped category; by occupation; and response			
CPS: Do you normally earn tips, commissions, or overtime on your job?			
Average Weekly Wage	\$302		
		Yes	No
Total	5,248	51.9%	48.1%
Cooks	602	74.1%	25.9%
Food preparation workers	231	100%	0%
Bartenders	338	100%	0
Counter attendants, cafeteria, food concession, and coffee shop	230	100%	0
Waiters and waitresses	1,476	88.3%	11.7%
Janitors and building cleaners	192	100%	0
Cashiers	571	0	100%
Retail salespersons	825	0	100%
Parking lot attendants	266	0	100%
Cleaners of vehicles and equipment	246	0	100%

Source: U.S. Department of the Census; Current Population Survey Basic Micro Data Set, 2013 all months. <http://dataferrett.census.gov>, data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu.

There are several things to note in this table. First the occupations commonly associated with tipped employees; waitresses/waiters and counter attendants make up a minority of those in the tipped category. There are occupations, like cooks and dishwashers, who are not normally thought of as tipped report receiving tips. Furthermore, 48 percent answer No, to the question “Do you normally earn tips, commissions or overtime on your job?”

The issue regarding cooks and others who receive tips is part of the consequences of the addition of the tip credit to the minimum wage. The Fair Labor Standards Act allowed, “pooling” of tips between employees including cooks etc. Thus the incomes of both waitresses and cooks were reduced. The former because her tips were split among employees and cooks because they became tipped employees and their wage lowered. It is possible that those who report not regularly receiving tips are lying because of tax avoidance. On the other hand, over several years the percent answering, no to this question has been in the forty percent range. Furthermore, the occupations listed, like cashiers, are not an occupation we normally tip.

The average weekly wage is quite low in this category. This indicates that they earn around \$15,000 a year and only about \$400 dollars above the SPM measure for one person. This also indicates that on a full time, forty hour week, they are getting about twenty dollars in tips; or fifty cents an hour. And the low wage is also consistent with the number cited above for those receiving public assistance.

These numbers speak to the issue of the tip credit. They suggest that it leads to actual reductions in the pay of low wage, workers and is at odds with goals of the minimum wage. That it actually somewhat increases poverty among low wage workers rather than reduces it. It is confusing and difficult to enforce, because it sets two rates, leading to confusion about who should get a subminimum wage. The data suggests it should be eliminated.

Occupational Wages in Restaurant Industry and Wage Differentials

Below are two tables that display hourly wages and annual incomes for all occupations in the restaurant industry for 2012. These are broken down into median and percentiles that range from the lowest to the highest 10 percent. I also have totals and something called the location quotient.

The location quotient compares employment in Hawaii to employment nationally. An employment quotient of 1 indicates the occupation is employed at the same rate as nationally. If the number is 1.39, as it is for all food preparation and serving occupations, that means employment in these occupations are 40 percent higher than nationally. This is usually taken to mean that in that occupation the state has some sort of comparative advantage. But in terms of Hawaii's economic development we have an "export industry" that produces low wages. Wages so low that significant numbers get some form of public assistance. This hinders economic growth by reduces demand, and creates significant social problems.

Hourly wages, and annual incomes in the occupations below includes tips but excludes overtime. Table 7 reports the median hourly rate for all occupations is \$10.26, meaning 50 percent of all employees fall below or above that number. I have highlighted three occupations; cooks; waiters and waitresses; and dishwashers. The median hourly rates, including tips are:

- Cooks, \$13.04
- Dishwashers; \$10.92
- Waitresses, \$9.46.

These include tips, so "back room" staff, are paid a wage differential. And hierarchy means waitresses are at the bottom. This is not unusual. Economic theory suggests that wage differentials need to be paid to for dirty, unpleasant, jobs and skilled occupations. However tipped employees overall are 60 percent female. So the sorting into a wage hierarchy with women on the bottom explains why women earn 70 cents to the dollar men earn.

Increasing the tipped category while raising the minimum wage has three major effects:

- It means tipped employees, largely women, will not receive any benefits from it
- It will increase the disparity between these occupations and the disparity in earnings between genders
- It also means that dishwashers and cooks salaries will rise by less because employers will not have to maintain wage differentials because lower wage workers hourly wages have not gone up.

These tables are likewise useful as a check on anecdotal evidence presented at these hearings. The lowest 10 percent of waitresses earned on average \$7.80 per hour including tips, while the upper 10 percent earned \$21.46. The lower 10 percent earn an average hourly wage of around \$7.25 excluding tips. This can be derived from the minimum wage data I've already done. I don't have an hourly wage excluding tips for those in the upper 10 percent. But from the data I do have the hourly wage excluding tips rises with greater tips. To make twenty dollars an hour in tips, on average those in the 10 percent category would have to average \$1.46 per hour in a wage excluding tips. Basically if the tip credit were increased so that tipped waitresses stayed at \$7.00 per hour that means no waitress would receive an increase from the minimum wage. Even if the minimum wage were raised to \$10.10, only about 50 percent of dishwashers, who aren't tipped, would get a raise. So the increase in the tip credit basically works to exclude large numbers of workers a minimum wage increase. I've also included annual incomes for these employees and these can be compared directly with the poverty income rates in the first table of my testimony.

Table 6: Hawaii Food Preparation and Serving Related Occupations 2012; Employment; Location Quotient; Hourly Income including tips by median and percentile

Occupational Title	Total Employed	Location Quotient	Hourly Low 10%	Hourly Low 25%	Hourly Median	Hourly Upper 25%	Hourly Upper 10 %
Food Preparation and Serving Related Occupations	72,280	1.39	7.84	8.55	10.26	15.12	19.92
Chefs and Head Cooks	1,380	3.14	14.76	16.78	22.65	35.88	43.46
First-Line Supervisors of Food Preparation and Serving Workers	4,070	1.10	9.94	11.63	16.01	20.91	24.97
Cooks, Fast Food	1,620	0.71	7.66	8.11	8.85	10.31	13.03
Cooks, Institution and Cafeteria	1,110	0.62	11.06	13.53	17.40	20.60	22.42
<u>Cooks, Restaurant</u>	<u>7,260</u>	<u>1.61</u>	<u>8.43</u>	<u>10.16</u>	<u>13.04</u>	<u>17.75</u>	<u>21.74</u>
Cooks, Short Order	1,730	2.37	10.12	11.63	14.11	16.98	18.73
Cooks, All Other	340	3.63	8.36	9.62	11.21	13.15	14.34
Food Preparation Workers	6,540	1.85	7.79	8.49	10.26	15.03	17.63
Bartenders	3,000	1.23	8.21	9.46	15.27	20.55	23.35
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	3,350	1.71	7.74	8.28	9.18	11.03	15.48
<u>Waiters and Waitresses</u>	<u>13,030</u>	<u>1.24</u>	<u>7.80</u>	<u>8.41</u>	<u>9.46</u>	<u>16.20</u>	<u>21.46</u>
Food Servers, Nonrestaurant	810	0.76	7.80	8.42	9.63	14.63	18.20
Dining Room and Cafeteria Attendants and Bartender Helpers	4,890	2.74	7.85	8.56	9.98	13.04	16.86
<u>Dishwashers</u>	<u>3,630</u>	<u>1.60</u>	<u>7.98</u>	<u>8.93</u>	<u>10.92</u>	<u>15.78</u>	<u>17.64</u>
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	3,120	2.02	7.87	8.66	10.34	14.06	17.21
Food Preparation and Serving Related Workers, All Other	280	1.71	8.34	9.79	12.88	17.13	20.59

Source: <http://www.bls.gov/oes/current/oesrcst.htm>; Hawaii; 2012

Table 7: Hawaii Median Annual Incomes of Food Preparation and Serving Related Occupations 2012; By Detailed Occupation by median and percentile

Occupational Title	Annual Income Lowest 10%	Annual Income Lowest 25%	Annual Median Income	Annual Income Upper 25%	Annual Income Upper 10%
Food Preparation and Serving Related Occupations	16,310	17,780	21,340	31,450	41,430
Chefs and Head Cooks	30,700	34,890	47,120	74,630	90,400
First-Line Supervisors of Food Preparation and Serving Workers	20,680	24,190	33,290	43,500	51,940
Cooks, Fast Food	15,930	16,860	18,420	21,440	27,110
Cooks, Institution and Cafeteria	23,000	28,150	36,180	42,850	46,630
Cooks, Restaurant	17,540	21,140	27,120	36,910	45,220
Cooks, Short Order	21,060	24,180	29,350	35,320	38,960
Cooks, All Other	17,390	20,020	23,330	27,360	29,830
Bartenders	17,080	19,680	31,750	42,750	48,560
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	16,100	17,220	19,100	22,950	32,200
Waiters and Waitresses	16,230	17,500	19,680	33,700	44,640
Food Servers, No restaurant	16,220	17,510	20,020	30,430	37,850
Dining Room and Cafeteria Attendants and Bartender Helpers	16,320	17,800	20,750	27,130	35,060
Dishwashers	16,590	18,560	22,720	32,820	36,700
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	16,360	18,010	21,500	29,240	35,800
Food Preparation and Serving Related Workers, All Other	17,340	20,350	26,780	35,630	42,820

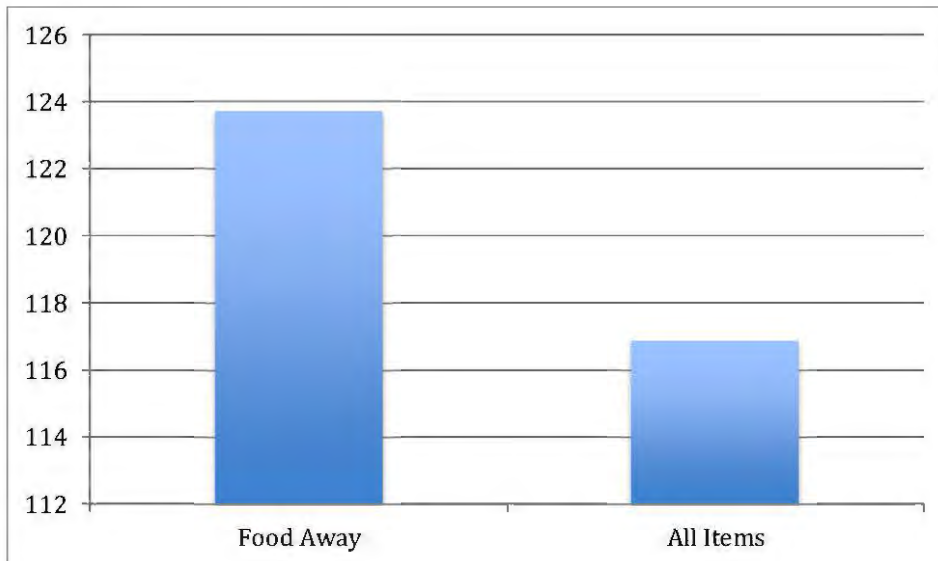
Source: <http://www.bls.gov/oes/current/oesrcst.htm>; Hawaii

Restaurant Prices and the Minimum Wage Increase

A further point has to do with restaurant pricing and inflation. Since 2007 inflation has eroded the buying power of minimum wage workers. Have restaurant prices kept up with inflation or fallen behind. The Consumer Price Index for Honolulu has as “food eaten away from home” category. Below is a bar chart that compares the rise in the consumer price index, and this category since 2007. Prices in restaurants have risen by 24 percent while overall prices have only risen 17 percent. They have risen faster than everything else with no increase in the minimum wage. While some of this rise might include some cost items it is more

likely that these increases come from increased demand related to the recovery of the tourism industry. There is excellent data on the proportion of labor costs in restaurants and fast food. Overall restaurant's labor costs are 30 percent of total costs. Mac Donald's labor costs, and fast food generally are 25 percent. A 10 percent rise in the minimum wage, if it raises everyone's wage by that amount, would lead to a 3 percent increase in restaurant prices. (That is $0.3 \times 0.1 = 0.03$, ten percent of 30 percent)) In fact as the tables above indicate less than half of the workers in the restaurant industry would be affected and labor costs include benefits like health care. This means that restaurant prices would have to rise by 1.5 to 1 percent to fully cover a minimum wage increase of 10 percent.

Prices for Food Away From Home and All Items; Honolulu Consumer Price Index
2007-2013; 2007=100; First Half



Summary

In conclusion the following is suggested by the data and analysis above:

- The minimum wage should be raised to \$10.10. And it should be indexed. Primarily because this will reduce the incidence of poverty among low wage workers and also reduce their dependence on public assistance.
- The effects on employment and firms will be non-existent. One reason being because the minimum wage and its rise is so low, covers so few people, and basically restores the minimum wage to levels it achieved several years past due to inflation. Secondly the common

mechanism by which firms react to a minimum wage increases is a price rise. If all minimum wage increases were passed through as price rise then restaurants, whose labor costs are 30 percent of total costs, would raise prices by 3 percent for every 10 percent rise in the minimum wage. Statistical evidence indicates this is less.

- The tip credit should be eliminated because it serves no useful purpose as far as the goals of the minimum wage and actually works at odds to the reasons for a minimum wage hike. It reduces incomes and increases poverty. That participation by employers in it is so low that no harm would come from its elimination.

UNITE HERE!

LOCAL 5 HAWAII

Eric Gill, Financial Secretary-Treasurer

Hernondo Ramos Tan, President

Godfrey Maeshiro, Senior Vice-President

Tuesday, February 4, 2014

The Honorable Mark Nakashima - Chair and Committee Members
Hawaii State Legislature
House Committee on Labor
State Capitol
415 S. Beretania Street

RE: Measures related to the Minimum Wage

Chair Nakashima, Vice-Chair Yamashita, and members of the House Committee on Labor:

UNITE HERE Local 5, a local labor organization representing 10,000 hotel, health care and food service workers employed throughout our State, hereby registers our support for increasing our State's minimum wage-with periodic adjustments in accord with the consumer priced index, and a repeal of the "tip credit."

As an organization representing workers in the health care and hospitality industries – two of Hawaii's most important – we understand first-hand the important role raising Hawaii's minimum wage can play in helping to sustain Hawaii's economic future.

As the standard quality of life for ordinary working people in our islands continue to deteriorate, Hawaii's economic future and our ability as a community to secure good jobs for our local people remain one of our greatest concerns. Our State has the highest cost of living in the nation and the lowest average adjusted income rate. Fifty-six percent of renters – many of whom are hourly wage earners – pay 30 percent or more of their income towards rent, fourth highest in the nation. And between 2006 & 2011 more than 3,200 jobs have been lost in the accommodations sector alone. Hundreds of good jobs have been lost in our hotels, and we are threatened with losing even more as we lose more of our hotel rooms to condominiums and timeshares. Ironically, data collected by the State's Department of Labor & Industrial Relations points to the fact that Hawai'i's most recent minimum wage increases have been coupled with considerable job growth, and not job loss as some would like you to believe.

Our people are being pushed off our islands while so many of us can't afford homes, and more and more of our local jobs go to mainland companies while locals struggle to earn a living wage. Added to all of this, we haven't seen an increase in our State's minimum wage for more than seven whole years. Our State government needs to play a bigger, more productive role in improving our lives, and we agree - there is no real substantiated need or reason for Hawai'i's tip credit law. In fact, it's more of a "tax" on Hawai'i's working people than a "credit." Tips are earned, and not part of a guaranteed wage.

It's our belief that Hawaii can be a place where good jobs are readily available and that is also why we helped launch a new movement called AiKea. AiKea is a movement that seeks to restore the confidence of Hawaii's working people to reclaim Hawaii for our future.

We thank you and would urge your Committee to pass a measure that would delete the tip "credit," increase Hawai'i's minimum wage and account for automatic adjustments based on the consumer priced index.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

**The Twenty-Seventh Legislature, State of Hawaii
The Senate
Committee on Judiciary and Labor**

**Testimony by
Hawaii Government Employees Association
February 11, 2014**

H.B. 2580 – RELATING TO MINIMUM WAGE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 2580, which increases the minimum wage rate over three years, beginning with an increase to \$8.00 per hour effective January 1, 2015, \$8.75 per hour effective January 1, 2016, and \$9.50 per hour effective January 1, 2017, while also repealing the tip credit and authorizes the Department of Labor and Industrial Relations to adjust the minimum hourly wage to the nearest cent based on the Honolulu region consumer price index. However, we prefer the incremental increases as delineated in S.B. 2609, where the minimum wage will be \$10.10 per hour in 2017.

The current minimum wage is \$7.25 per hour and has not changed since January 1, 2007, which equates to 8 years of salary stagnation for minimum wage employees. An increase to the minimum wage, in conjunction with repealing the tip credit, will directly benefit those who need it the most – the working class. The gradual increases over three years contained in H.B. 2580 will help spur Hawaii's economic recovery by increasing a minimum wage earner's purchasing power and thus generating much needed consumer spending, however, more relief is necessary and we support an increase to \$10.10 per hour by 2017.

We support passage of the measure and respectfully request the wage increases reflect those contained in S.B. 2609. Thank you for the opportunity to testify in strong support of H.B. 2580.

Respectfully submitted,

Randy Perreira
Executive Director

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 08, 2014 10:46 PM
To: LABtestimony
Cc: honoluluprideparade@gmail.com
Subject: *Submitted testimony for HB2580 on Feb 11, 2014 09:00AM*

HB2580

Submitted on: 2/8/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Rob Hatch	Honolulu Pride	Support	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 08, 2014 11:27 PM
To: LABtestimony
Cc: mgolojuch@hotmail.com
Subject: *Submitted testimony for HB2580 on Feb 11, 2014 09:00AM*

HB2580

Submitted on: 2/8/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	GLBT Caucus of the Democratic Party of Hawaii	Support	Yes

Comments:

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International Organization of
Masters, Mates & Pilots

521 Ala Moana Blvd., Ste 254, Honolulu, HI 96813
Telephone: 808-523-8183 • Fax: 808-538-3672
Internet: www.bridgedeck.org

DONALD J. MARCUS
International President

STEVEN E. WERSE
International Secretary-Treasurer

DAVID H. BOATNER
Vice President, Pacific Ports

February 5, 2014

House Committee on Labor and Public Employment

Mark Nakashima, Chairman and Committee Members

RE: Testimony in support of H.B. 2580

The International Organization of Masters, Mates and Pilots strongly supports an increase to the Minimum Wage to over \$10.00 per hour, repeal of the Tip Credit along with implementing annual increases according to the Consumer Price Index.

Sincerely,

Randy Swindell

Honolulu Port Representative

HAWAII PORTS MARITIME COUNCIL

affiliated with

Maritime Trades Department

AMERICAN FEDERATION OF LABOR and CONGRESS OF INDUSTRIAL ORGANIZATIONS

606 Kalihl Street Honolulu, Hawaii 96819

TELEPHONE: (808) 845-5222

FAX: (808) 841-1191

February 5, 2014

Member Unions:

*International Brotherhood of
Boilermakers, Iron Ship
Builders, Blacksmiths,
Forgers and Helpers
Lodge 627*

House Committee on Labor and Public Employment
Mark Nakashima, Chairman and Committee Members

*International Brotherhood of
Electrical Workers Local 1260*

RE: Testimony in support of H.B. 2580

*International Union of
Elevator Constructors
Local 126*

We strongly support a minimum wage increase and would prefer the amount to be \$10.00 or more. We strongly support the repeal of the tip credit, but strongly oppose any efforts to raise the tip credit. Therefore, we urge the Committee to support H.B. 2580.

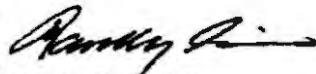
*Hawaii Government
Employees Association,
AFSCME Local 152*

*Hawaii Pilots Association,
MM&P Pilots Division*

*Inlandboatmen's Union
of the Pacific*

Sincerely,

*International Longshore and
Warehouse Union Local 142*



*Laborers' International Union
of North America Local 368*

Randy Swindell
President

Hazel Galbiso
Secretary-Treasurer

*Marine Engineers'
Beneficial Association*

*Marine Firemen,
Watertenders, Oilers & Wipers*

*Musters, Mates and Pilots,
Offshore Division*

Sailors' Union of the Pacific

Seafarers International Union

*United Food and Commercial
Workers International Union
Local 480*





AFFILIATED WITH THE SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA - AFL-CIO
SEAFARERS INTERNATIONAL UNION
 ATLANTIC • GULF • LAKES AND INLAND WATERS
 606 KALIHI STREET • HONOLULU, HAWAII 96819 • (808) 845-5222

February 5, 2014

MICHAEL SACCO
 PRESIDENT
AUGUSTIN TELLEZ
 EXECUTIVE VICE PRESIDENT
DAVID HEINDEL
 SECRETARY-TREASURER
GEORGE TRICKER
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NICHOLAS J. MARRONE
 VICE PRESIDENT
TOM ORZECZOWSKI
 VICE PRESIDENT
KERMETT MANGRAM
 VICE PRESIDENT
JOHN SPADARO
 UIW NATIONAL DIRECTOR

House Committee on Labor and Public Employment
 Mark Nakashima, Chairman and Committee Members

RE: H.B. 2580 – Testimony in support

Seafarers International Union strongly support a minimum wage increase and would prefer the amount to be \$10.00 or more. Also, we strongly support the repeal of the tip credit, but strongly oppose any efforts to raise the tip credit. We urge the Committee to support H.B. 2580.

Sincerely,

Hazel Galbiso
 Port Agent



HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep Kyle T. Yamashita, Vice Chair
Tuesday, Feb 11, 2014
9:00 a.m.
Conference room 309

HB 2580, RELATING TO LABOR

In STRONG SUPPORT

Aloha Chair Nakashima, Vice-Chair Yamashita and members of the committee,

I would like to thank you for this opportunity to testify in support of HB 2850 with amendments.

The State Central Committee of the Democratic Party of Hawai'i voted on January 11th to make raising the minimum wage the number one legislative priority for this session. While all of the bills up for discussion today attempt to resolve the minimum wage issue, we believe that HB 2850 comes closest to addressing all of our concerns.

Hawaii has the highest cost of living in the country, yet 21 states now have a higher minimum wage than we do. It has been over seven years since the minimum wage was last raised. The prices of most goods and services have risen during that time, as have the wages of many other workers. Those earning the minimum wage, however, have seen their costs of living rise, yet have not seen any increase in wages to help offset these higher costs. As a result, the purchasing power of that minimum wage, in real terms, has declined steadily by at least 11%.

It is long past time for us to address this issue.

HB 2850's strength is the provision which ties the minimum wage to increases in the consumer price index, which allows the minimum wage rise automatically with the cost of living. This benefits the employee and allows employers to prepare for anticipated rate hikes instead of leaving them subject to sudden increases resulting from legislative action. HB 2850 also eliminates the tip credit provision. We believe an increase in the tip credit would certainly be a mistake and welcome its elimination.

We would, though, like to respectfully request that the language of HB 2850 be amended to match the Governor's proposed increase to \$10.00 by 1/1/17 or that of SB2609, which would raise it to \$10.10, consistent with President Obama's proposal for a national hike.

Thank you again for this opportunity to testify.

Dante Carpenter
Chair
Democratic Party of Hawai'i

DEMOCRATIC PARTY OF HAWAII

404 Ward Ave., Suite 200 • Honolulu, HI 96814 • (808) 596-2980 • www.hawaiiidemocrats.org

yamashita1

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 05, 2014 7:14 AM
To: LABtestimony
Cc: bobs@times-supermarket.com
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM

HB2580

Submitted on: 2/5/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Bob Stout	Times Supermarkets	Oppose	No

Comments: Lawmakers need to realize the impact of the myriad of minimum wage bills being submitted. Business will be forced to lay off workers to accomodate wage increases. We can't continually increase expense and try and pass it on. Consumers have tipping points on what they'll pay for products, yogurt isn't 8oz. anymore, why? How about 11oz. (1lb.) coffee, price tipping points so the product downsized. We will too on staff.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Executive Officers:
Stanley Brown, ConAgra Foods - Chairperson
John Schilf, RSM Hawaii - Vice Chair
Derek Kurisu, KTA Superstores - Treasurer
Lisa DeCoito, Aloha Petroleum - Secretary
Lauren Zirbel, Executive Director

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

TO:
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
Rep. Mark Nakashima, Chair
Rep. Kyle Yamashita, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 11, 2014
TIME: 9am
PLACE: Conference Room 309

RE: **HB 1488; HB 1623; HB 1890; HB 2136; HB 2278; HB 2580**
Position: **Strong Opposition**

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

These bills contain elements which could put many retailers out of business; cost jobs for workers here in Hawaii; and dramatically increase the price of food for everyone.

Increasing the minimum wage by so much so quickly makes it almost impossible for food retailers to budget these new wages for their businesses.

HB 2580 also ties the minimum wage to the unpredictable price index, which means that it would be impossible for business owners and managers to create budgets in advance. For many businesses this could mean it is impossible to do business at all.

Hawaii has one of the lowest unemployment rates in the nation. Economists uniformly agree that most employees earn far more than the minimum wage; and that a minimum wage increase actually causes a reduction in the number of entry-level jobs because of the increased cost to employers to maintain such jobs. The real cost to business includes all of the other employee benefits and taxes that are tied to the employee wages. Those include, social security tax, unemployment tax and workers compensation premiums. These increase the cost of employing workers, which reduces the number of available jobs. Increasing the minimum wage will require employers to pay additional costs after adding the additional taxes of FICA, Medicare and FUTA. The end result of this is that businesses will have to get rid of employees in order to stay open.

If any of these measures are passed it will not only have negative consequences for the businesses that have to shut down, and the employees who can't afford to be kept on the payroll; this will affect food prices for all residents of Hawaii. Such a dramatic increase in labor costs will create inflation and will inevitably drive up the cost of food.

Due to the fact that we live in an isolated island state with extremely expensive labor and healthcare regulations we already pay high prices for food and other goods. Some of these food cost factors are unavoidable, but arbitrarily skyrocketing the cost of labor is something that can be avoided. Making it so much more expensive to do business is a cost that will ultimately be borne by the consumers.

Due to the highly competitive nature of the food industry, food retailers operate at a profit margin of around 1 percent. These retailers are valuable parts of our communities and our economy and are not in a position to shoulder drastic and unpredictable increases. If you are intent on passing this bill please lower the increase per year to no more than 25 cents a year over three years and do not tie the minimum wage to CPI.

If enacted in their current form any of these bills will undermine efforts made to turn Hawaii's economy around. Hawaii's business community is at a critical point – where any additional mandates could mean the difference between continued existence, or bankruptcy. Arbitrarily raising the minimum wage will hurt businesses in Hawaii at a time when we should be looking to grow our economy, support local businesses, keep our unemployment rate low, and keep food costs down.

On behalf of our members we strongly encourage you to vote no on these measures.

Thank you for the opportunity to testify.



Randy Perreira
President

HAWAII STATE AFL-CIO

320 Ward Avenue, Suite 209 • Honolulu, Hawaii 96814

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Seventh Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii State AFL-CIO
February 11, 2014

H.B. 2580 – RELATING TO LABOR

The Hawaii State AFL-CIO supports H.B. 2580 which annually increases the minimum wage starting 1/1/15 to 1/1/17 and on 9/30/17 and thereafter requires the DLIR to adjust the minimum hourly wage in accordance with the Honolulu region consumer price index and deletes the tip credit. The Hawaii State AFL-CIO greatly appreciates the repeal of the tip credit; however, we would prefer the minimum wage to go to at least \$10.10 an hour.

Hawaii's cost of living is the highest in the nation; however, Hawaii's minimum wage is still equal to the federal minimum wage of \$7.25 an hour. In fact, the last time Hawaii raised the minimum wage was over seven years ago in 2007 and if Hawaii's minimum wage had been indexed to the Consumer Price Index (CPI) the minimum wage in 2013 would have been \$8.68 an hour. Even states with a lower cost of living have increased their minimum wage while Hawaii has sat back. States such as California, Washington, Illinois, Oregon, and even Nevada all have a higher minimum wage than Hawaii. In fact, 21 states and the District of Columbia have a higher minimum wage than Hawaii and all of them have a lower cost of living. Additionally, Santa Fe has raised its minimum wage to \$10.51 an hour, and San Francisco has raised its minimum wage to \$10.74 an hour becoming the two highest mandatory minimum wages in the country. Even with the higher minimum wages, a number of studies have indicated San Francisco and Santa Fe's minimum wage hasn't had a negative affect on vital components of their economy, such as job creation and unemployment.

It should also be noted that thirteen states, some of them conservative have increased their minimum wage this year. The thirteen states that saw an increase to their minimum wage include Washington, Oregon, Arizona, Montana, Colorado, Florida, Missouri, Ohio, New York, Rhode Island, Connecticut, New Jersey and Vermont. Even Mayor Bloomberg of New York endorsed New York's minimum wage increase above the federal level of \$7.25 an hour proclaiming "the genius of the free market is not always perfect."

Moreover, the poverty line for a family of two in Hawaii as of 2012, was \$17,410, and is increased to \$21,960 for a family of three. A full-time minimum wage worker in Hawaii who works 40 hours a week for 52 weeks would earn \$58.00 a day, \$290.00 a week, and a disturbingly low \$15,080.00 a year. This, unfortunately for a family of two or more, is well below the poverty level. The truth is, over 17 percent or nearly 229,000 Hawaii residents live in poverty when calculating cost of living and regrettably, according to the National Low Income Housing Coalition, in no state can a minimum wage worker afford a two-bedroom unit at Fair Market Rent, working a standard 40-hour work week. In Hawaii, a minimum wage worker would need to work 175 hours a week, 52 weeks per year to afford rent.

According to a report by the National Economic Council in 2000, increasing the minimum wage does not have a negative effect on employment. The National Economic Council states, "since the

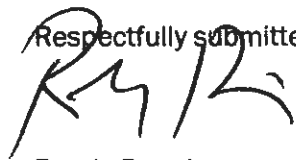
(national) minimum wage increase in 1996, the economy has created more than 10 million jobs and the unemployment rate has fallen from 5.2 percent in September 1996 to 4.1 percent in February 2000, near its lowest level in thirty years. Labor market trends for workers most affected by the minimum wage increase—including younger workers, workers with lower educational levels, and minorities—also show no negative impact of the minimum wage on employment. Numerous careful economic studies, including ones by David Card and Alan Krueger, have shown that increasing the minimum wage has no negative effect on employment. Recent research has even suggested that higher wages can increase employment, because they increase employers' ability to attract, retain, and motivate workers. And they benefit workers by increasing the reward to work."

Furthermore, a more recent study conducted in 2010 by University of California, Berkeley, economics professor Michael Reich also concludes that the minimum wage does not lead to the short- or long-term loss of low-paying jobs. Professor Michael Reich proclaims "although increasing the minimum wage can stimulate the economy by putting more money in the pockets of those most likely to spend it on necessities, he said, suggestions to raise minimum wages typically trigger fears. These fears center around the idea that raising the minimum wage would force many employers to reduce job offerings to meet a more expensive payroll, or that a "tipping point" where the minimum wage becomes too high has already been reached."

In fact, some economists such as Paul Osterman, an economics professor at MIT maintain raising the minimum wage to get more cash to the working poor is just as crucial as creating a large number of low-wage positions. He asserts "gradually raising the federal minimum wage to something close to that level (\$10 an hour) over the next few years would be an important first step to helping the working poor climb out of poverty, while injecting more money into the economy." Further, 75 leading economists including 7 Nobel laureates support the idea of raising the federal minimum wage to \$10.10 an hour. They proclaimed, "The vast majority of employees who would benefit are adults in working families, disproportionately women, who work at least 20 hours a week and depend on these earnings to make ends meet." The leading economists also went on to say "At a time when persistent high unemployment is putting enormous downward pressure on wages, such a minimum-wage increase would provide a much-needed boost to the earnings of low-wage workers and research suggests that a minimum-wage increase could have a small stimulative effect on the economy as low-wage workers spend their additional earnings, raising demand and job growth, and providing some help on the jobs front."

We hope the legislature recognizes the importance of raising the minimum wage and appreciate the repeal of the tip credit in H.B. 2580. Tipped workers should not have to rely on inconsistent and voluntary wages to survive. Most tipped workers earn below \$10.00 an hour; a wage that is very difficult and challenging to live on in Hawaii. Passage of H.B. 2580 with a minimum wage of \$10.10 an hour or more is a step in the right direction of reducing poverty and inequality in Hawaii.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
President



House of Representatives
The Twenty-Seventh Legislature
Regular Session of 2014

Committee on Labor and Public Employment
Representative Mark M. Nakashima, Chair
Representative Kyle T. Yamashita, Vice Chair

RE: **HB 2580 Relating to Labor**

Aloha Chair Nakashima, Vice Chair Yamashita and Members of the Committee,

SAG-AFTRA Hawaii Local represents over 1,000 professional performers and broadcasters. We strongly support HB 2580 and ask that the legislature seriously consider increasing the minimum wage to \$10.00/hour or more and repeal the tip credit effective in January 1, 2015.

For over seven years there has not been a minimum wage increase and Hawaii's cost of living increases to include good and services, increase daily. Hawaii's minimum wage worker earns \$7.25 an hour or \$15,080/year; a wage that is impossible to live on and raise a family.

An increase to \$10.00 an hour or more will at least provide some relief to the lowest paid worker struggling to make ends meet. It is vital to have a fair and decent minimum wage. Tipped workers should not be penalized with a tip credit and we respectfully request that the tip credit be repealed to ensure tipped workers are guaranteed to earn a decent wage. More than 17 percent or approximately 229,000 of Hawaii's workers live in poverty. An increase to \$10.00 or more an hour and a repeal of the tip credit is a move in the right direction to reducing poverty in our State.

We ask for your support to increase the minimum wage to \$10.00 an hour or more and repeal the tip credit. Every worker deserves to earn an equitable minimum wage.

Aloha,

David C. Farmer
President, SAG-AFTRA Hawaii Local

Brenda Ching
Executive Director, SAG-AFTRA Hawaii Local

SAG-AFTRA Hawaii Local
949 Kapiolani Blvd., Suite 105, Honolulu, HI 96814
808-596-0388 (P) • 808-593-2636 (F)
Associated Actors & Artistes of America/AFL-CIO



Joan Craft, RN
President

Bruce Hom
Director of Field Services

949 Kapiolani Blvd., Suite 107
Honolulu, Hawaii 96814

Tel: (808) 531-1628
Fax: (808) 524-2760

Testimony

RE: HB 2580 Relating to Wage and Hour Law

**TO: The Honorable Mark M. Nakashima, Chair,
The Honorable Kyle T. Yamashita, Vice Chair, and
Members of the House Committee on Labor & Public Employment**

DATE: Tuesday, February 11, 2014

TIME: 9:00 AM

PLACE: Conference Room 309 State Capitol 415 South Beretania Street

**FROM: Joan Craft, RN, President Hawaii Nurses' Association,
OPEIU local 50**

The Hawaii Nurses' Association is in strong support of a minimum wage increase and would prefer the amount to be \$10.00 or more.

We also strongly support the repeal of the tip credit, but strongly oppose any efforts to raise the tip credit.

Thank you for your consideration and all the hard work you do on behalf of the people of Hawaii.

February 5, 2014

HOUSE COMMITTEE ON LABOR PUBLIC EMPLOYMENT

Honorable Mark Nakashima, Chairperson and Committee Members

Public Hearing, February 11, 2014, 9:00 AM, Conference Room 309, State Capitol

TESTIMONY OF HPBS, INC.

IN SUPPORT OF H.B. 2580 RELATING TO MINIMUM WAGE

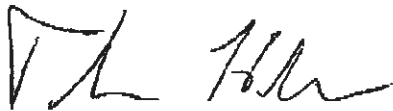
My name is Thomas Heberle, and I am the President of HPBS, Inc. We are a Honolulu based business providing pilot launch boat services throughout the State of Hawaii. HPBS, Inc. supports H.B. 2580 which would authorize increases to the minimum wage, and authorize the Department of Labor and Industrial Relations (DLIR) to adjust the minimum wage by using the Consumer Price Index (CPI).

The current minimum wage of \$7.25 per hour was last increased in 2007. Since that time, inflation has significantly reduced the buying power of the minimum wage. In fact, according to the DLIR, a worker would have to be paid \$8.68 per hour today to match the buying power that the minimum wage had in 2007.

We believe that increasing the minimum wage will be beneficial to Hawaii's economy. Increases to the minimum wage serve to boost consumer demand, generate economic activity, and help to alleviate poverty.

The proposed inflation adjustment mechanism using the CPI is an important component of this bill. Without it, the buying power of the minimum wage will fall further behind in future years as inflation takes its toll.

Thank you for the opportunity to comment on this measure.



Thomas Heberle, President



Committee on Labor & Public Employment
Tuesday, February 11, 2014
9:00 a.m.

HB 2580, Relating to Labor.

Dear Committee Chair Nakashima and Committee Members:

The University of Hawaii Professional Assembly (UHPA) supports an increase in the minimum wage to at least \$10 an hour effective immediately. UHPA also supports the elimination of the tip credit. UHPA supports the implementation of a cost of living escalator.

UHPA members observe daily the impact that low wages have on the students. A large portion of the student body must work in order to stay in school. For many, the amount of tuition support is not enough to ensure they can adequately provide for themselves and their families. While our students have a low student debt level it is in part due to working significant hours. Most are employed at low wage jobs. Many students have returned to college to increase their skills to find better paying jobs but need greater income to complete their education goals.

Raising the minimum wage has a direct impact on the ability of students to increase the number of courses each semester and can lead to shortening the time to graduation and obtainment of new workforce skills.

We strongly support raising the minimum wage and elimination of the tip credit to increase income security for many in our community.

Respectfully submitted,

Kristeen Hanselman
Associate Executive Director

**UNIVERSITY OF HAWAII
PROFESSIONAL ASSEMBLY**

Hawai'i Alliance for Retired Americans

An affiliate of the Alliance for Retired Americans
c/o HEA 1953 South Beretania St., Suite 5C · Honolulu, Hawaii 96826

*AFT Hawaii Retirees
HGEA Retirees
HSTA – Retired
ILWU Retirees
Kokua Council
UPW Retirees
Hawaii Family Caregivers Coalition
Kupuna Education Center*

Submitted by email to: LABtestimony@capitol.hawaii.rr.gov

Statement of Al Hamai in support of HB2580, Relating to Minimum Wage

House Committee on Labor and Public Employment

February 11, 2014, 9:00 a.m. Conference Room 309

Chair Mark M. Nakashima, Vice Chair Kyle T. Yamashita and Committee Members,

HARA supported the increase in the minimum wage in the past session, testifying in support of SB331, HD1, which is still pending before this Legislature. HARA reiterates its support for bills that raise the minimum wage, preferably to over \$10 per hour, that provides annual adjustments of the minimum wage tied to the Honolulu region consumer price index and that eliminates the tip credit.

We believe in the dignity of **all** work and that all workers contribute to making our communities and our state a better place to live. All workers, especially those who are earning the lowest wages, need your help to live with greater dignity, hope and increased ability to take care of their families. It's the right thing to do now for the good of our state.

It is very appropriate for your Committee to hear all the bills relating to the minimum wage at this hearing. After your deliberations, we urge you to report out HB2580 and advocate its adoption, as expeditiously as possible. The time for action is now, as many other jurisdictions have acknowledged the plight of our lowest paid workers and have increased their minimum wages and many others are considering increases, for they benefit not only of the lowest paid workers and their families but also communities and their jurisdictions.

We urge your Committee to approve HB2580. Mahalo and Aloha.

HARA is a strong voice for Hawaii's retirees and seniors; a diverse community-based organization with national roots; a grassroots organizer, educator, and communicator; and a trusted source of information for decision-makers.

The House of Representatives
Twenty-Seventh Legislature
Committee on Labor and Public Employment
February 11, 2014, 9:00 a.m.
Room 309

Statement of the Hawaii Regional Council of Carpenters on
H.B. 1488, 2580 and Others, Relating to the Wage and Hour Law

The Hawaii Regional Council of Carpenters (HRCC) strongly supports increasing the minimum wage, providing for regular and more gradual adjustments based on the cost of living index, and eliminating the “tip credit”, as proposed in H.B. **2580**. Our comments apply to H.B. **1488, 1623, 1890, 2136, 2278, and 2580**.

Our union members may not be seen as earning the minimum wage, but our families, neighbors, and at times our members themselves, work at minimum wage jobs. Furthermore, the quality of our community life is improved when more working people have basic necessities and a chance to participate. While the vast majority of minimum wage workers are adults, minimum wage paychecks from “kids” also help families stay intact and off the streets.

Minimum wage earners work for their money, and of necessity, directly circulate their earnings into the economy. With no minimum wage increase for eight years, we’ve had no added earnings spreading through our economy, and instead we have all had to pay for programs to supplement people’s basic survival needs as real minimum wage buying power eroded.

We should not be haggling over the correct amount of “tip credit”. Are we to legislate the maximum income for a targeted group of people? The minimum wage is to compensate tipped workers for their basic duties, just like other minimum wage workers. Beyond their basic duties, which generally include non-tipped set-up and clean-up, as well as serving customers, let tipped employees keep tips they earn with their sales and marketing skills. Don’t penalize them for having and using people skills, initiative and efficiency.

An increasing minimum wage, without a tip credit, will not make any workers rich. Rather than constantly having to make up years of decreasing the value of the minimum wage, institute a system for gradual adjustments in tune with the economic times, as reflected by the consumer price index.

Minimum wage increases haven’t caused economic or job preservation disasters. Much larger forces determine our business prosperity or distress. Minimum wage increases did not stop our economic millennial “boom”, nor that of the years around the Japanese “bubble”. The tip credit did not prevent nor cause the Great Recession or oil price spikes.

For all of us that make Hawaii home, it’s time to take care of this part of our community, with the passage of minimum wage increases with annual adjustments, and elimination of the tip credit.

February 7, 2014

HOUSE COMMITTEE ON LABOR PUBLIC EMPLOYMENT

Honorable Mark Nakashima, Chairperson and Committee Members

Public Hearing, February 11, 2014, 9:00 AM, Conference Room 309, State Capitol

TESTIMONY OF Hawaii Pilots Association.

IN SUPPORT OF H.B. 2580 RELATING TO MINIMUM WAGE

My name is Sinclair G. Brown, and I am the Vice- President of *Hawaii Pilots Association*. We are based in Honolulu and provide pilotage services for all commercial ports throughout the State of Hawaii. *Hawaii Pilots Association* supports H.B. 2580 which would authorize increases to the minimum wage, and authorize the Department of Labor and Industrial Relations (DLIR) to adjust the minimum wage by using the Consumer Price Index (CPI).

The last increase in the minimum wage was in 2007 to its present figure of \$7.25. Since that last increase, inflation has greatly reduced the buying power of the minimum wage. In fact, according to the DLIR, a worker would have to be paid \$8.68 per hour today to match the buying power that the minimum wage had in 2007.

We believe that increasing the minimum wage will be very helpful to Hawaii's economy. An increase in the minimum wage will raise consumer demand, generate economic activity, and aid in alleviating poverty.

The proposed inflation adjustment mechanism using the CPI is an integral part of this bill. Without it, the buying power of the minimum wage will fall further behind in future years as inflation takes its toll.

Thank you for the opportunity to comment on this measure.


Sinclair G. Brown
Vice-President

February 7, 2014

To Our Honorable Legislators on the subject of minimum wage,

Like Everything, I agree that the minimum wage should go up and an increment is a good idea. Try not to raise it in too great of increments and not too high. \$9.00 would be a good ceiling, that way it would not be too much to deter hiring of new employees. If it goes too high, Employers will make do with what they have on overlap employees and cut their hours.

Also, we need a decent tip credit for the tipped employees, the large majority make more than \$5-\$10 and depending on the business a lot more per hour on tips. If we get a decent tip credit \$2, \$3 or more per hour the employer can use that extra money to pay back of the house employees (kitchen) more per hour. The tipped employees are making more than any increase. The minimum wage as you should know is designed for entry level employees. It is not designed for a head of household. Once the new employee gains experience they will surely get the appropriate raise exceeding the minimum wage. Thank you for taking the time for considering my letter.

Sincerely,



Fred Martinez
Owner of Jose's restaurant for 40 years
1134 Koko Head ave
Honolulu, Hawaii 96816
Email:joseshonolulu@hawaii.rr.com

To: The Honorable Mark Nakashima, Chair
The Honorable Kyle Yamashita, Vice Chair
Members of the House Committee on Labor and
Public Employment

Date: February 11, 2014

Time: 9:00 a.m.

Place: Conference Room 309, State Capitol

From: Rev. Bob Nakata, Social Justice Advocate

Re: HB2580 Relating to the Minimum Wage

Chair Nakashima, Vice Chair Yamashita, and members of the House Committee on Labor and Public Employment, thank you for this opportunity to speak in strong support of all three parts of HB2580, relating to the Minimum Wage. I will speak to all three parts. I have been a strong social justice advocate in Hawaii for 40 years with many different groups.

The case for increasing Hawaii's minimum wage is very strong. I recommend going to \$10.10 in three years:

1. Hawaii has the highest cost of living in the nation, but 21 states have higher minimum wages.
2. Hawaii's minimum wage has not been raised for nearly eight years, while virtually all workers have seen their wages rise by 12 percent. Judges, teachers, sanitation workers, nurses, policemen, firemen, and administrators, really almost everyone else has had a pay raise. Why not the lowest paid workers?
3. Forty percent of homeless persons are working but cannot afford rent. Many will be helped to afford rent if the minimum wage is increased.
4. Minimum wage workers are disproportionately women, immigrants and the LBGT population.
5. DLIR studies show that contrary to popular belief, the last four raises in the minimum wage have resulted in more jobs, not less. The raise acts as an economic stimulus.
6. More than 80 percent of minimum wage earners are not teenagers, contrary to popular belief.

7. Many are the primary breadwinners of their families, meaning a high percentage live below the poverty line, including their children. (It is well known that poverty is the best indicator of educational failure.)
8. Government safety net programs such as food stamps, welfare, free and reduced price school lunches help many minimum wage earners, meaning government subsidizes low-wage employers to the tune of billions of dollars a year in taxpayer subsidies for these employers.

Tip Credit:

1. There is a myth that many tipped employees earn lots of money. State Department of Labor statistics say they make an average of \$9.87 an hour, including tips, which means they make only about \$20,000 a year, which is about where the poverty line is. A small number may make a lot more at high-end establishments. For the average to be \$9.87 an hour, the majority must be below \$20.00 an hour, certainly not high at all. Most are women (two-thirds).
2. The tip credit allows the employer to pay the tipped worker at a lower rate than the minimum wage.

The Cost of Living Escalator:

If the minimum wage were raised with the annual cost of living increase, it would not rise as much per year as when it is not raised for several years and there is a need to get back the lost value. It is easier for the employer because the increase would not be as large yearly as when playing catch-up.

I urge you to pass HB2580.

yamashita1

From: Gary Aycock <local627@boilermakershawaii.com>
Sent: Wednesday, February 05, 2014 12:44 PM
To: LABtestimony
Subject: H.B. 2580 Testimony
Attachments: Gary Aycock.vcf

Aloha LAB House Committee,

I'm pleased it looks as if there will be a bill to address the minimum wage issue here in Hawaii. We are lucky to live in a Democrat lead state where fairness seems to be a priority. I have much to say on this issue and will try to condense my thoughts!

I strongly support HB 2580 and would like to see the minimum wage at \$10.10 per hour with no tip credit.

I believe the wage earners are the populous and the employers should be considered as "special interest" only as it relates to this very important issue. Obviously employers must make a profit to stay in business. That said, they need to keep their respective prices for products and services where this is possible. If they all have to pay the same minimum wage then they are all on a relatively level playing field.

Why not raise the minimum wage to \$10.10 an hour ASAP so the employees can make a living wage, (somewhat) and not be taxing government plans such as welfare and food stamps? If employers need to pass this cost to the consumer; they will all be doing it at approximately the same rate. We are already paying about \$10.00 for a plate lunch at most places so what's another quarter?

With the severe inequality in this country I feel raising the minimum wage is a very small gesture in the right direction!

Mahalo,

Gary Aycock

<p>Gary Aycock Boilermakers Local 627 Asst. Busn. Mngr.</p> <p>(808) 848-7744 Work (808) 222-8530 Mobile (808) 848-0311 fax 1414 Dillingham Blvd. Rm 205 Honolulu HI 96817 local627@boilermakershawaii.com</p>	
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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 05, 2014 5:38 PM
To: LABtestimony
Cc: fred@ejlounge.com
Subject: *Submitted testimony for HB2580 on Feb 11, 2014 09:00AM*

HB2580

Submitted on: 2/5/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Fred Remington	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 07, 2014 9:49 AM
To: LABtestimony
Cc: stab625@yahoo.com
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM

HB2580

Submitted on: 2/7/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Arnold	Individual	Support	No

Comments: We need to support the working men and women of Hawaii with a decent wage. This is a way for them to take care of themselves and their families

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 11:24 AM
To: LABtestimony
Cc: peteandjim@hawaii.rr.com
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM

HB2580

Submitted on: 2/9/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
James Mateo	Individual	Support	No

Comments: I support an increase in minimum wage. Working people in Hawaii should not have to work 80 hrs a week and still not make ends meet, relying on government assistance and SNAP. Apparently no one opposing a minimum wage increase has ever had to try and pay rent and feed a family on it.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 3:01 PM
To: LABtestimony
Cc: jtulang@hawaii.rr.com
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM

HB2580

Submitted on: 2/9/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Julie Tulang	Individual	Support	No

Comments: I support the concept of this bill.

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Aloha Legislators, I strongly support passage of this bill. Hawai'i's workers don't just deserve, they need a wage increase. In fact, Hawai'i needs them to have a wage increase. When you give regular workers more money, they spend that money in our community-- at our restaurants, theatres, and stores. Most small business owners pay well above the minimum wage because it's the right thing to do. Unfortunately, there are those who have the benefit of doing business in this great state who do not have such a responsible approach to employee compensation. I worked for years in restaurants making the minimum wage, and it's hard. When I was at McDonald's, I started off at the minimum wage and got a five cent increase for every six months I worked. Five cents! Please pass this important bill—with no tip credit. Hawai'i's workers need you.

Mahalo,
Morgan Evans

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 9:20 PM
To: LABtestimony
Cc: joycemcharles@gmail.com
Subject: *Submitted testimony for HB2580 on Feb 11, 2014 09:00AM*

HB2580

Submitted on: 2/9/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Joyce Midori Charles	Individual	Support	No

Comments:

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 10:51 PM
To: LABtestimony
Cc: sdinion@mac.com
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM

HB2580

Submitted on: 2/9/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Dinion	Individual	Support	No

Comments: I strongly support increasing Hawaii's minimum wage to at least \$10.10, getting rid of the tip credit, and indexing future increases to inflation. Raising the minimum wage will promote Hawaii's economic recovery and help lift our families out of poverty and toward financial security. Hawaii needs a raise to build economic opportunity and stability for all of our workers! Thank you for the opportunity to testify on this important bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Date: February 10, 2014

To: The Honorable Mark M. Nakashima, Chair
The Honorable Kyle T. Yamashita, Vice Chair
Committee on Labor and Public Employment

From: Mike Golojuch

Subject: Support for HB2580 with Amendment

Of the various minimum wage bills being considered I support HB2580 the most. Besides eliminating the tip credit, which hurts the workers, we need to get in line with President Obama's request and raise the minimum wage to \$10.10.

Although this testimony is being submitted as an individual, I am proud to state that I am a member of the Democratic Labor Caucus, Board member of the Managerial and Confidential Employees Chapter and Board member of the Employees Association of the City and County of Honolulu. It is important to treat workers with dignity and respect. Raising the minimum wage to \$10.10 is a step in that direction as well as no more tip credit.

I urge that you pass this HB2580 with the higher minimum wage and elimination of the tip credit.

Thank you for the opportunity to express my views on this topic.

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 9:49 AM
To: LABtestimony
Cc: drodrigues2001@yahoo.com
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM

HB2580

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Darlene Rodrigues	Individual	Support	No

Comments: Aloha, I write in strong support of this bill. Hawaii's working people deserve a wage of at least \$10.10 which also needs to keep pace with inflation. Please repeal the tip credit. Mahalo for the chance to testify.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 10:24 AM
To: LABtestimony
Cc: ksunny@gmail.com
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM

HB2580

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Hardeep Kharbanda	Individual	Comments Only	No

Comments: Of all the bills being heard on 2/11/14 regarding minimum wage, no single bill has the ideal combination of rates and conditions; however, this one comes close. I support connecting the minimum wage to the Consumer Price Index. I also support deleting the tip credit to simplify the minimum wage legislation. If this bill included better hourly rates as some of the other bills do, ramping up to at least \$10/hr by 2017, I would support it 100%.

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TO: Committee on Labor and & Public Employment
Representative Mark Nakashima Chair
Representative Kyle Yamashita Vice-Chair

FROM: Teresa Bill tbill808@gmail.com

RE: Testimony Regarding **HB 1488, 1623, 1890, 2136, 2278 & 2580**
Relating to Labor (Min Wage & Tip Credit)
Tues. Feb 11, 2014
9:00 a.m. Conference Room 309

I am Teresa Bill, testifying **in support of an increase in the Hawaii state minimum wage; but I strongly oppose any increase in the "tip credit."** I applaud these bills which variously increase the minimum wage, but an increased minimum wage should not be held hostage to demands to increase the tip credit.

I **particularly support HB 2580** as the strongest vehicle to increase the state minimum wage, eliminates the tip credit and provides for future increases in the minimum wage in accordance with a calculation of the Honolulu regional consumer price index. However, I also support an amendment to increase the minimum wage to \$10.10 by Jan 2017, to mirror SB 2609 and reduce the need for a conference committee. A raise in the minimum wage is desperately needed but \$8.00 is still too low. A 40-hour worker would still only earn \$1,280 a month!

Today's Committee Hearing Agenda includes a number of bills related to the minimum wage with various suggested remedies. I submit my testimony for each bill but my overall message is the same --

- o Increase the minimum wage (to \$10.10 by 2017);
- o Eliminate the Tip Credit; Minimum wage should be a minimal threshold, not manipulated to subsidize employers;
- o Automatically increase minimum wage by the Consumer Price Index for Honolulu so our lowest paid workers do not continually fall behind inflation. Hawaii used to exceed the federal minimum wage; but our workers' wages have eroded due to inflation;
- o A raise in the minimum wage is good for workers and good for our economy; low-waged workers spend nearly all their earnings, contributing to the economy with every additional dollar they earn.

HB 2580 is best in that it eliminates the tip credit, a "sleight of hand" means by which employers legally resist paying a "minimum" wage to "tipped" employees. Yes, tipped employees receive tips that otherwise raise their wages, but tips are not guaranteed, they are voluntary. A tip should be a supplement to the workers' wages, not a subsidy to the employer. A tip credit shifts part of the responsibility for paying minimum wages onto the customer.

I oppose HB1623 which would greatly increase the "tip credit" and perpetuate this unfair charade of a minimum wage. The minimum wage is intended to be a

threshold - a minimum. It should not be undercut by a "tip credit." Restaurant servers, the largest group of tipped workers **experience poverty at nearly three times** the rate of the workforce as a whole, and **70% of servers are women.**

The other bills on this agenda also increase the minimum wage; but their rate of increase are too low and do not offer a means to automatically index the minimum wage. This is necessary to avoid the years-long process of falling behind, then (nearly) catching up. Our lowest waged workers need to earn a steady inflation-protected minimum wage.

Increasing the minimum wage is especially important for women, LGBT workers, and immigrants, who are more likely to be low-wage earners. Our economy has thousands of minimum wage jobs and they are not teenagers or part-time workers, they are most often adults working to support their families. A single parent of one child working at minimum wage 40 hours per week, earns **\$1,160 a month (4 weeks) or \$15,080 annually (52 weeks) or 16% below** the federal poverty guidelines for a family of two (\$1,507 per month).

As the coordinator of a program (UH Bridge to Hope) which provides welfare participating students access to college, I know that families, and even single adults cannot live on the current minimum wage of \$7.25 per hour. A large part of the rationale for offering education and training to welfare participants is to ensure they do not leave welfare only to find themselves limited to minimum wage jobs, which cannot support their families.

The reality is that many of Hawaii's workers will continue to work in minimum wage jobs ~ they are a growing sector of the economy. We need to ensure that our workers can support themselves -- that when adults work 40 hours per week, they earn wages that put them above the poverty line.

Our lowest waged workers need and deserve a raise. Inflation has eroded the value of the \$7.25 minimum wage implemented in 2007.

Thank you for this opportunity to testify.



Advocates For Consumer Rights

Working for Hawaii's consumers since 1994

Scott Foster, Communications Director

808-590-5880

fosters005@hawaii.rr.com

TESTIMONY SUPPORTING H.B. NO. 2580 "RELATING TO LABOR"

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair

Rep. Kyle T. Yamashita, Vice Chair

Tuesday, February 11, 2014

9:00 AM

Conference Room 309

State Capitol

Aloha Representatives Nakashima, Yamashita and Honorable committee members;

My name is Scott Foster and I am the Communications Director for our 18-year old organization with some 2000 active members across the state. **We stand in strong support of HB-2580 which would increase Hawaii's minimum wage to \$10.10, repeal the tip credit and tie future increases automatically to the cost of living index.**

Our research indicates that the majority of minimum wage workers in Hawai'i are women and the majority of tipped workers are women. Regardless of the number of dependents, the state minimum wage is the same. Many women are single heads of households and many are houseless and share cramped space with parents, relatives or friends. A full time minimum wage worker in Hawaii earns only \$290.00 a week or \$15,080.00 annually and the negative effects of such a large underpaid segment of Hawaii's workforce are incalculable.

We also find that many women with families are working two jobs just to put food on the table with stress and deprivation the norm. **We have no doubt that this is having a severe impact on young children and their ability to concentrate on their educations.**

Look around you and begin to notice the sad faces of Hawaii's minimum wage workforce. The stress and pain is palpable. For many, hope is all but gone in Hawai'i nei.

Please support HB-2580 as amended.

Sincerely,
Scott Foster

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 10, 2014 4:03 PM
To: LABtestimony
Cc: Lardizabal@local368.org
Subject: Submitted testimony for HB2580 on Feb 11, 2014 09:00AM



HB2580

Submitted on: 2/10/2014

Testimony for LAB on Feb 11, 2014 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Al Lardizabal	Hawaii Laborers' Union	Support	Yes

Comments: Dear Chair Nakashima and members of the Committee: The intent of the minimum wage is to reduce poverty amongst the working poor. Federal guidelines provided by DR. Lawrence W. Boyd of CLEAR, indicates that a family of four in Hawaii that is making \$27,090 or less annually is in poverty. No one needs guidelines to know that they are in poverty when family decisions must be made between food, rent and medical care. The Hawaii Laborers' Union strongly supports HB2580 for an increase to \$10.10 per hour and should be indexed to counter inflation. According to the DLIR the buying power of \$7.25 in 2007 will be \$6.05 in 2014 and \$5.73 in 2015. There have been no raises for eight years. The working poor keep getting poorer each year just standing still. We must think of the families, especially the children involved. President Obama called for businesses and government to "give America a raise!". It's the right thing to do. Thank you for the opportunity to submit this testimony.

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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 House Committee on Labor and Public Employment
Tuesday, February 11, 2014
9 a.m.
Conference Room 309, State Capitol

LATE

Re: HB 1488, HB 1623, HB 1890, HB 2136, HB 2278, HB 2580 Relating to the Wage and Hour Law, Wages and Labor

Aloha Chair Nakashima, Vice Chair Yamashita and Members of this Committee:

My name is Vivian Landrum, and I am the President/CEO of the Kona-Kohala Chamber of Commerce (KKCC). KKCC represents over 525 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.

The Kona-Kohala Chamber of Commerce supports a reasonable increase in the minimum hourly wage, however feels **several of these bills do not represent a reasonable increase**.

A sudden increase of \$1 effective July 1, 2014, with another increase of \$1 just six months later on January 1, 2015, or implementing an increase to \$10 per hour effective January 1, 2015 does not offer, what in effect needs to be, a satisfactory compromise between what employers can handle and what employees deserve.

Small businesses are encouraged to formulate business and financial plans to assist them with yearly goals and projections. These goals drive their business decision making and commit them to sales and marketing, inventory and employee hiring decisions. Adding a \$1 or more increase in minimum wage may have the negative effect of generating larger employment losses as employers seek to minimize payroll costs.

Let us not confuse minimum wage with a livable wage. Minimum wage is an entry-level wage, a base if you will, for employees to enter the workforce, acquire skills and, in essence, become "more employable." Statistics show that minimum wage earners are not heads of households, more than 50% are students or other young people (approximately 24% are teenagers)¹, and nearly two-thirds get a raise in their first year.² Many of my Chamber members have shared they hire interns, college students and other career-minded young people during summers and holiday periods just to offer them an opportunity to expand their resume with real-life experience. Raising the minimum wage unrealistically, and at a rapid rate, will deter them from this hiring practice and possibly omit the youngest and least educated from finding work.

Raising the minimum wage needs to be done with caution, realistically and with both sides of the equation in mind. How employers will respond to a minimum wage increase and the impact on the overall economy are two factors that bear consideration.

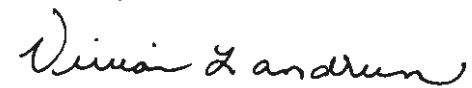
¹ James Sherk, "Who Earns the Minimum Wage? Suburban Teenagers, Not Single Parents," Issue Brief #3866 on Labor, The Heritage Foundation, February 28, 2013.

² William E. Even and David A. Macpherson, "Wage Growth Among Minimum Wage Workers," Employment Policies Institute, June, 2004.

Testimony to the House Committee on Labor and Public Employment
Tuesday, February 11, 2014
Page Two

Mahalo for the opportunity to submit testimony.

Sincerely,

A handwritten signature in cursive script that reads "Vivian Landrum". The signature is written in black ink and is positioned below the word "Sincerely,".

Vivian Landrum
President/CEO



Chamber of Commerce HAWAII
The Voice of Business

LATE

**Testimony to the House Committee on Labor and Public Employment
Tuesday, February 11, 2014 at 9:00 A.M.
Conference Room 309, State Capitol**

**RE: ALL HOUSE BILLS ON HOUSE COMMITTEE ON LABOR HEARING
AGENDA FOR TUESDAY, FEBRUARY 11, 2014 AT 9:00 A.M.**

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

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** House Bills 1488, 1623, 1890, 2136, 2278 and 2580, all of which relate to the topic of minimum wage.

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 opposes all these bills which raises the minimum wage in various amounts and times and which may also include the removal of the tip credit and have an automatic increase pegged to the consumer price index. **The bills that contain step increase in the minimum wage, that provide automatic increases per CPI and remove the tip credit will do the most harm to local business, the state economy and job creation.**

Large increases would negatively impact business

While only a small percentage of workers make minimum wage, a large increase would greatly impact many businesses as they will be forced to raise the rates of many of their employees. As an example, if John started with the company 1 year ago and earns \$8.50 per hour and Lisa just started and is under the new law at \$8.00 per hour, the employer will have to raise John's hourly to compensate for those at the lower part of the pay scale being increased. This could increase businesses labor cost by up to 15-20% in the first year alone.

We also oppose the automatic increase in the minimum wage tied to the consumer price index. We believe that this does not take into account the economic conditions of business and the employment situation. Within 5 years of the enactment of the escalator the **minimum wage could be just short of \$11.00 per hour**. When you include all the taxes associated with wages, this makes the wage cost around **\$12.20 per hour** (Not including healthcare and other costs). This rate is unsustainable.

Minimum Wage is Floor Wage



We would also like to point out that the minimum wage is a floor wage. For many employees, it is their first job and generally, entry-level positions. Employers must invest time and money to train these individuals. Also in the food and beverage industry, there are many at this wage who earn tips which allow them to earn anywhere from \$18-30 per hour.

We further **oppose the repeal of the tip credit**. We feel that if there is an increase in minimum wage, there should likewise be an equivalent increase in the tip credit.

Job Growth Data Unclear

There is a great deal of data and studies on whether or not an increase in minimum wage affects job growth. Much of the research is based on national studies. Below is a chart that shows some data that reflects some business concerns. Keep in mind that this is not part of a longitudinal data survey but some snap shot stats of some of the low end wage occupations that the increase hopes to help. As you can see, while there is 3% growth for all sectors during the last minimum wage increase, **low wage earners in the food industry lost jobs**.

Hawaii									
Occupation	2005	Med. Hrly.	2006	% Change	Med. Hrly.	2007	% Change	Med. Hrly.	
All occupations	583,630	\$ 14.39	599,130	3%	14.97	610,310	2%	15.54	
Food prep and serving	70,850	\$ 8.92	71,290	1%	9.14	72,070	1%	9.75	
Combined food prep and serving workers	10,120	\$ 7.24	9,710	-4%	7.39	9,270	-5%	8.26	
Counter attendants, cafeteria, food and coffee shop	6,360	\$ 7.32	5,630	-11%	8.03	5,280	-6%	8.63	
Dining room and cafeteria attendants and bar helpers	4,440	\$ 9.59	4,540	2%	9.30	3,880	-15%	10.15	

Source: www.bls.gov

Hawaii is Different: Prepaid Healthcare Mandated Premium Costs for Employers

There has been much discussion that Hawaii should join the large rise in the minimum wage, similar to other states. Please keep in mind that Hawaii is the only state that mandates employers to provide health care to its employees including part time employees (20 or more hours per week).

The average annual premium for a single employee is about \$5,500. This benefit is almost entirely paid for by business. If you add this cost to the present minimum wage for a full time employee, the actual benefit to a minimum wage employee is **\$9.79 per hour**, or the highest in the county (See table below). Including payroll taxes, the present minimum wage cost is about **\$10.87 per hour**.



Chamber of Commerce HAWAII

The Voice of Business

Cost for a minimum wage employee including health care premiums (\$5,500 annual premium cost and then prorated by hour with 1.5% wage cap)

Hourly	Cost of Prepaid Healthcare Full time	Total Hourly Cost	Hourly	Cost of Prepaid Healthcare Full time	Total Hourly Cost	Hourly	Cost of Prepaid Healthcare Full time	Total Hourly Cost
\$7.25	\$ 2.54	\$ 9.79	\$8.00	\$ 2.52	\$ 10.52	\$ 8.75	\$ 2.51	\$ 11.26
Hourly	Cost of Prepaid Healthcare for 30 hours per week	Total Hourly Cost	Hourly	Cost of Prepaid Healthcare for 30 hours per week	Total Hourly Cost	Hourly	Cost of Prepaid Healthcare for 30 hours per week	Total Hourly Cost
\$7.25	\$ 3.42	\$ 10.67	\$8.00	\$ 3.41	\$ 11.41	\$ 8.75	\$ 3.39	\$ 12.14
Hourly	Cost of Prepaid Healthcare for 20 hours per week	Total Hourly Cost	Hourly	Cost of Prepaid Healthcare for 20 hours per week	Total Hourly Cost	Hourly	Cost of Prepaid Healthcare for 20 hours per week	Total Hourly Cost
\$7.25	\$ 5.18	\$ 12.43	\$8.00	\$ 5.17	\$ 13.17	\$ 8.75	\$ 5.16	\$ 13.91

Keep in mind that premium increases for small businesses are about 6-10% each year. On top of that, ACA federal and state taxes and fees will increase premium amounts this year and next year by about 4%. We expect prepaid premiums for single coverage to be over \$6,000 per employee per year next year.

Important Considerations

With this large increase in the minimum wage some businesses may have to cut back hours, reduce benefits or limit hiring of new employees. This does not even project what will happen at the next economic slowdown. Also keep in mind that this will put a strain on unskilled workers in the marketplace especially if the economy experiences a decrease.

Thank you for this opportunity to express our views.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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TO: Representative Mark M. Nakashima, Chair
Representative Kyle T. Yamashita, Vice Chair
Members, Committee on Labor & Public Employment

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: House Committee on Labor & Public Employment

Tuesday, February 11, 2014 at 9:00 a.m. in Conf. Rm. 309

Testimony in Support of HB2580, Relating to Labor.

Thank you for the opportunity to provide testimony **in support** of increasing Hawaii's minimum wage. PHOCUSED is a statewide coalition of health, housing, and human services organizations committed to strengthening policies and programs that benefit the marginalized and underserved in Hawaii. While there are a number of bills to increase the minimum wage this morning, PHOCUSED supports the language contained in SB2609, which would increase Hawaii's minimum wage to \$10.10 by January 2017, eliminate the tip credit, and tie the minimum wage to the Consumer Price Index.

Hawaii's residents experience the highest cost of living in the nation – paying more for food, utilities and shelter than comparable families on the mainland. And, they pay these elevated costs while earning the lowest adjusted income among all of the mainland states. In addition, Hawaii's poverty rate of 17.3% makes Hawaii the 9th poorest State in the nation according to 2012 U.S. Census Bureau data. Despite these facts, 21 other states currently have a higher minimum wage than Hawaii, and Hawaii's minimum wage has not been increased since 2007.

Increasing the minimum wage would not only lift thousands of Hawai'i's residents out of poverty, but would also boost consumer spending since most low income people spend most of their income locally. This is likely to result in more jobs due to increased economic activity. In addition, an increase in minimum wage may also result in positive educational outcomes for children in low-income working families – a 2011 study by Department of Economics at UC San Diego found that a \$1,000 increase in household income can raise combined math and reading test scores in young children by as much as 6%.

Once again, PHOCUSED strongly urges your support for an increase in Hawaii's minimum wage, and believes that now is the time to give a much needed raise to Hawaii's working families. Thank you for the opportunity to testify on this very important issue. If you have any questions, please do not hesitate to contact me at PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.

**TESTIMONY IN SUPPORT FOR HB 1
WITH AMENDMENTS
RELATING TO THE WAGE AND HOUR LAW**

LATE

Feb. 11, 2014, 9:00 a.m. | Hawai'i State Capitol Conference Rm. 309

To: House Committee on Labor and Public Employment
Honorable Rep. Mark M. Nakashima, Chair
Honorable Rep. Kyle T. Yamashita, Vice Chair
Honorable Members of the Committee on Labor & Public Employment:
Rep. Henry J.C. Aquino, Rep. Linda Ichiyama, Rep. Kaniela Ing,
Rep. Greg Takayama, Rep. Roy M. Takumi, Rep. Ryan I. Yamane,
Rep. Aaron Ling Johanson

From: Charlene Cuaresma, Past President, Filipino Coalition for Solidarity

Dear Honorable Rep. Nakashima, Chair; Honorable Rep. Yamashita, Vice Chair; and Honorable Members of the Committee on Labor & Public Employment:

My name is Charlene Cuaresma, past president of the Filipino Coalition for Solidarity. The Coalition supports this bill with substantial amendments. Since its inception in 1990, the Coalition has represented more than 50 Filipino community leaders, whose aim is to work for social justice issues to empower Filipinos to make socially responsible contributions to Hawai'i and our global neighbors through education, advocacy, and social action.

Thank you very much for hearing this bill, but the Coalition finds it too weak. This measure, as written, keeps our working poor communities vulnerable to homelessness. Therefore, the following amendments are strongly recommended for your consideration:

- Raise the wage to \$10.10 in 2017.
- Repeal the tip credit.
- Automatically adjust the minimum wage for increases in the Consumer Price Index.

Recognizing that Filipinos have risen to become the second largest ethnic group in Hawai'i since our first arrivals in 1906, the Coalition is grateful for the significant role Filipinos have played in Hawai'i's labor history to improve the status of working people and their families. Today Filipinos and many immigrant groups make up a sizeable portion of Hawai'i's diverse, service industry work force that is disproportionately underpaid. It is no accident, and there should be no excuse, that our children are over-represented in under-achieving public schools, under-represented in higher education and in executive positions in the very industries that hire our people at low wages to ensure growing profit margins.

Given this unjust disadvantage, it is imperative to boost the minimum wage in order for our working poor families to have better means in order to participate more fully in the daily transactions of our economy to meet their basic needs of food, shelter, clothing, transportation, healthcare, education, and more. In so doing, this bill, with the important amendments, will go a long way to uplift our marginalized families and their children to contribute even more significantly as good stewards for a vibrant economy and stronger communities in Hawai`i's civil society.

Hawai`i's own President Obama gets the importance of boosting the minimum wage. Likewise, the Coalition extends our gratitude to you for hearing this important bill and for allowing us to provide our steadfast support to you to bring justice to our working poor families in the passage of this bill with the necessary amendments.

Respectfully,

Charlene Cuaresma, MPH
Past President
Filipino Coalition for Solidarity

Filipino American Citizens League

Jake Manegdeg, President
P. O. Box 270126 ★ Honolulu, Hawai'i 96827

TESTIMONY IN SUPPORT FOR HB 1488 WITH AMENDMENTS RELATING TO THE WAGE AND HOUR LAW

Feb. 11, 2014, 9:00 a.m. | Hawai'i State Capitol Conference Rm. 309

To: House Committee on Labor and Public Employment
Honorable Rep. Mark M. Nakashima, Chair
Honorable Rep. Kyle T. Yamashita, Vice Chair
Honorable Members of the Committee on Labor & Public Employment:
Rep. Henry J.C. Aquino, Rep. Linda Ichiyama, Rep. Kaniela Ing,
Rep. Greg Takayama, Rep. Roy M. Takumi, Rep. Ryan I. Yamane,
Rep. Aaron Ling Johanson

LATE

From: Jake Mengdeg, Filipino Coalition for Solidarity

Dear Honorable Rep. Nakashima, Chair; Honorable Rep. Yamashita, Vice Chair; and
Honorable Members of the Committee on Labor & Public Employment:

My name is Jake Manegdeg. As president of the Filipino American Citizens League, I support this bill with amendments. The League was formed over ten years ago to contribute to the advancement of civil rights and social justice for minority groups, underserved populations, and vulnerable communities through education, advocacy, and social action.

While the intent of the bill is in the right direction to raise the minimum wage, it does not go far enough to uplift people to survive these dire economic times without being on the brink of losing their housing. To prevent this, the following amendments are imperative:

- Raise the wage to \$10.10 in 2017.
- Repeal the tip credit.
- Automatically adjust the minimum wage for increases in the Consumer Price Index.

Deepest appreciation for hearing this bill, which will help relieve some of the burden for nearly 85% of adults, who comprise that segment of our society who are struggling to raise a family or run a household, often with multiple low paying jobs to make ends meet. In this category are many immigrants from all over the world, but the largest of them all are from the Philippines.

Thank you for the opportunity for the Filipino American Citizen's League to speak up on behalf of our working poor communities, and on whose backs Hawai'i's strong economy depends.

Very Sincerely,
Jake Manegdeg, President, Filipino American Citizens League



Nursing Advocates & Mentors, Inc.

... a non-profit organization with a mission to address the global nursing shortage by providing guidance and assistance for nursing colleagues to obtain their professional license in nursing.

NAMI, P.O. Box 2034 Aiea, HI 96701

E-mail: bramosrazon@aol.com

TESTIMONY IN SUPPORT FOR HB 1488 WITH AMENDMENTS

RELATING TO THE WAGE AND HOUR LAW

LATE

Feb. 11, 2014, 9:00 a.m. | Hawai'i State Capitol Conference Rm. 309

To: House Committee on Labor and Public Employment
Honorable Rep. Mark M. Nakashima, Chair & Honorable Rep. Kyle T. Yamashita, Vice Chair
Honorable Members of the Committee on Labor & Public Employment: Rep. Henry J.C. Aquino,
Rep. Linda Ichiyama, Rep. Kaniela Ing, Rep. Greg Takayama, Rep. Roy M. Takumi, Rep. Ryan I.
Yamane, Rep. Aaron Ling Johanson

From: Beatrice Ramos-Razon, Co-Founder & President, Nursing, Advocates, Mentors, Inc.

Dear Hon. Rep. Nakashima, Chair; Hon. Rep. Yamashita, Vice Chair; and Hon. Committee Members:

My name is Beatrice Ramos-Razon. As the founder and president of NAMI (Nursing Advocates & Mentors, Inc.), I submit our support for this bill with amendments. NAMI's membership is comprised of over 75 volunteer nurses, instructors, allied health care professionals, and Filipino leaders, who are dedicated to improve the health of Hawai'i's people through education, mentoring, advocacy and service.

NAMI believes that this minimum wage increase is long overdue, and the right thing to do. However, these amendments are necessary to strengthen this bill:

- Raise the wage to \$10.10 in 2017
- Repeal the tip credit
- Automatically adjust the minimum wage for increases in the Consumer Price Index

Many of our NAMI students have the grave responsibility to pull together their extended family networks in order to provide financial support to those who are vigilantly building their capacity to rise from minimum wage jobs. Many live in multi-family households, often times with one family per bedroom, including the living room. Some sleep on the floor--grandparents, parents, and adult children with their own children in a one bedroom/one bathroom or studio dwelling. This is how families, fortunate to have a roof over their heads, survive on minimum wage jobs. This is why it is a challenge for their children to excel in school. Where can they do their homework with family members sleeping on the floor, and resting in between multiple shift work jobs?

Those who are minimum wage subsistence earners are industrious, hardworking, law abiding tax payers, who not only believe in the American Dream, but whose cheap labor also make the American Dream possible for those in the upper income brackets in their respective industries of employment. A raise in minimum wage is a social justice issue for our struggling families.

Thank you for hearing this bill and for the opportunity to share the hope that communities have in your leadership to champion a basic right for them, as they continue to make our economy work to benefit the people of our Aloha State.

Sincerely,

Beatrice Ramos-Razon, RN, FACDONA,
President
Nursing Advocates and Mentors, Inc.

**Testimony on House Bill 2580
The Very Reverend Walter Brownridge**

LATE

Good morning members of The Committee, I am Fr. Walter Brownridge. I am Dean of the Cathedral of St. Andrew, which is located across the street from this Capitol Building. I am member of the State Board of FACE – Faith Action for Community Equity. I thank you for this opportunity to testify on the House Bill 2580.

FACE is a faith-based grassroots organization in Hawaii founded in 1996. FACE grew out of a sponsoring committee established in the mid-1990s with the assistance of the Center for Community Change. In November 2008 FACE became a statewide organization when our Maui chapter was founded. We currently have a membership base of 27 institutions on Oahu, 24 on Maui, and one statewide institution. Combined on both islands, we are made up of 38 churches, a Buddhist temple, 2 Jewish congregations, 10 community groups and non-profit organizations, and one labor union. FACE's membership reflects the cultural and socio-economic diversity of our community.

FACE exists to allow its members to live out our common, faith-based values by engaging in actions that challenge the systems that perpetuate poverty and injustice. We balance social, economic and community activity with a deep spiritual commitment. Our spiritual centeredness empowers us to return hope and love to the public arena.

It's a political fact now that faith communities across the board, very widely, are in favor of increasing the minimum wage. Why is that? What's the theological foundation behind that? We don't just do politics; we do politics because of our faith.

The issue of the widening income inequality gap is something that has gained the attention of many of our political leaders and citizens across the United States and locally in Hawaii. For those of us from the faith communities, this income gap is part of a larger context of social inequality that effect the educational opportunities of our children and youth, the barriers to health care, and the lack of adequate affordable housing for of all our citizens. These concerns are part of our DNA, because instead of despairing of the disparities that exist, we call upon the institutions of our society to work for the common good of our citizens. This has been the case from the beginning within many faith communities.

For example, when we see the Hebrew prophets and how they always seemed to speak up when the gaps in society grew too large. When the gulf widened and injustice deepened, the prophets rose up to thunder the judgment and justice of God. Their words reveal that God hates inequality. That's our theological foundation – God hates inequality.

What does the Bible have to say about the minimum wage?

The prophet Isaiah said: *"my chosen shall long enjoy the work of their hands. They shall not labor in vain..."* (65:22-23).

James, who was the sibling of Jesus, and probably knew what his brother thought about things pretty well, said: *"Listen! The wages of the laborers who mowed your fields, which you have kept back by fraud, cry out, and the cries of the harvesters have reached the ears of the Lord."*

As far the public policy implications raising the minimum wage to \$10.10 per hour is a mere start to ensuring that all workers can earn a living wage. The statistical and economic data is clear that the buying power of the current \$7.25 has over a \$1.00 since 2007. Since the a single parent of one child earning the current minimum wage who works 40 hours per week for 52 weeks a year, earns \$2,770 or 16% below the federal poverty guidelines. It is one of the factors that cause Hawaii to have a poverty rate of 17.3% making our state the 9th poorest in the nation. Simply raising the minimum wage to \$10.10 would be enough to pull a family of three out of poverty.

Finally I would like to add a word about why increasing the Tip Credit would be another wedge that would further increase income inequality. The fact that many of our international visitors come from countries where tipping is not customary makes the use of a Tip Credit a cruel hoax for Hawaii's poorest workers.

I urge please a clean Minimum Wage Bill of \$10.10 without increasing the Tip Credit.

Mahalo Nui Loa for your time.



92-954 Makakilo Dr. #71 Kapolei, HI 96707 Email: Rainbowfamily808@gmail.com Phone: 808-779-9078 Fax: 808672-6347

February 10 2014

LATE

RE: HB1488 MINIMUM WAGE

In Strong Support

TO: House Chair, Vice Chair and members of the House Labor & Public Employment Committee

Aloha Chair, Vice Chair and Members,

Rainbow Family 808 proudly supports HB1488 for the benefit of all families in Hawaii. Now only do all islands have families of all sizes living on the beaches and the streets of our state, some of them hold down multiple minimum wage jobs.

As a social worker and community concerned citizen since 1981, I have seen the harm of poverty in our state. It certainly isn't in keeping with caring for our o`hana or in the spirit of Aloha.

In 1948, the Universal Declaration of Human Rights was signed at the United Nations. This rights are more detailed than the US Bill of Rights and need to be considered with HB1488 on Minimum Wages.

In particular, the Universal Declaration of Human Rights, Article 25 pertains to HB1488:

- (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

The fault we find with HB1488, are the start date and the extended dates to achieve the goal of \$10.10 per hour. Hawaii hasn't had an increase for minimum wage in far too long.

Please focus on the needs of the families and pass HB1488 on Minimum Wages for the benefit of all our families.

Thank you,

Carolyn Martinez Golojuch, MSW

President – Rainbow Family 808.com



LATE

TESTIMONY IN SUPPORT FOR HB 1488 WITH AMENDMENTS
RELATING TO THE WAGE AND HOUR LAW

Feb. 11, 2014, 9:00 a.m. | Hawai'i State Capitol Conference Rm. 309

To: House Committee on Labor and Public Employment
Honorable Rep. Mark M. Nakashima, Chair
Honorable Rep. Kyle T. Yamashita, Vice Chair
Honorable Members of the Committee on Labor & Public Employment:
Rep. Henry J.C. Aquino, Rep. Linda Ichiyama, Rep. Kaniela Ing,
Rep. Greg Takayama, Rep. Roy M. Takumi, Rep. Ryan I. Yamane,
Rep. Aaron Ling Johanson

From: Rouel Velasco, Chair
National Federation of Filipino American Associations Region 12

Dear Honorable Rep. Nakashima, Chair; Honorable Rep. Yamashita, Vice Chair; and
Honorable Members of the Committee on Labor & Public Employment:

My name is Rouel Velasco, Chair, NaFFAA Region 12, which strongly supports this bill. NaFFAA Region 12 represents the interests of Filipinos in Hawai'i, Guam, and the Commonwealth of Northern Marianas Islands. We are an affiliate of the National NaFFAA. Washington policy-makers, private industry and national advocacy groups recognize NaFFAA as the Voice of Filipinos and Filipino Americans throughout the United States. We are a non-partisan, non-profit national affiliation of more than five hundred Filipino-American institutions and umbrella organizations that span twelve regions throughout the continental United States and U.S. Pacific territories.

The intent of the bill is a great one and much needed. However, the measure, as written, is not enough to address the disparities that the working class communities face in raising a family and providing a better life for their families. Therefore, the following amendments are recommended for your consideration:

- Raise the wage to \$10.10 in 2017.
- Repeal the tip credit.
- Automatically adjust the minimum wage for increases in the Consumer Price Index.

Filipinos in the State of Hawai'i have risen to become the second largest ethnic group. Over time, Filipinos made significant contributions to Hawai'i's labor history to improve the status of

all working people and their families. Today, Filipinos and many other immigrant groups make up a sizeable portion of Hawai'i's diverse, service industry work force that is disproportionately underpaid. Many challenges are presented to this large segment of society whose income does not suffice the cost of living. This will keep our working poor communities vulnerable to homelessness. It is important to raise the minimum wage in order for our working class families to have better means in participating in and contributing back into the economy. In so doing, this bill, with the amendments, will create a better life and a promising future for our marginalized families and their children. Furthermore, these families will contribute more significantly as good stewards for a robust economy and stronger communities.

The members of NaFFAA Region 12 extends our appreciation to you for hearing this bill. It is our honor to offer you support as well as recommending amendments in providing a better future for our working poor families in the passage of this bill.

Sincerely,

Rouel Velasco, Chair, NaFFAA Region XII