

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

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.hawaii.gov/labor

March 25, 2013

To: The Honorable Sylvia Luke, Chair,
The Honorable Scott Y. Nishimoto, Vice Chair,
The Honorable Aaron Ling Johanson, Vice Chair, and
Members of the House Committee on Finance

Date: Wednesday, March 27, 2013
Time: 4:00 p.m.
Place: Conference Room 308, State Capitol

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

Re: S.B. No. 331 SD2, HD1 Relating to Labor

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal increases the minimum wage in three stages from \$7.25 to \$9.00 as of January 1, 2017. Provides an increased credit for tipped workers.

The department supports the proposed measure and recommends the incremental rise in the minimum wage and supports the three-step approach, which best recaptures the buying power as in the Administration proposal, which also indexes in the following years according to the consumer price index.

II. CURRENT LAW

The current minimum wage is \$7.25. Employers are allowed to claim a tip credit of 25 cents for tipped employees, i.e. pay them \$7.00, provided the tipped employee actually makes at least \$7.75 an hour, or 50 cents above the minimum wage.

III. COMMENTS ON THE SENATE 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 and to match the minimum wage to the cost of inflation on an annual basis. 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 to support our continued recovery from the recession.

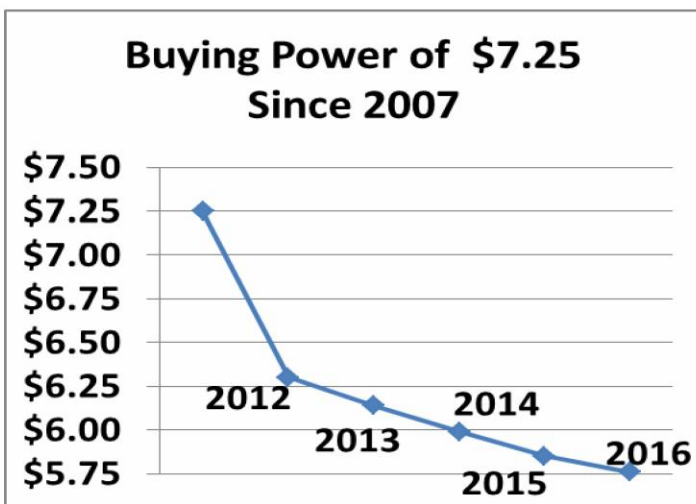
Minimum Wage is higher in 19 states and D.C. despite higher cost of living in Hawaii

The following twenty states or jurisdictions have a higher minimum wage than Hawaii as of January 1 2013; ten of these states index their minimum wage to inflation so that the real value of the minimum wage does not fall every year.

- \$9.19 Washington*
 - \$8.95 Oregon*
 - \$8.60 Vermont*
 - \$8.25 Connecticut*, District of Columbia*, Nevada*, Illinois
 - \$8.00 California, Massachusetts*
 - \$7.75 Alaska, Rhode Island
 - \$7.85 Ohio*
 - \$7.79 Florida*
 - \$7.80 Arizona*, Montana*
 - \$7.78 Colorado*
 - \$7.50 Maine*, New Mexico
 - \$7.40 Michigan, Rhode Island
- *Denotes indexed to a cost of living or other indexing mechanism.

Give Hawaii’s minimum wage earners more buying power

This amendment will improve the quality of life for current minimum wage workers by adjusting the minimum wage for inflation to give workers more purchasing power. This will also benefit business by making increases in the minimum wage predictable and in smaller increments instead of periodically having to do large increases. It will also provide an incentive for those moving from welfare to work to earn wages that will enable them to become self-sufficient. 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 that is updated semi-annually 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 \$5.76 in 2016.

By increasing the minimum wage and providing a mechanism for it to keep up with the cost of inflation, the number of Hawaii residents living in poverty will decrease. The U.S.

Census Bureau recently estimated that 17.4 percent of state residents live in poverty, or about one-fifth of Hawaii residents, and that makes Hawaii the seventh highest state with the percentage of people living in poverty. Minimum wage earners in Hawaii currently earn \$15,080 annually working 40 hours a week for 52 weeks. A person with one child earning \$15,080 is \$2,770 below the Hawaii poverty level in 2013.

2013 Hawaii Poverty Guidelines

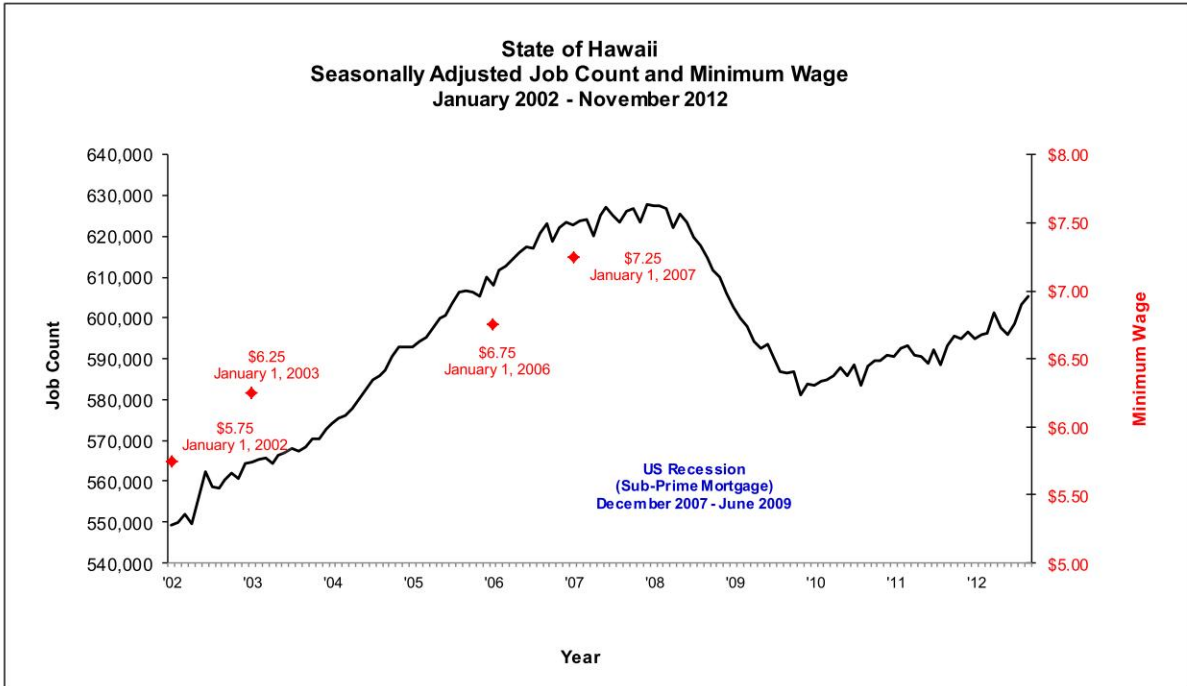
Household size	100%	133%	150%	200%	300%	400%
1	\$13,230	\$17,596	\$19,845	\$26,460	\$39,690	\$52,920
2	17,850	23,741	26,775	35,700	53,550	71,400
3	22,470	29,885	33,705	44,940	67,410	89,880
4	27,090	36,030	40,635	54,180	81,270	108,360
5	31,710	42,174	47,565	63,420	95,130	126,840
6	36,330	48,319	54,495	72,660	108,990	145,320
7	40,950	54,464	61,425	81,900	122,850	163,800
8	45,570	60,608	68,355	91,140	136,710	182,280

It is also desirable for Hawaii to maintain a minimum wage standard that reflects the increase in the cost of living, especially considering Hawaii is the most expensive state to live in. (See 2012 ACCRA Third Quarter 2012 Cost of Living Data as published by the Missouri Economic Research and Information Center at http://www.missourieconomy.org/indicators/cost_of_living/index.stm).

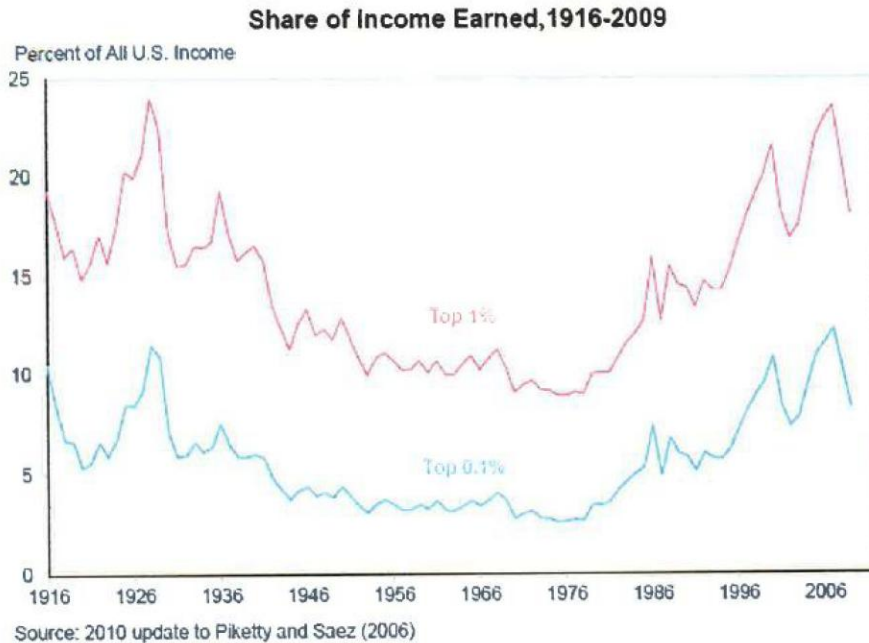
- ✓ The cost of living is twelve per cent higher than the next highest area (Washington, D.C.) and eighty-nine per cent higher than in Oklahoma, which is the least expensive area.
- ✓ The cost of groceries is fifteen per cent higher than in Alaska, which is the state with the second highest grocery costs, and seventy-one per cent higher than Kansas, which has the lowest grocery costs in the nation.
- ✓ Similarly, the cost of transportation is twelve per cent higher than Connecticut, which is the state with the second highest transportation costs, and forty-seven per cent higher than Mississippi, which has the lowest transportation costs in the nation.

Increase in minimum wage does not affect 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.



“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 gets a fair shot, everyone does their fair share, and everyone plays by the same set of rules.”



Economic Inequality, 2012.

Statistical Profile of Minimum Wage Workers in Hawaii—2011

Statistical Profile of Persons Earning \$7.25 or Less*

Total: 15,819 2.3% of Labor Force

Exactly \$7.25: 8,195 1.2% of Labor Force

Subminimum Wage: 7,624 1.1% of Labor Force

Males Earning Exactly \$7.25: 45.2% Males Earning Subminimum Wage: 55.9%

Females Earning Exactly \$7.25: 54.8% Females Earning Subminimum Wage: 44.1%

Age Profile of Persons Earning \$7.25 or Less:

Less than 21: 17%

Between 21 and 55: 76%

55 and Over: 7%

Total over 21: 83%

Hours Worked by Persons Earning \$7.25 or Less:

Works Less than 19 hours: 8.9%

Work Less than 35 Hours: 44.6%

Work More than 35 Hours: 55.4%

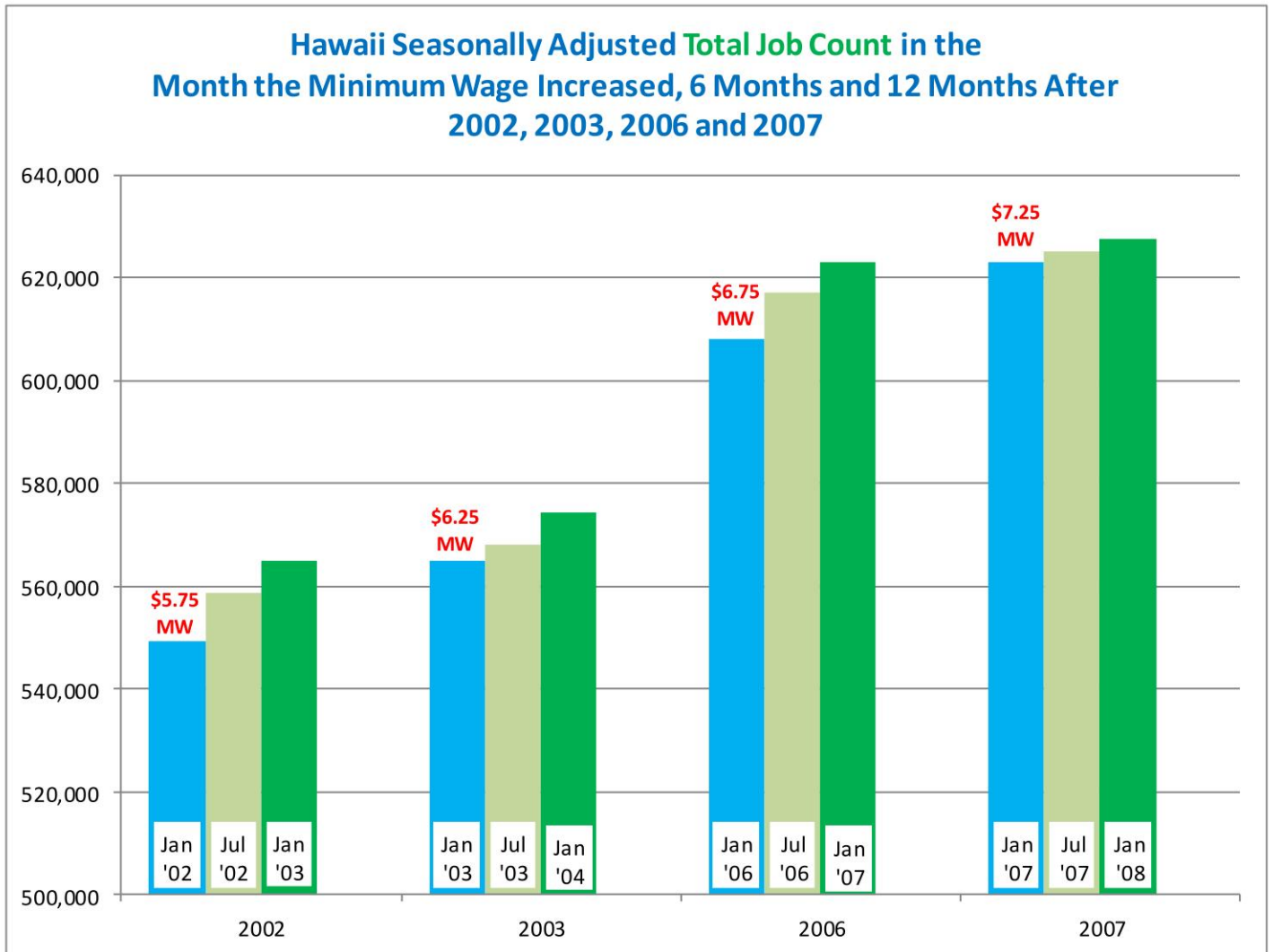
Work Exactly 40 Hours: 48.2%

*Source: U.S. Bureau of Labor Statistics (BLS), U.S. Department of Labor. BLS data derived from the Current Population Survey by the U.S. Census Bureau

The BLS does not provide industrial sector or occupational breakouts for the individual states. National data indicates that by major occupational groups, the highest proportion of hourly-paid workers working at or below the federal minimum wage was in the service occupations, about 6 in 10 minimum wage or below workers were in the service occupations in 2011, mostly in food preparation and serving related jobs.

The industry with the highest proportions of hourly paid workers earning at or below the federal minimum wage was in leisure and hospitality, primarily in restaurants and other food services.**

**Source: Characteristics of Minimum Wage Workers: 2011, Bureau of Labor Statistics, U.S. Department of Labor



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%



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 27, 2013

MEMORANDUM

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 331, S.D. 2, H.D. 1 - RELATING TO LABOR**

Hearing: Wednesday, March 27, 2013; 4:00 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of the measure is to increase the minimum wage to \$7.75 starting 01/01/14, \$8.25 starting 01/01/15, and \$8.75 starting 01/01/16, and \$9.00 starting on 01/01/17.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports increasing 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.

Importantly, with this measure Hawaii will also join the 10 other states across the nation that adjust their minimum wages annually to keep pace with the rising cost

of living – a policy known as indexing. Indexing to inflation ensures that real wages for our lowest paid workers do not fall even further behind.

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. As applied to Hawaii's TANF/TAONF beneficiaries,

women with children are disproportionately represented in low wage jobs and will accrue the greatest benefits from an increase in the minimum wage.

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. It’s time for a New Day for Hawaii’s poorest wage workers.

Thank you for the opportunity to provide testimony on this bill.



The Twenty-Seventh Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Finance

Testimony by
Hawaii State AFL-CIO
March 27, 2013

S.B. 331, SD2, HD1 – RELATING
TO LABOR

The Hawaii State AFL-CIO supports S.B. 331, SD2, HD1 which increases the hourly minimum wage to \$7.75 on January 1, 2014, \$8.25 on January 1, 2015, \$8.75 on January 1, 2016, and \$9.00 on January 1, 2017. However, we strongly oppose any increase to the tip credit.

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 six year ago in 2007 and if Hawaii's minimum wage had been indexed to the Consumer Price Index (CPI) the minimum wage in 2012 would have been \$8.35 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, 19 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 \$10.29 an hour, and San Francisco has raised its minimum wage to \$10.55 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.

Moreover, the poverty line for a family of two in Hawaii as of 2012, is \$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 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.”

It should also be noted that ten states, some of them conservative have increased their minimum wage this year. The ten states that saw an increase to their minimum wage include Washington, Arizona, Colorado, Florida, Missouri, Montana, Ohio, Oregon, Rhode Island, and Vermont. Even Mayor Bloomberg of New York endorsed a 2012 proposal to increase New York’s minimum wage above the federal level of \$7.25 an hour proclaiming “the genius of the free market is not always perfect.”

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.”

We hope the legislature recognizes the importance of raising the minimum wage and we strongly urge the passage of S.B. 331, SD2, HD1 amended to keep the tip credit at 25 cents.

Thank you for the opportunity to testify.

Respectfully submitted,

Jason Bradshaw
COPE Director



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Seventh Legislature
Regular Session of 2013

COMMITTEE ON FINANCE

The Honorable Rep. Sylvia Luke, Chair
The Honorable Rep. Scott Nishimoto, Vice Chair
The Honorable Rep. Aaron Ling Johanson, Vice Chair

DATE OF HEARING: Wednesday, March 27, 2013
TIME OF HEARING: 4 p.m.
PLACE OF HEARING: Conference Room 308

TESTIMONY ON SB331 SD2 HD1 RELATING TO LABOR

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.

The UPW supports SB331 SD2 HD1, which increases the minimum hourly wage. However, we would like to request that the tip credit be kept at 25 cents.

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.

For the reasons stated above, we ask that the Committee pass this measure.

Thank you for the opportunity to testify.

**Testimony to the House Committee on Finance
Wednesday, March 27, 2013 at 4:00 P.M.
Conference Room 308, State Capitol**

RE: SENATE BILL NO. 331 SD 2 HD 1 RELATING TO LABOR

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **has serious concerns on SB 331, SD 2 HD 1 Relating to Labor.**

The Chamber is the largest business organization in Hawaii, representing more than 1,100 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 has concerns on the bill which raises the minimum wage from the present \$7.25/hour to:

- \$7.75 per hour on January 1, 2014
- \$8.25 per hour on January 1, 2015
- \$8.75 per hour on January 1, 2016
- \$9.00 per hour on January 1, 2017

Should the committee move this bill forward **with these increases, we believe that spacing out of the gradual increase would allow business to build it into their business model.** Please keep in mind that increasing the minimum wage also increases other labor cost for business such as workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax because they are **based on 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 do believe that **the tip credit should be raised.**

Lastly, many businesses have faced uncontrollable increased costs in their prepaid healthcare premiums. The average annual premium for a single employee is almost \$5,000. This benefit is almost entirely paid for by business. With premiums rising 7-10% each year, and employers paying on average 90% of the premium, this represents a 2.7% to 3% increase in compensation to the employee each year.

Thank you for this opportunity to express our views.



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)

1050 Bishop St. PMB 235

Honolulu, HI 96813

Fax : 808-791-0702

Telephone : 808-533-1292

**Testimony to the House Committee on Finance
Wednesday, March 27, 2013 at 4:00 P.M.
Conference Room 308, State Capitol**

RE: SENATE BILL NO. 331 SD 2 HD 1 RELATING TO LABOR

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

The Hawaii Food Industry Association **has serious concerns on SB 331, SD 2 HD 1 Relating to Labor.**

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.

The food industry runs, on average, at about a 1% profit margin; therefore, no additional cost can result in no change to our business model. As such, an increase in the minimum wage will result in higher food costs and layoffs.

The Hawaii Food Industry Association has concerns on the bill which raises the minimum wage from the present \$7.25/hour to:

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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 do believe that the tip credit should be raised. **Many entry-level jobs in the retail and food industry are for younger workers who may still be in high school. If industry is forced to raise these**

workers pay then they must also raise the pay of all of their employees along the labor chain which results in a huge increase in labor cost for the business and a corresponding increase in the price of food.

Lastly, many businesses have faced uncontrollable increased costs in their prepaid healthcare premiums. The average annual premium for a single employee is almost \$5,000. This benefit is almost entirely paid for by business. With premiums rising 7-10% each year, and employers paying on average 90% of the premium, this represents a 2.7% to 3% increase in compensation to the employee each year.

The net result of this bill will be a combination layoffs and higher grocery costs for all consumers.

Thank you for this opportunity to express our views.

**Testimony to the House Committee on Finance
Wednesday, March 27, 2013 at 4:00 P.M.
Conference Room 308, State Capitol**

RE: SENATE BILL NO. 331 SD 2 HD 1 RELATING TO LABOR

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

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The Chamber is the largest business organization in Hawaii, representing more than 1,100 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.

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Thank you for this opportunity to express our views.



House of Representatives
Twenty-Seventh Legislature, 2013
State of Hawai'i

TO: Honorable Sylvia Luke, Chair
Honorable Scott Nishimoto, Vice Chair
Honorable Aaron Ling Johanson, Vice Chair
Members of the Committee on Finance

DATE: Wednesday, March 27, 2013
TIME: 4:00 PM
PLACE: Conference Room 308
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

FROM: National Federation of Independent Business (NFIB) Hawai'i

RE: SENATE BILL 331, SD2, HD1, RELATING TO LABOR

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson and members of the Committee,

Thank you for the opportunity to testify in opposition of SB 331, SD2, HD1. 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

March 27, 2013

Testimony To: House Committee on Finance
Representative Sylvia Luke, Chair

Presented By: Tim Lyons
President

Subject: S.B. 331, SD 2, HD 1 – RELATING TO LABOR

Chair Luke and Members of the Committee:

I am Tim Lyons, Executive Vice President of the Hawaii Business League, a small business organization. We are in opposition to this bill.

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 there is no extra money for most 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, 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 was earning minimum wage. An infusion of that nature won't even make the meter move.

Lastly, we object to using 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.



Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Representative Aaron Ling Johanson, Vice Chair
Committee on Finance

HEARING Wednesday, March 27, 2013
 4:00 pm
 Conference Room 308
 State Capitol, Honolulu Hawaii

RE SB331, SD2, HD1 Relating to Labor

Chair Luke, Vice Chairs Nishimoto and Johanson, Members of the Committee:

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

RMH strongly opposes SB331, SD2, HD1, which increases minimum wage to \$7.75 on January 1, 2014, \$8.25 on January 1, 2015, \$8.75 on January 1, 2016, and \$9.00 on January 1, 2017.

The most harmful consequence of this minimum wage increase will be on our smaller retailers which face constant and intense competition, not only from other retailers, but also from internet sellers. 50% of our membership has fewer than fifty (50) employees; of those, 2/3 employs ten or fewer people.

The impact of a minimum wage increase is exponential, causing a compression of wages between newly hired, inexperienced workers and veteran, experienced employees. Mandating scheduled adjustments at the lowest tier of the employment scale causes a tremendous and prohibitive increase in overall employment costs. Furthermore, an increase in payroll costs also leads to increases in benefit costs that are based on wages, including unemployment insurance, Social Security and Medicare, workers' compensation premiums, and vacation and holiday pay.

Over the past few years, the retail industry has seen reasonable growth, with existing companies opening new locations and new retailers entering the marketplace. Hundreds of new retail jobs are being created, with compensation levels based on the current economic conditions, employment regulations, and the business philosophy of the employer. Increasing the minimum wage is counterproductive to any further growth.

The members of the Retail Merchants of Hawaii respectfully request that you hold SB331, SD2, HD1. Thank you for your consideration and for the opportunity to comment on this measure.

Carol Pregill, President



HAWAII CATHOLIC CONFERENCE

6301 Pali Highway
Kaneohe, HI 96744-5224

ONLINE SUBMITTAL

Hearing on Wednesday, March 27, 2013 @ 4:00 p.m.
Conference Room #308

DATE: March 25, 2013

TO: **House Committee on Finance**
Rep. Sylvia Luke, Chair
Rep. Scott Nishimoto, Vice Chair | Rep. Aaron Ling Johanson, Vice Chair

FROM: Walter Yoshimitsu, Executive Director

RE: Support for SB 331 SD2 HD1 Relating to Labor

Mahalo for the opportunity to provide written testimony in support of this measure. 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 increase 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 to pass this bill. Mahalo for the opportunity to testify.

Hawai'i Alliance for Retired Americans (HARA)

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: FINtestimony@capitol.hawaii.gov)

Testimony of Al Hamai in support of SB331, SD2, HD1, Relating to Labor

House Committee on Finance

March 27, 2013, 4 p.m. Conference Room 308

Chair Sylvia Luke and Members of the Committee,

HARA supports the intent of SB 331, SD2, HD1, which proposes to increase the minimum wage annually to \$9.00 on July 1, 2017, and urges this Committee to amend this bill so that the increases may start on July 1, 2013 with the maximum increase effective on July 1, 2016. We also urge the committee to authorize the department of labor and industrial relations to adjust the minimum hourly wage thereafter in accordance with the consumer price index.

Nationally, President Obama proposed the increase in the minimum wage to \$9.00 by the end of 2015. The New York Times in its editorial, "From the Bottom Up" on February 17 supported the proposal and pointed out among other facts:

"Over all, the argument that a higher wage will kill jobs has been debunked by a [range of studies](#) showing that a higher minimum wage boosts pay without measurably reducing employment, while improving productivity. One [study](#) from the Federal Reserve Bank of Chicago found that a \$1 increase in the minimum wage results, on average, in \$2,800 in new spending by affected households in the following year, in large part because the increase helps workers accumulate down payments to buy cars. Owning a car, in turn, helps workers to keep their jobs."

We urge your Committee to approve SB331, SD2, HD1, with the proposed amendments. 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.



3375 Koapaka Street, D-108
Honolulu, HI 96819

Phone: (808) 831-0811
Fax: (808) 831-0833

Wednesday, March 27, 2013

House Committee on Finance

Re: SB 331, SD2, HD1 RELATING TO LABOR

Dear Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson and members of the Committee,

We appreciate the opportunity to testify on SB 331, SD2, HD1, 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.

SB 331, SD2, HD1, increases the hourly minimum wage to \$7.75 on January 1, 2013, \$8.25 on January 1, 2015, \$8.75 on January 1, 2016, and \$9.00 on January 1, 2017.

While we appreciate the changes made in the HD1 version of SB 331, the bill still contains a long-term mandate to increase wages without consideration of the economic climate. Without this consideration, SB 331 has the potential to seriously harm businesses 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



To: Committee on Labor and Public Employment

From: Melanie Bailey
T S Restaurants Hawaii
Human Resources Manager

Hearing: March 27, 2013 4pm

RE: SB331 SD2, HD1 Relating to Labor (Minimum Wage – INCREASE THE TIP CREDIT)

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

T S Restaurants is a family owned company with eight locations on Hawaii employing 1400 Hawaii residents.

Our minimum wage Front of the House employees, are tipped and with tips average over \$21 an hour, many make more than our managers do. Our non-tipped Kitchen employees average between \$12-14 an hour.

If minimum wage increases, all of the increase would go to the tipped Front of the House employees. None of our Kitchen employees are paid minimum wage. The increase will not increase kitchen wages and in fact 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.

Restaurants pay taxes on every dollar an employee makes as tips. This can be anywhere from 7-15% per dollar. The tip credit is meant to assist in offsetting this expense.

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. The following suggested language maintains our tipped employees at the same rate of pay.

Thank you for your time.

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. If an employee’s tips combined with the employer’s cash wage of at least ~~\$2.13~~ \$7.00 per hour do not equal the minimum hourly wage, the employer must make up the difference.

SUGGESTED LANGUAGE-MIRRORS SB331

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 employee's employer and in tips is at least 50 cents more than the applicable minimum wage.

Mahalo!

	Basic Combined Cash & Tip Minimum Wage Rate	Maximum Tip Credit	Maximum Wage for Tipped Employee	Definition of Tipped Employee by Minimum Tips received (monthly unless otherwise specified)
FEDERAL: Fair Labor Standards Act	\$7.25	\$5.12	\$2.13	More than \$30
STATE LAW WITH TIP CREDIT				
Hawaii	\$7.25	\$0.25	\$7.00	More than \$20, combined amount the employee receives from tips is at least 50 cents more than the applicable minimum wage.
West Virginia	\$7.25	20%	\$5.80	
Connecticut	\$8.25	31%	\$5.69	
New York	\$7.25	\$2.25	\$5.00	
Illinois	\$8.25	40%	\$4.95	\$20
North Dakota	\$7.25	33%	\$4.86	More than \$30
Arizona	\$7.80	\$3.00	\$4.80	
Florida	\$7.79	\$3.02	\$4.77	
Colorado	\$7.78	\$3.02	\$4.76	More than \$30
Iowa	\$7.25	\$2.90	\$4.35	More than \$30
Vermont	\$8.60	\$4.43	\$4.17	More than \$120
Ohio	\$7.85	\$3.92	\$3.93	More than \$30
Maine	\$7.50	50%	\$3.75	More than \$20
Missouri	\$7.35	\$3.68	\$3.68	
Maryland	\$7.25	\$3.62	\$3.63	More than \$30
Idaho	\$7.25	\$3.90	\$3.35	More than \$30
Rhode Island	\$7.75	\$4.86	\$2.89	
Pennsylvania	\$7.25	\$4.42	\$2.83	More than \$30
District of Columbia	\$8.25	\$5.48	\$2.77	
Michigan	\$7.40	\$4.75	\$2.65	
Arkansas	\$6.25	\$3.62	\$2.63	More than \$20
Oklahoma		\$3.62 or 50%		
Massachusetts	\$8.00	\$5.37	\$2.63	More than \$20
Wisconsin	\$7.25	\$4.92	\$2.33	
Delaware	\$7.25	\$5.02	\$2.23	More than \$30
Wyoming	\$5.15	\$3.02	\$2.13	More than \$30
New Hampshire	\$7.25	55%	45%	More than \$30
Alabama	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
Georgia	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
Indiana	\$7.25	\$5.12	\$2.13	
Kansas	\$7.25	\$5.12	\$2.13	More than \$20
Kentucky	\$7.25	\$5.12	\$2.13	More than \$30
Mississippi	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
Nebraska	\$7.25	\$5.12	\$2.13	
New Jersey	\$7.25	\$5.12	\$2.13	
North Carolina	\$7.25	\$5.12	\$2.13	More than \$20
South Carolina	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
South Dakota	\$7.25	\$5.12	\$2.13	More than \$35
Tennessee	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
Texas	\$7.25	\$5.12	\$2.13	More than \$20
Utah	\$7.25	\$5.12	\$2.13	More than \$30
Virginia	\$7.25	\$5.12	\$2.13	
New Mexico	\$7.50	\$5.37	\$2.13	More than \$30

from: <http://dol.gov/whd/state/tipped2012.htm>

March 26, 2013

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, Rep. Aaron Ling Johanson, Vice Chair and members of the House Finance Committee

DATE: Wednesday, March 27, 2013 TIME: 4:00PM
PLACE: Conference Room 308 State Capitol

RE: SB331 Minimum Wage.

From: Thomas Jones President and CO-Owner
Gyotaku Japanese Restaurants

RE: Opposition to SB331 - Due to No Change In Tip Credit

An increase in the minimum wage without a significant increase in the tip credit provision will continue to inhibit our company's ability to increase the wages of all our employees who do not receive tips; especially dishwashers, kitchen helpers, cooks, & janitors.

Each time the minimum wage has gone up over the past two decades the first persons to receive pay increases are tipped employees due to the low tip credit. Since minimum wage legislation does not mandate that all employees get pay increases, those earning over but close to the new minimum wage do not get automatic pay increases. The number of tipped employees to the untipped employees our restaurants is about 2 to 1. So for every \$1 per hour paid to a front of the house employee in the minimum wage could mean up to a \$2 per hour pay increase to a cook or dishwasher.

This situation has held true ever since the first 1988 minimum wage increase I experienced. Between 1988 and 2007 Hawaii's Minimum Wage increase 11 times from \$3.25 to \$7.25. Every one of those increases immediately increased the employer paid wage of tipped employees at restaurants that I worked at and or now own. In almost every case not a single dishwasher or cook got an immediate pay increase as a result of an increase in the minimum. In fact, their next pay increase was delayed by a year or more.

Thus, I have long been a very vocal proponent of increasing the tip credit provision of the minimum wage law. The current low tip credit is actually counter productive to increasing the wages of our lowest paid staff. We currently do not have a single dishwasher, kitchen helper or janitor making less than \$8 per hour. Gyotaku would be paying substantially more than that if we were not required to pay \$7.00 per hour to tipped employees making \$20 to \$30 per hour in tips.

28 states have a \$7.25 per hour minimum wage. So we are currently with the majority on that point. Interestingly however, 19 states have per hour tip credits of \$5.12 to \$5.48, 5 states have tip credits of between \$4.36 to \$4.98, 13 states have tip credits of \$3.00 to \$3.99, 5 states have tip credits of \$2.25 to 2.90; while Hawaii's tip credit is 25 cents. Some 42 states recognize that

tipped employees do not need the same minimum wage as untipped employees as long as they make up the difference in tips.

There have been bills introduced in past years by the Hawaii Restaurant Association that proposed a changed the tip credit from a fixed amount to a percentage of tips claimed by the employe on an hourly basis. This would ensure that the tip credit taken by the employee was directly proportional to the tips earned by the employee. I support this approach because it is the fairest method of addressing the tip credit for a tip credit of not more than 25% of the hourly tips claimed by the employee as tip income and an employer paid wage of not less than \$5 per hour.

That means that a tipped employee being paid a tip credit wage of \$5 per hour (\$7.25 less \$2.25) by the employer would have to be making at least a combined \$14 per hour in tips and the employer paid "tip credit minimum wage" (\$5 wage + \$9 in tips). Does a \$2.25 cent tip credit against a guaranteed \$9 per hour tip income sound unfair? That is still well below the norm for tip credits nation wide.

Legislator truly interested in helping to increase the wages of thousands of restaurant industry and other business with tipped employees above the minimum wage need to take a serious look at how significantly increasing the current 25 tip credit to a formula that is fair and predictable; will help employeers pay higher wages to their employees who do not recieve tips.

Respectfully,

Thomas H Jones
President & CO-Owner
Gyotaku Japanese Restaurants.



To: Committee on Finance

From: Shaughn Helliar
General Manager

Hearing Date: March 27, 2013 4pm

RE: SB331 RELATING TO LABOR (**MINIMUM WAGE - TIP CREDIT**)

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. Approximately 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 2012 was \$21.28.

Conversely, our non-supervisory Kitchen employees average \$13.96 an hour; all of which 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 will, needless to say reduce any chance of any further in-house wage increases for the non-tipped kitchen employees, possibly 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.

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 efforts.

Dukes beach House Maui Management.

TO: House Committee on Finance

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

RE: SB331 SD2 HD1 Relating to Labor (Tip Credit)

Aloha,

I am writing this letter in support of the March 27th, 2013 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. The average wage when adding in tips for the front of the house is \$24.24 per hour. Your intentions are not to give this pay group a raise!

Our kitchen and maintenance staff current averages \$14.56 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.

Previous jobs I have held in Hawaii' like working at Maui Land and Pineapple in their factory, would have appreciated this increase. These are the folks we need to support and get more money to. We appreciate all your hard work on these difficult decisions.

PLEASE ADD AN AMENDMENT TO THE BILL

Thank You,

Orrin Cross
Hula Grill
2435 Kaanapali Parkway
Lahaina, HI 96761

SB331

Submitted on: 3/25/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Tamura	Tamura Super Market	Oppose	No

Comments: Small business employers cannot afford the proposed wage increase at this time. An increase in the minimum wage would force us to reduce our staff. Thus, having an adverse effect on our states economy. Thank you for your consideration.

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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Meadow Gold Dairies



SB 331hd1, Relating to Labor
House Finance Committee
Wednesday, March 27, 2013
4:00pm, Room 308

Written Testimony By: Darrel Tajima

Position: Oppose Minimum Wage Increase, Support Increasing Tip Credit

Chair Luke and Members of the House Finance Committee:

My name is Darrel Tajima, Human Resources Business Partner of Meadow Gold Dairies Hawaii. Our company has been in Hawaii since 1897—116 years, providing Hawaii consumers with a variety of milk products and juices. Meadow Gold's long history has not come without effort. We continually adapt to our customers' and consumers' ever-changing needs, and we constantly evolve along with our industry, our community and our market. Over the years, this has required that we struggle, tighten our belts, innovate and work extremely hard, making us a better company in the process. The foundation of this work rests with the 330 employees that are committed to providing superior quality products.

Minimum Wage Increase - Oppose

This bill seeks to increase the wage for the lowest paying jobs to ensure that the minimum wage keeps up with inflation. The concept is to ensure that workers earning a minimum wage can make ends meet and we truly understand and emphasize especially given this current economic situation.

Economists have argued, however, that raising the minimum wage will not improve the quality of life for minimum wage earners and will actually hurt those who are seeking entry-level jobs. 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. Those costs include, social security tax, unemployment tax and workers compensation premiums, which 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.

Many entry-level jobs in the retail and food industry are for younger workers who may still be in high school. These younger workers do not need to have their wages increased. If industry is forced to raise these workers pay then they must also raise the pay of all of their employees along the labor chain which results in a huge increase in labor cost for the business and a corresponding increase in the price of the goods that are for sale.

Increase Tip Credit – Support

Secondly, this bill proposes to amend the state's tip credit, which is currently set at only 25 cents (\$0.25) an hour. Many businesses are in favor of an increase to the tip credit, especially because tipped employees are often already receiving higher total compensation than their non-tipped co-workers. Therefore, an increase in the tip credit would actually allow employers to pay non-tipped employees a higher rate.

Our company does our best to take care of our employees. They are an important asset to the company and we make sure to have a healthy and safe work environment. We provide generous benefits and any increase in costs during this time may force us to restructure our overall compensation system.

Thank you for the opportunity to submit testimony. I can be reached at 944-5958 if there are any questions.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 26, 2013 3:42 PM
To: FINTestimony
Cc: SJA@tanakarestaurants.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Shunpei Asato	Tanaka of Tokyo	Oppose	No

Comments: We are in support of the intent to increase wages for low wage earners but request a corresponding Tip Credit for employees who receive tips. An increase in that tip credit will enable full service restaurants to continue raising pay for non-tipped employees, primarily in the kitchen who rely on their wages as their means of support and thus creating more equity in wages. Tipped employees who receive minimum wage will normally receive an additional \$8 - \$15 per hour in tips bringing their hourly wage to over \$15 per hour and in many case over \$20 per hour. Conversely, our non-supervisory kitchen employee average of \$10 to \$15 per hour. The minimum wage increase will not increase our kitchen wages and in fact may actually lower them in the long run. If we increase the wages of our tipped employees instead of employees in the non-tipped category it will be difficult to find additional monies to continue their wage increases. We also feel that an increase in minimum wages for tipped employees only will fuel inflationary increases in menu pricing and would make Hawaii less affordable for visitors and residents alike. We feel SB331 will have the opposite effect of the intent of this bill.

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SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jamie Harada	Tanaka of Tokyo	Oppose	No

Comments: We are in support of the intent to increase wages for low wage earners but request a corresponding Tip Credit for employees who receive tips. An increase in that tip credit will enable full service restaurants to continue raising pay for non-tipped employees, primarily in the kitchen who rely on their wages as their means of support and thus creating more equity in wages. Tipped employees who receive minimum wage will normally receive an additional \$8 - \$15 per hour in tips bringing their hourly wage to over \$15 per hour and in many case over \$20 per hour. Conversely, our non-supervisory kitchen employee average of \$10 to \$15 per hour. The minimum wage increase will not increase our kitchen wages and in fact may actually lower them in the long run. If we increase the wages of our tipped employees instead of employees in the non-tipped category it will be difficult to find additional monies to continue their wage increases. We also feel that an increase in minimum wages for tipped employees only will fuel inflationary increases in menu pricing and would make Hawaii less affordable for visitors and residents alike. We feel SB331 will have the opposite effect of the intent of this bill.

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LEILANI'S

On the Beach

To: Committee on Finance

From: Jason Donez
General Manager

Hearing Date: March 27, 2013 4pm

RE: SB331 SD2, HD1 RELATING TO LABOR (**MINIMUM WAGE - TIP CREDIT**)

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 has approximately 195 employees. Approximately 150 work in the front of the house, and more than 95% of these employees make the \$7.25 minimum wage less tip credit of .25 an hour plus tips. In 2012, their average hourly wage with tips was \$23.21.

Conversely, our non-supervisory Kitchen employees average \$13.06 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: House Finance Committee

From: Dylan Ching
General Manager

Hearing Date: March 27, 2013 4pm

RE: SB331 SD2 HD1 RELATING TO LABOR (**MINIMUM WAGE - TIP CREDIT**)

We are in support of the intent to increase wages for low wage earners but request the following amendments. 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. Approximately 225 work in the front of the house, more that 95% making \$7.25 minimum wage less tip credit of .25 an hour plus tips. Their average hourly wage with tips was \$21.42 last year.

Conversely, our non-supervisory Kitchen employees average \$12.42 an hour; none of them are at minimum wage. The increase will not increase their wages and in fact may lower them 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 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.

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



Hearing Date: March 27, 2013, 4pm

To The Members of the Committee on Finance,

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 SB331 SD2, HD1 RELATING TO LABOR (MINIMUM WAGE - TIP CREDIT). 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 2012 (with tips) was \$22.16.

On the other hand, our office, kitchen and maintenance staffs make up the remaining 40 employees and averaged \$13.48 an hour in 2012. 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



To: House Committee on Finance

From: Jaime Arreola
Regional Manager Kauai

Hearing Date: March 27, 2013

RE: SB331 RELATING TO LABOR (**MINIMUM WAGE - 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 \$23.15 last year.

Conversely, our non-supervisory back of the house support staff which consists primarily of our Kitchen employees average \$13.60 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.

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



To: Committee on Finance

From: Dianne Vicheinrut
General Manager

Hearing Date: March 27, 2013 4pm

RE: SB331 SD2 HD2 RELATING TO LABOR (**MINIMUM WAGE - TIP CREDIT**)

We are in support of the intent to increase wages for low wage earners but request the following amendments.

- A state tip credit that correspondingly increases with the projected minimum wage increase.

Hula Grill Waikiki has approximately 120 employees. Approximately 85 work in the front of the house as greeters, bussers, bartenders, and servers. Our front of the house employees earns \$7.25 (minimum wage) less tip credit of \$0.25 an hour plus tips. Their average hourly wage with tips was \$22.33 last year.

Conversely, our non-supervisory Kitchen employees (dishwashers, prep, and line cooks) average \$12.05 an hour; none of them are at minimum wage. The increase will not increase their wages and in fact may lower them 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.

When it comes to wages, restaurants struggle to create equity between the Front of the House (FOH) and Back of the House (BOH) employees. The major difference is that the FOH employees are tipped and their average hourly tips can double the average hourly wage of the BOH employees. Our company has been focused on trying to equalize this major disparity by increasing the hourly wages of the back of the house employees. Although this has come at a high cost to our business, we feel that it is important to give our BOH staff a fair standard of living. An increase in the tip credit will continue to enable Hula Grill Waikiki to pay BOH employees above minimum wage and create more equity in wages.

We understand that the goal of increasing minimum wage is to offer a higher standard of living for those making minimum wage. In our restaurant, minimum wage employees are tipped. 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.

Aloha,

Dianne Vicheinrut
General Manager

Hula Grill Waikiki
2335 Kalakaua Avenue, Suite 203, Honolulu, HI 96815



To: Finance Committee

From: Chris Colgate
Oahu Regional Manager - TS Restaurants
Former Chair and Current Treasurer - Hawaii Restaurant Association

Hearing Date: March 27, 2013 / 4pm

RE: SB331 SD2 RELATING TO LABOR (MINIMUM WAGE - TIP CREDIT)

We are in support of the intent to increase wages for low wage earners but request a corresponding Tip Credit for Employees who receive tips. An increase in the tip credit will enable full service restaurants to continue raising pay for non-tipped employees primarily in the Kitchen who rely on their wage as their means of support and thus creating more equity in wages.

Tipped employees who receive minimum wage will normally receive an additional \$8 - \$15 per hour in tips bringing their hourly wage to over \$15 per hour and in many cases over \$20 per hour. Conversely, our non-supervisory Kitchen employees average of \$10 to \$15 per hour.

The minimum wage increase will not increase our Kitchen wages and in fact may actually lower them in the long term.

If we increase the wages of our tipped employees instead of employees in the non-tipped category it will be difficult to find additional monies to continue their wage increases. We also feel that an increase in minimum wages for tipped employees only will fuel inflationary increases in menu pricing and would make Hawaii less affordable for Locals and Visitors.

We feel SB331 will have the opposite effect of the intent of this bill.

Thank you for your efforts.

Chris Colgate
Oahu Regional Manager

From: [Jerome Furukawa](#)
To: [FINTestimony](#)
Subject: Chair and My Legislator: I Oppose SB 331 HD1
Date: Tuesday, March 26, 2013 11:30:13 AM

Dear Chair Luke & Committee Members,

I respectfully ask that you do not pass the minimum wage increase bill this year.

Although the economy is slowly improving, my business has not fully recovered to the point where I can afford the additional increases.

Thank you for your consideration.

Jerome Furukawa
President, Kona Chips

Sincerely,

Jerome Furukawa
PO Box 1129
Captain Cook, HI 96704

From: mailinglist@capitol.hawaii.gov
To: [FINTestimony](#)
Cc: dukescolgate@aol.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM
Date: Tuesday, March 26, 2013 11:30:05 AM
Attachments: [Testimony SB331 - 032713.jpg](#)

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
christopher j colgate	T S Restaurants	Comments Only	No

Comments: We are not opposed to an increase in Minimum Wage as long as there is an off setting increase in the tip credit. Testimony attached

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: Committee on Finance

From: Chris Almeroth

General Manager

RE: SB331 SD2 HD2 RELATING TO LABOR (MINIMUM WAGE – TIP CREDIT)

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 2012 Kimo's tipped employees earning minimum wage less .25 tip credit averaged \$23.21 per hour.

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 2012, these "back of the house" employees made \$13.30 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.

From: mailinglist@capitol.hawaii.gov
To: [FINTestimony](#)
Cc: geppertj001@hawaii.rr.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM
Date: Tuesday, March 26, 2013 1:22:57 PM

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
John Geppert	Individual	Oppose	No

Comments: The impact of an increase in the minimum wage has a push effect on all wages which means that fewer people will get hired over the long term. Wage increases need to be measured and should be reviewed annually by the legislature vs. annual changes without review. Economic conditions change, thus an annual review is warranted.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 25, 2013 8:50 PM
To: FINTestimony
Cc: ecmaui@gmail.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM

SB331

Submitted on: 3/25/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Eleanore Crowe	Individual	Comments Only	No

Comments: Please do not lower the proposed minimum wage! People are working and living in their cars and the homeless shelter here on Maui.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 26, 2013 12:28 AM
To: FINTestimony
Cc: tia.pearson@gmail.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
tia pearson	Individual	Comments Only	No

Comments: I am disappointed that the House reduced the minimum wage as well as changed the tip amount.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 25, 2013 7:34 PM
To: FINTestimony
Cc: tabraham08@gmail.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM

SB331

Submitted on: 3/25/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Lopaka Abraham	Individual	Support	No

Comments: I support passage of bill making hourly wage \$9.25 to help balance cost of living in hawaii with its people struggling.

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From: [Noelle Condon](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 1:20:04 PM

Dear Chair Luke & Committee Members,

Increasing the minimum wage does not help anyone. The cost is passed along to consumers, which in turn decreases the effectiveness of any increase.
Also, I believe this is not the time to implement this bill.

The economy is slowly recovering, however, businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

Noelle Condon
590 FARRINGTON HWY UNIT 524-276
KAPOLEI, HI 96707

From: [Daryle Kitamori](#)
To: [FINTestimony](#)
Subject: Testimony on SB 331 re Minimum Wage
Date: Tuesday, March 26, 2013 1:20:05 PM

Dear Chair Luke & Committee Members,

Please do not raise the minimum wage. Many businesses have not fully recovered and are still barely making ends meet. We are also dealing with 7-10% annual increases in prepaid health care for our employees that many of us pay 90% or more of the premium.

I respectfully ask that you hold the bill.

Mahalo.

Sincerely,

Daryle Kitamori
1391 Mailani St
Hilo, HI 96720

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 26, 2013 2:29 PM
To: FINTestimony
Cc: jsmiley@yhata.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
John Smiley	Individual	Comments Only	No

Comments: We are in support of the intent to increase wages for low wage earners but request a corresponding Tip Credit for employees who receive tips. An increase in that tip credit will enable full service restaurants to continue raising pay for non-tipped employees, primarily in the kitchen who rely on their wages as their means of support and thus creating more equity in wages. Tipped employees who receive minimum wage will normally receive an additional \$8 - \$15 per hour in tips bringing their hourly wage to over \$15 per hour and in many case over \$20 per hour. Conversely, our non-supervisory kitchen employee average of \$10 to \$15 per hour. The minimum wage increase will not increase our kitchen wages and in fact may actually lower them in the long run. If we increase the wages of our tipped employees instead of employees in the non-tipped category it will be difficult to find additional monies to continue their wage increases. We also feel that an increase in minimum wages for tipped employees only will fuel inflationary increases in menu pricing and would make Hawaii less affordable for visitors and residents alike. We feel SB331 will have the opposite effect of the intent of this 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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FINTestimony

From: Noreen Toledo [noreent@suisan.com]
Sent: Tuesday, March 26, 2013 2:28 PM
To: FINTestimony
Subject: SB 331 re: Minimum Wage Testimony

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

Noreen Toledo
PO Box 5817
Hilo, HI 96720

From: [Clarence Murata](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 1:10:07 PM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

Clarence Murata
744 Hoomaemae St
Pearl City, HI 96782

FINTestimony

From: Wendy AhSam [wahsam@kualoa.com]
Sent: Tuesday, March 26, 2013 2:27 PM
To: FINTestimony
Subject: SB 331 re: Minimum Wage Testimony

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

Wendy AhSam
PO Box 650
Kaaawa, HI 96730

From: [Timon Leong](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 12:50:52 PM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

Timon Leong
PO Box 650
Kaaawa, HI 96730

From: [Lynne Matallana](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 12:40:17 PM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

Lynne Matallana
1015 Aoloa Pl Apt 425
Kailua, HI 96734

From: [Scott Ushijima](#)
To: [FINTestimony](#)
Subject: Chair and My Legislator: I Oppose SB 331 HD1
Date: Tuesday, March 26, 2013 12:40:20 PM

Dear Chair Luke & Committee Members,

I respectfully ask that you do not pass the minimum wage increase bill this year.

Although the economy is slowly improving, my business has not fully recovered to the point where I can afford the additional increases.

Thank you for your consideration.

Sincerely,

Scott Ushijima
2621 Waiwai Loop
Honolulu, HI 96819

From: [Dean Okimoto](#)
To: [FINTestimony](#)
Subject: Chair and My Legislator: I Oppose SB 331 HD1
Date: Tuesday, March 26, 2013 12:00:20 PM

Dear Chair Luke & Committee Members,

I respectfully ask that you do not pass the minimum wage increase bill this year.

Although the economy is slowly improving, my business has not fully recovered to the point where I can afford the additional increases.

Thank you for your consideration.

Sincerely,

Dean Okimoto
41-574 MAKAKALO ST
WAIMANALO, HI 96795

From: [Brian Simeona, Sr.](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 10:30:17 AM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

Brian Simeona
243 Hoohua St
Hilo, HI 96720

From: [Gordon Inouye](#)
To: [FINTestimony](#)
Subject: Testimony on SB 331 re Minimum Wage
Date: Tuesday, March 26, 2013 10:50:12 AM

Dear Chair Luke & Committee Members,

Please reduce the proposed increases in the minimum wage. Many businesses have not fully recovered and are still barely making ends meet. We are also dealing with 7-10% annual increases in prepaid health care for our employees that many of us pay 90% or more of the premium.

While we empathize with the plight of our employees, it will not serve them well if we have to shutter our doors.

I respectfully ask that you hold the bill.

Mahalo.
Gordon Inouye

Sincerely,

Gordon Inouye
PO Box 4488
Hilo, HI 96720

From: mailinglist@capitol.hawaii.gov
To: [FINTestimony](#)
Cc: alan.y.nakamura@tsocorp.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM
Date: Tuesday, March 26, 2013 11:43:53 AM

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Nakamura	Individual	Comments Only	No

Comments: On behalf of Hawaii's businesses, many of them smaller businesses with limited revenues, please consider raising the minimum wage in smaller increments or over a longer period of time. Each 50¢ increase will result in labor costs increasing \$1,000 per employee. This will, no doubt, result in higher prices for consumers and higher expenses for business owners. I understand the intent of this law but fear that it will threaten the livelihood of Hawaii's small businesses. Mahalo!

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From: [Hanni Hartmann](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 10:30:19 AM

Dear Chair Luke & Committee Members,

A minimum wage bill is actually counterproductive for employers and employees.

Please do not pass SB 331. Thank you.

Sincerely,

Hanni Hartmann
139 Makaweli St
Honolulu, HI 96825

From: [Ina Chang](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 10:40:16 AM

Dear Chair Luke & Committee Members,

Dear Representative Scott Saiki, Tom Brower, Chair Luke and Committee members,

I have been a small business owner since 2001. The economy is slowly recovering since 2008; however, businesses have not fully attained the level where they can afford additional costs of doing business, not to mention the health care cost is only increasing year after year.

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill. Please help the small businesses in Hawaii. I really hate to think about closing our business after 12 years of contributing Hawaii's economy.

Please do not pass SB 331.

Sincerely,

Ina Chang
small business owner

Sincerely,

Ina Chang
320 Ainakea Way Apt 612
Honolulu, HI 96815

From: [Gail Macaraeg](#)
To: [FINTestimony](#)
Subject: Chair and My Legislator: I Oppose SB 331 HD1
Date: Tuesday, March 26, 2013 10:20:20 AM

Dear Chair Luke & Committee Members,

I respectfully ask that you do not pass the minimum wage increase bill this year.

Although the economy is slowly improving, my business has not fully recovered to the point where I can afford the additional increases.

Thank you for your consideration.

Sincerely,

Gail Macaraeg
1001 Bishop St Ste 1600
Honolulu, HI 96813

From: [Bernard Balsis, Jr](#)
To: [FINTestimony](#)
Subject: Testimony on SB 331 re Minimum Wage
Date: Tuesday, March 26, 2013 10:20:13 AM

Dear Chair Luke & Committee Members,

Please do not raise the minimum wage. Many businesses have not fully recovered and are still barely making ends meet. We are also dealing with 7-10% annual increases in prepaid health care for our employees that many of us pay 90% or more of the premium.

I respectfully ask that you hold the bill.

Mahalo.

Sincerely,

Bernard Balsis
PO Box 1131
Hilo, HI 96721

From: [Nadine Matsukawa](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 11:10:11 AM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

I urge you to keep in mind that the minimum wage increase is NOT simply an increase in starting pay. It affects the wage scale for ALL employees in addition to related costs such as workman's compensation insurance and unemployment taxes to name a few.

Please do not pass SB 331. Thank you.

Sincerely,

Nadine Matsukawa
67-172 KANOULU ST
WAIALUA, HI 96791

From: [Kiinani Dodge](#)
To: [FINTestimony](#)
Subject: Chair and My Legislator: I Oppose SB 331 HD1
Date: Tuesday, March 26, 2013 10:50:13 AM

Dear Chair Luke & Committee Members,

I respectfully ask that you do not pass the minimum wage increase bill this year.

Although the economy is slowly improving, my business has not fully recovered to the point where I can afford the additional increases.

Thank you for your consideration.

Sincerely,

Kiinani Dodge
94-800 UKEE ST STE 3
WAIPAHU, HI 96797

From: [Tracy Norling-Babbitt](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 10:40:15 AM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business. In this diverse state, the small business on outlying islands will be greatly effected, particularly here on Molokai.

I will be forced (by this bill and those who vote yes) to lay off my staff and add to the many bodies standing in the already heinously long line for government assistance of the unemployed.

I beg you, PLEASE do not pass SB 331.

Mahalo nui loa,
Tracy Norling-Babbitt

Sincerely,

Tracy Norling-Babbitt
PO Box 482140
Kaunakakai, HI 96748

From: [Judy Koza](#)
To: [FINTestimony](#)
Subject: Testimony on SB 331 re Minimum Wage
Date: Tuesday, March 26, 2013 10:30:17 AM

Dear Chair Luke & Committee Members,

Please do not raise the minimum wage. Many businesses have not fully recovered and are still barely making ends meet. We are also dealing with 7-10% annual increases in prepaid health care for our employees that many of us pay 90% or more of the premium.

I respectfully ask that you hold the bill.

Mahalo.

Sincerely,

Judy Koza
98-1355 NOLA ST APT A
PEARL CITY, HI 96782

From: [Jenny Pettingill](#)
To: [FINTestimony](#)
Subject: Testimony on SB 331 re Minimum Wage
Date: Tuesday, March 26, 2013 10:20:09 AM

Dear Chair Luke & Committee Members,

Please do not raise the minimum wage. Many businesses have not fully recovered and are still barely making ends meet. We are also dealing with 7-10% annual increases in prepaid health care for our employees that many of us pay 90% or more of the premium.

I respectfully ask that you hold the bill.

Mahalo.

Sincerely,

Jenny Pettingill
1441 Kapiolani Blvd Ste 202
Honolulu, HI 96814

From: [Robert Wilkinson](#)
To: [FINTestimony](#)
Subject: Testimony on SB 331 re Minimum Wage
Date: Tuesday, March 26, 2013 10:40:18 AM

Dear Chair Luke & Committee Members,

Please do not raise the minimum wage. Many businesses have not fully recovered and are still barely making ends meet. We are also dealing with 7-10% annual increases in prepaid health care for our employees that many of us pay 90% or more of the premium. This increase will significantly lengthen the time we can hire new employees and also prolong the recovery of the economy. To me it means more money for the haves and less jobs for those unemployed. I currently work for no income.

I respectfully ask that you hold the bill.

Mahalo. Bob Wilkinson

Sincerely,

Robert Wilkinson
2877 Kalakaua Ave # Gf-1
Honolulu, HI 96815

From: [Vivian Kanetani](#)
To: [FINTestimony](#)
Subject: Testimony on SB 331 re Minimum Wage
Date: Tuesday, March 26, 2013 10:20:11 AM

Dear Chair Luke & Committee Members,

Please do not raise the minimum wage. Many businesses have not fully recovered and are still barely making ends meet. We are also dealing with 7-10% annual increases in prepaid health care for our employees that many of us pay 90% or more of the premium.

I respectfully ask that you hold the bill.

Mahalo.

Sincerely,

Vivian Kanetani
1331 N Nimitz Hwy Pier 40
Honolulu, HI 96817

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 26, 2013 2:39 PM
To: FINTestimony
Cc: bak15800@yahoo.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Brett Akimoto	Individual	Oppose	No

Comments: I do feel that the increase will ultimately lead to small businesses having to increase prices in general to keep up with rising costs. Electricity continues to rise and cost of food as well. AS a consumer i feel sympathy for all workers especially in the food industry, however we are a tourist based economy and can become too overpriced

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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From: [Ochana Bringman-Conway](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 10:20:21 AM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

Ochana Bringman-Conway
PO Box 2121
Volcano, HI 96785

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 26, 2013 2:40 PM
To: FINTestimony
Cc: jayrbc2g@yahoo.com
Subject: *Submitted testimony for SB331 on Mar 27, 2013 16:00PM*

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jay-R Bautista	Individual	Oppose	No

Comments:

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From: [Lorri Redlew](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 3:00:15 PM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Our industry in general operates on very small margins, thus such an increase will have a negative impact on our business. If required to accommodate such an increase, this will likely result in increased rates to our customers and other cost cutting measures, which our economy does not need at this time.

Please do not pass SB 331. Thank you.

Sincerely,

Lorri Redlew
95-1064 PAHAKE ST
MILILANI, HI 96789

From: [Jennifer Brittin](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 11:30:09 AM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

These additional costs will just be passed on in many ways, this will force employers to cut staff and put off any hiring plans they made have. This will not help anyone including the person getting the increase in their pay.

Please do not pass SB 331. Thank you.

Sincerely,

Jennifer Brittin
111 Hana Hwy Ste 111
Kahului, HI 96732

From: [William Smith](#)
To: [FINTestimony](#)
Subject: SB 331 re: Minimum Wage Testimony
Date: Tuesday, March 26, 2013 11:20:17 AM

Dear Chair Luke & Committee Members,

Although I understand the need to increase the minimum wage, I believe this is not the time to implement this bill.

The economy is slowly recovering, however businesses have not fully attained the level where they can afford additional costs of doing business.

Please do not pass SB 331. Thank you.

Sincerely,

William Smith
1288 Ala Moana Blvd
Honolulu, HI 96814

From: mailinglist@capitol.hawaii.gov
To: [FINTestimony](#)
Cc: ghmanago@gmail.com
Subject: Submitted testimony for SB331 on Mar 27, 2013 16:00PM
Date: Tuesday, March 26, 2013 3:05:05 PM

SB331

Submitted on: 3/26/2013

Testimony for FIN on Mar 27, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Manago	Individual	Comments Only	No

Comments: We are in support of the intent to increase wages for low wage earners but request a corresponding Tip Credit for employees who receive tips. An increase in that tip credit will enable full service restaurants to continue raising pay for non-tipped employees, primarily in the kitchen who rely on their wages as their means of support and thus creating more equity in wages. Tipped employees who receive minimum wage will normally receive an additional \$8 - \$15 per hour in tips bringing their hourly wage to over \$15 per hour and in many case over \$20 per hour. Conversely, our non-supervisory kitchen employee average of \$10 to \$15 per hour. The minimum wage increase will not increase our kitchen wages and in fact may actually lower them in the long run. If we increase the wages of our tipped employees instead of employees in the non-tipped category it will be difficult to find additional monies to continue their wage increases. We also feel that an increase in minimum wages for tipped employees only will fuel inflationary increases in menu pricing and would make Hawaii less affordable for visitors and residents alike. We feel SB331 will have the opposite effect of the intent of this bill.

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Dear Chair Luke & Committee Members,

I respectfully ask that you do not pass the minimum wage increase bill this year.

Although the economy is slowly improving, my business has not fully recovered to the point where I can afford the additional increases.

Thank you for your consideration.

Sincerely,

Fiona Bland
1001 Wilder Ave Apt 1003
Honolulu, HI 96822