

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2609  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2609 entitled:

"A BILL FOR AN ACT RELATING TO MINIMUM WAGE,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the minimum wage in Hawaii to reflect increases in the cost of living and to provide workers with additional income.

Specifically, this measure:

- (1) Increases the minimum hourly wage to:
  - (A) \$8.20 starting January 1, 2015;
  - (B) \$9.15 starting January 1, 2016; and
  - (C) \$10.10 starting January 1, 2017;
- (2) Repeals the tip credit; and
- (3) Requires the Department of Labor and Industrial Relations to annually increase the minimum hourly wage, based upon the Honolulu region consumer price index for urban wage earners and clerical workers.

Your Committee received written comments in support of this measure from the Department of Human Services, the Department of



Labor and Industrial Relations, a Kauai County Council Member, University of Hawaii Professional Assembly, Progressive Democrats of Hawaii, IP Xpert of Honolulu, UNITE HERE Local 5, Hawaii State Commission on the Status of Women, Democratic Party of Hawaii, SAG-AFTRA, United Public Workers Hawaii, Boilermakers L-627, Hawaii Alliance for Retired Americans, Hawaii Appleseed Center for Law and Economic Justice, League of Women Voters of Hawaii, Community Alliance on Prisons, The Pacific Alliance to Stop Slavery, Dr. Martin Luther King Jr. Coalition Hawaii, National Association of Social Workers, Sailors Union of the Pacific, Partners in Care, Pride at Work Hawaii, Hawaii Catholic Conference, and seventy-eight individuals. Written comments in opposition were received from Keoki's Paradise, Island Princess in Honolulu, Big City Diner, Hawaii Food Industry Association, TS Restaurants Hawaii, National Federation of Independent Business Hawaii, Hula Grill Maui, Duke's Beach House Maui, The Chamber of Commerce of Hawaii, Gyotaku Japanese Restaurants, and Times Supermarket. The Executive Office of Early Learning, Chamber of Commerce for Persons with Disabilities Hawaii, Duke's Waikiki, and HealthyPacific.org submitted written comments on this measure.

Your Committee finds that the hourly minimum wage in Hawaii has not increased since 2007. Since that time, the cost of living has risen steadily, while worker purchasing power has continued to diminish. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two or more jobs to maintain a basic standard of living. Your Committee believes that providing minimum wage workers with a higher hourly pay will further the economic recovery of Hawaii and help lift Hawaii's working poor out of poverty.

Your Committee has amended this measure by:

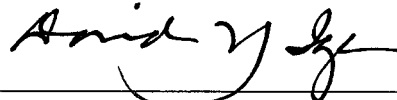
- (1) Deleting the proposed repeal of the tip credit and changing the existing tip credit and tip credit deactivation trigger amounts to unspecified sums;
- (2) Deleting language that increases the hourly minimum wage rate, starting January 1, 2018, based upon the Honolulu region consumer price index for urban wage earners and clerical workers;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (4) Making technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2609, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2609, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. IGE, Chair



The Senate  
Twenty-Seventh Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2609</b>	Committee Referral: <b>JDL, WAM</b>	Date: <b>2-28-14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam			✓	
12	0	1	0	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes