



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: bjborgnino@gmail.com
Subject: Submitted testimony for SB2609 on Feb 28, 2014 09:05AM
Date: Friday, February 28, 2014 8:21:18 AM

SB2609

Submitted on: 2/28/2014

Testimony for WAM on Feb 28, 2014 09:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Borgnino	Individual	Support	No

Comments: Everyone working full time deserves a living wage. In Hawaii no one can live on less than \$10.10.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: rustyinpuna@gmail.com
Subject: Submitted testimony for SB2609 on Feb 28, 2014 09:05AM
Date: Friday, February 28, 2014 12:35:57 AM

SB2609

Submitted on: 2/28/2014

Testimony for WAM on Feb 28, 2014 09:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Russell F. Jones	Individual	Support	No

Comments: Please do not allow our citizens working full time to live in poverty being paid 1968 wages this is WRONG! WRONG! WE can pay a few more pennies at our businesses to stop this disgrace.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: shay.chanhodges@gmail.com
Subject: Submitted testimony for SB2609 on Feb 28, 2014 09:05AM
Date: Friday, February 28, 2014 8:12:47 AM

SB2609

Submitted on: 2/28/2014

Testimony for WAM on Feb 28, 2014 09:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shay Chan Hodges	Individual	Support	No

Comments: I strongly urge you to pass SB2609 UNAMENDED -- increasing the minimum wage. This law will not only help those who need help most in our community -- it will have a direct impact on women and children. Women are the lowest paid members of our society, and we depend on them for the care and raising of our children. This is a pro-Hawaii, pro-women, pro-children law. Mahalo! --Shay Chan Hodges Haiku, Maui, Hawaii (808) 250-6160

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HAWAIIAN AFFAIRS CAUCUS

Democratic Party of Hawaii

e-mail: mkhan@hawaiiantel.net or raytanv@aol.com

February 24, 2014

LEGISLATIVE TESTIMONY

IN SUPPORT OF

SB2609, RELATING TO MINIMUM WAGE

WITH RECOMMENDED AMENDMENT

Hearing, Wednesday, Feb 26, 10:35 a.m., Room 211

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

Aloha mai kākou,

The Hawaiian Affairs Caucus of the Democratic Party of Hawai'i is in **STRONG SUPPORT** of SB2609, though we recommend that it be amended to start the increase in the minimum wage to at least \$9.00 in 2015, then \$10.10 in 2016, and \$11.00 in 2017. We recognize the ripple effect that this will have on businesses and consumers.

SB2809 begins with a finding by the legislature that the hourly minimum wage in Hawaii is adjusted to account for the increase in the cost of living, and that according to the United States Census Bureau, **Hawaii has the highest cost of living, yet, it is the ninth poorest state in the United States.** In addition, although there is a 4.4 per cent unemployment rate in Hawaii, **17.3 per cent of Hawaii's population lives in poverty.** Probably, the groups most affected are those in the visitor industry, many of whom are of Filipino and Hawaiian descent.

The Council for Community and Economic Research, in their fifth edition on cost of living, found that **Hawaii is ranked third among the top 10 most expensive cities in the United States.** Manhattan and Brooklyn, NY ranked above; San Francisco, San Jose, Washington, D.C. were below.

Interestingly, **all areas that ranked among the top 10 had minimum raises above Hawaii's current minimum wage, and in particular we note that San Francisco and San Jose that ranked just below Hawaii had minimum wages of \$10.74 and \$10.15, respectively.**

SB 2809 proposes to raise the minimum wage to \$8.20 in 2015, then \$9.15 in 2016, and ending at \$10.10 in 2017. President Obama recently approved a national minimum rate of \$10.10. For most cities and states, this may seem reasonable. For Hawaii, it is not as our cost of living is not typical of other states.

Thus, we ask legislators to consider hiking the minimum wage to at least begin at \$9.00 in 2015, then \$10.10 in 2016, and then \$11.00 in 2017. This proposed minimum wage increase will help to restore the dignity of the working poor, people who are currently not being paid wages that allow them a decent level of economic stability.

As the League of Women Voters of Hawai'i points out in their testimony, "A just society rewards workers by compensating their labor fairly. An ethical society allows those who contribute by their labor, to receive wages they can live on."

We urge you to amend SB2609 to allow for a higher beginning wage increase in the interest of justice for the workers of Hawai'i.

Respectfully

/s/ Davis Price by on-line testimony

DAVIS PRICE
Chair

th

The State Central Committee of the Party voted on January 11 to make raising the minimum wage the number one legislative priority for this session. And, as we have reviewed the various bills submitted, we believe this is one of the strongest bills towards that end.

As we prepared testimony on this bill, we saw many of our ideas are already well-expressed in the bill itself. It has been over seven years since the minimum wage was last raised. The prices of most goods and services have risen during that time, as have the wages of most workers. Those earning the minimum wage have seen the cost of their

rent, utilities, gasoline, food and other living expenses rise, yet the minimum wage has not risen along with their expenses. As a result, the purchasing power of that wage, in real terms, has steadily declined at least 11% in real terms.

In 2007, when the Hawaii Minimum wage was first raised to \$7.25, the federal minimum wage was \$5.85. In 2008, it rose to \$6.55. Then in 2009, it rose to \$7.25. It rose twice in that time, but the Hawaii minimum wage did not. So today, even though Hawaii has the highest cost of living in the country, 21 states have higher minimum wages than we do. And this decline in the minimum wage was allowed to happen while the Democrats had firm control over the legislature. It happened on our watch.

It is long past time to raise the minimum wage.

A strength of this bill is the provision which would tie the minimum wage to increases in the consumer price index, which means the minimum wage will automatically rise with the cost of living, benefitting both the employees and allowing the businesses to prepare for anticipated wage hikes rather than leave them subject to sudden increases as the result of legislative action.

SB 2609 eliminates the tip credit provision. We believe an increase in the tip credit would be a mistake and welcome its elimination.

The minimum wage law protects employers who may wish to give their employees a raise, but do not out of fear it would put them at a disadvantage to their competitors. When all employers are required to hike

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Page 2 of 2

the minimum wage, that disadvantage disappears. In addition, a strong case can be made that a hike in the minimum wage, by significantly increasing the income of low wage workers, will result in an increase in spending, resulting in more consumption, which, in turn, leads to the hiring of more employees. Rather than suppressing the economy, it actually tends to boost it.

For these reasons, both economic and for social justice, we strongly support passage of SB 2609. Please let me know what I can do to help.

Thank you for this opportunity to testify.

Dante Carpenter
Chair
Democratic Party of Hawai'i



From: [lopekana](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Thursday, February 27, 2014 7:54:32 AM

I strongly support SB2609.

George H. Robertson

Sent from my iPad



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: gfarstrup@msn.com
Subject: *Submitted testimony for SB2609 on Feb 26, 2014 10:35AM*
Date: Wednesday, February 26, 2014 4:41:38 PM

SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Greg and Pat Farstrup	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB2609 on Feb 27, 2014 09:10AM*
Date: Thursday, February 27, 2014 10:24:08 PM

SB2609

Submitted on: 2/27/2014

Testimony for WAM on Feb 27, 2014 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: jkk3@hawaii.edu
Subject: Submitted testimony for SB2609 on Feb 27, 2014 09:10AM
Date: Thursday, February 27, 2014 9:54:30 AM

SB2609

Submitted on: 2/27/2014

Testimony for WAM on Feb 27, 2014 09:10AM in Conference Room 211

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

Comments: I support raising the minimum wage. This is ridiculous that people cant afford to live here while working a full time job. I think that the minimum should start at \$12.

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Support for SB2609

My name is Jesand Amodo and I am in strong support of SB2609. As a college student, civilian employee, and member of the Hawaii Army National Guard, I represent a strong growing demographic of Hawaii's young adults. I understand that college education will eventually *supposedly* allow me to obtain a higher salary. However, right now, it is very difficult to make ends meet. I have a lot of friends and colleagues like myself who are in school, working multiple jobs, and/or serving in the military and we still are finding it hard to pay our basic bills and necessities. From what I've learned in economics in college, the minimum wage is supposed to be able to minimally sustain the minimum wage paid employee. In Hawaii, it is most difficult to get by on \$7.25/hour. We pay much more higher prices for food, gas, and our basic necessities because of importing and related factors. Hawaii's young adults are not lazy. We are hungry to succeed. As a third generation Filipino woman, I am well aware of the struggles my family has had to go through in order for me to be where I am at now. I am very grateful for their struggles. Therefore, I believe it is now my turn to give back to my family. Consequently, I am pursuing an education, serving the country and state, and still work two separate civilian jobs to pay for my basic bills. I ask that you please pass SB2609 and show that you care about the young and hungry college-aged population; so that we are able to achieve our education and career goals and ultimately become strong contributors to Hawaii's economy.



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: joycec2@hawaii.edu
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Wednesday, February 26, 2014 3:13:52 PM

SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Joyce Cabagbag	Individual	Support	No

Comments: I strongly support raising the minimum wage. Due to cost of living being high in Hawaii, raising the minimum wage will definitely assist many. Also, rent is high as well as food costs. I hope that this bill will pass into law. Thank you for reading my testimony. Joyce Cabagbag

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28FEB2014, CONFERENCE RM 211, 09:05 AM



To: Senate Committee on Ways and Means
Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair

From: Paula Perez

Re: Bill # SB2609 Relating to Minimum Wage

In Support

Chairs & Committee Members:

I support SB 2609 for the following reasons: Working in Hawaii earning the minimum wage is becoming harder to make ends meet for so many families. Most people earning the minimum wage have to work 2 full time jobs to have enough money to pay for their necessities. All the essentials are going up but we aren't earning more money to make up for such a raise.

Thank you for the opportunity to submit testimony.



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: skyeavon@yahoo.com
Subject: Submitted testimony for SB2609 on Feb 27, 2014 09:10AM
Date: Thursday, February 27, 2014 10:46:49 AM

SB2609

Submitted on: 2/27/2014

Testimony for WAM on Feb 27, 2014 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Skye	Individual	Support	Yes

Comments: I support the raise in wages for poor workers that create the services that make Hawaii the most favored tourist destination, which is going down in rankings & polls, more likely due to the fact of workers that can't afford to live near where they work which adds a strain to relations that ultimately reflects in service. A simple raise in pay could change that & create a more viable economy can handle being taxed, over burden by nanny state nescience violations they must face in their working lives that is unimaginable to those of you that don't bear their burden, but increase their pain while you increasing your positions, which allows for a lower standard of living that only feeds into an improper judicial system that's unbalanced toward those that can only afford to stay out of that system. Stop the cycle of unfair wage madness that doesn't lead to good citizenship & Aloha, which all in the council should strive for****

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February 27, 2014



Testimony to the
Senate Committee on Ways and Means

For Hearing on Friday, February 28, 2014
9:00 a.m., Conference Room 211

S.B. 2609 - RELATING TO MINIMUM WAGE

William Fay
District 25 Pct 2

I am testifying in strong SUPPORT of Senate Bill 2609

In 1938 a minimum wage of 25 cents an hour was enacted. In 2012 dollars that would be \$3.98 and would have required a worker to work 2,215 hours to earn the equivalent of the average Gross Domestic Product (GDP) per capita for that year.

In 1950 the minimum wage was raised to \$1.00 an hour and in 2012 dollars would be \$7.01 and would have required a worker to work 2,165 hours to earn the equivalent of the average GDP per capita for that year. Again in 1968 the minimum wage was increased to \$1.60 or \$10.34 an hour in 2012 dollars and again it required a worker to work 2,296 hours to earn the equivalent of the average GDP per capita.

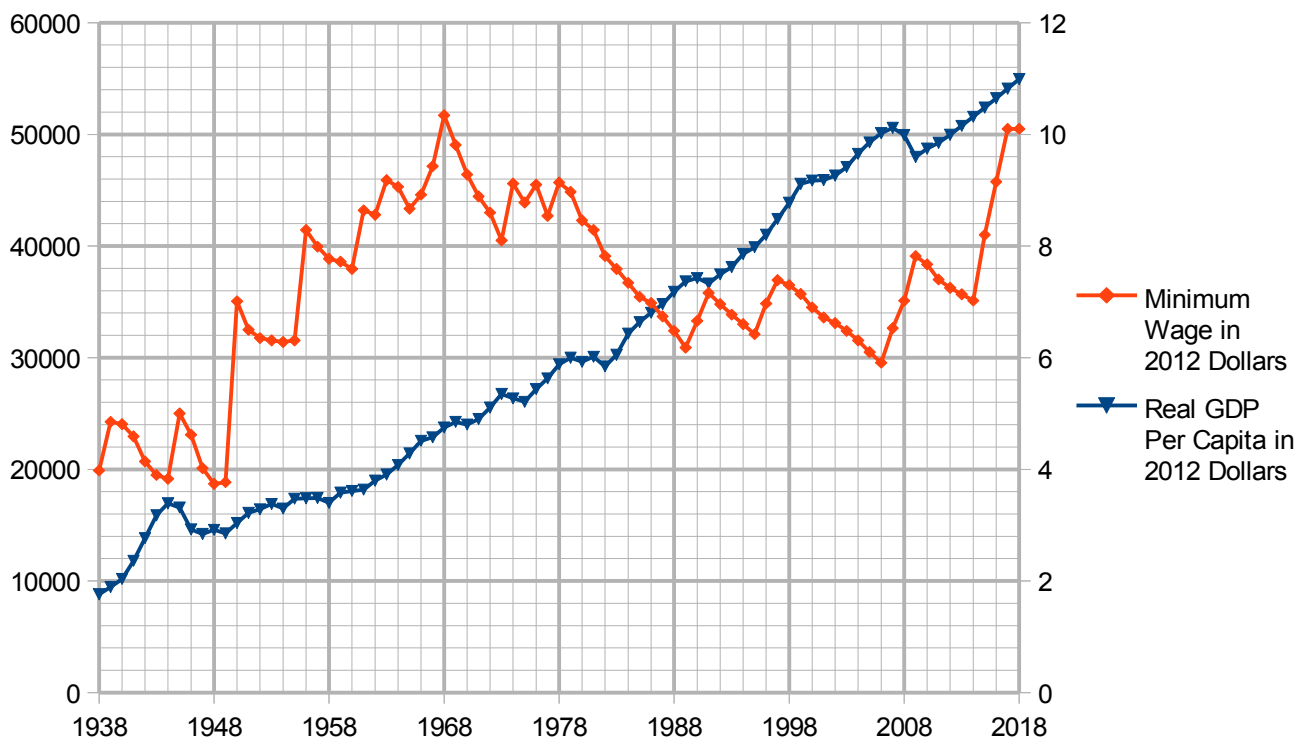
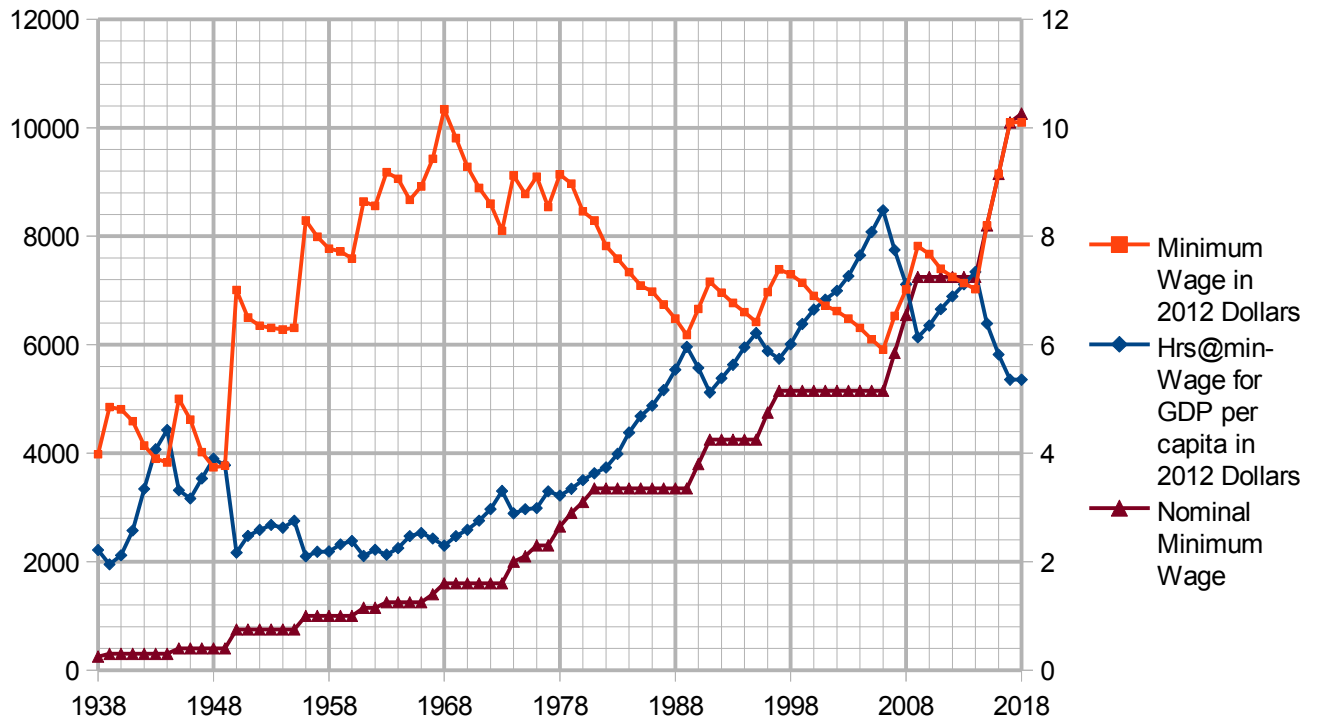
But by 1990 when the minimum wage was raised to \$3.80 or \$6.60 an hour in 2012 dollars then required a worker to work 5,575 hours, or more than two jobs, to earn the equivalent of the average GDP per capita. In 1997 the minimum wage was increased to \$5.15 or \$7.39 an hour in 2012 dollars now required a worker to work 5,741 hours to earn the equivalent of the average GDP per capita. When the minimum wage was again finally raised in 2007 to \$5.85 or \$6.53 an hour in 2012 dollars, a worker was having to work 7,747 hours to earn the equivalent of the average GDP per capita.

What we see is productivity steadily increases with only two exceptions in 1946-7 and 2008-9 both of which were due to factors other than the minimum wage. Conversely there have been several periods, 1981-9, 1991-5, 1997-2006 & 2009-14 where productivity has increased where the minimum wage remained static. It is clear that increasing the minimum wage has not hurt productivity, but the minimum wage has not participated in the benefits of our increased productivity. Granted, these are Federal figures with Hawaii state figures being somewhat higher, but the same trend holds true.

I submit that increasing the minimum wage to \$8.20 in 2015, to \$9.15 in 2016 and \$10.10 in 2017 is a good start. That proposing to require automatic adjustments based on the CPI is even better, but there is an even more pressing underlying problem. Bringing the minimum wage back to a more reasonable proportion of the average GDP per capita will be the only measure which restores workers' wages to a more reasonable relation to their productivity.

To recap:

1. A minimum has no adverse effect on productivity.
2. Under reasonable conditions raising the minimum wage has no adverse effect on productivity.
3. Since 1968 not only has the minimum wage not kept up with worker productivity, it hasn't even kept up with inflation.



Source: US Department of Labor

www.dol.gov/minwage/minwage-gdp-history.htm

Source: Bureau of Economic Analysis, www.bea.gov

Mid-year population estimates from U.S. Census Bureau, www.census.gov



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: wschoneman@hawaii.rr.com
Subject: Submitted testimony for SB2609 on Feb 27, 2014 09:10AM
Date: Thursday, February 27, 2014 9:48:32 PM

SB2609

Submitted on: 2/27/2014

Testimony for WAM on Feb 27, 2014 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
WINTON SCHONEMAN	Individual	Oppose	No

Comments: I have read the testimony of those who choose to testify and I would like to point out that no minimum wage increase has resulted in a significant change in the poverty rate of the United States. Since 1970 the poverty rate has bounced between 10% and 15% adjusted for inflation and changes in poverty rates (US Census Data). The reason for this is very logical. When a business incurs an increase in business costs there are limited options to maintain the business. They can absorb the cost, pass on the cost, reduce costs in other areas or close the business. Absorbing the costs results in lower profits and the ability to absorb unplanned events. Passing on the costs results in higher prices and in many cases loss of customers (in my case there is a limit or ceiling to prices). Reducing costs often imply improving efficiency by reducing numbers of employed. Another alternative is to close the business...I am currently holding onto my lease renewal pending outcome of this legislation. I employ 10 part time high school and college students...with about 10,220 paid hours per year...typical for most food service businesses. Raising the minimum wage to \$10.10 an hour will require a net increase of over \$30,000.00 per year...

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: Willsdrall@gmail.com
Subject: Submitted testimony for SB2609 on Feb 28, 2014 09:05AM
Date: Friday, February 28, 2014 10:40:09 AM

SB2609

Submitted on: 2/28/2014

Testimony for WAM on Feb 28, 2014 09:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Steven W Pollard	Individual	Support	No

Comments: Please support the increase in minimum wage!!

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: abbycutter@gmail.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 12:27:09 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Abigail Cutter	Individual	Support	No

Comments: Thank you for the opportunity to testify in strong support of Senate Bill 2609, which would increase the minimum wage to \$10.10 per hour, repeal the tip credit, and tie future increases in the minimum wage to the Consumer Price Index. Hawai'i is the most expensive in the country, yet we set our minimum wage at the federal level. Twenty-one states and the District of Columbia have higher minimum wages, despite their lower cost of living. The average minimum wage worker does not fit the stereotype of a teenage working part-time. In actuality, 85% of minimum wage jobs are held by workers over 21, and 84% of minimum wage workers work more than 20 hours a week. The benefits of raising the minimum wage are clear. Increasing the minimum wage reduces poverty. At \$10.10 an hour, a full-time minimum wage worker would earn enough to lift a family of three out of poverty. As it stands, a minimum wage earner working full-time with one child would fall 16 percent below the federal poverty guidelines. Additionally, raising the minimum wage actually stimulates our economy. Low-income workers increase buying power by purchasing a higher percentage of goods and services relative to their income compared to higher income groups, which in turn churns more dollars throughout our economy. Hawai'i's history with minimum wage increases has also shown that such increases do not reduce jobs: in fact, the last four increases in the minimum wage consistently saw job growth in the following year. I also support the repeal of the tip credit. Tipped workers should keep what they earn for the quality of their service. Customers give tips to employees for their service, not to subsidize employers so they can pay less than the minimum wage. In addition, future increases in the minimum wage should be tied to the Consumer Price Index so our workers do not lose ground as they have over the last seven years. We should make sure that our minimum wage workers receive fair wages for their work and are better able to make ends meet by raising the minimum wage to \$10.10, repealing the tip credit, and indexing future increases for inflation. Again, thank you for the opportunity to testify. I respectfully urge the committee to pass SB 2609 unamended.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: aikoy@hawaii.edu
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 8:00:36 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Aiko Yamashiro	Individual	Support	No

Comments: Thank you for the opportunity to testify in strong support of Senate Bill 2609, which would increase the minimum wage to \$10.10 per hour, repeal the tip credit, and tie future increases in the minimum wage to the Consumer Price Index. Hawai'i is the most expensive in the country, yet we set our minimum wage at the federal level. Twenty-one states and the District of Columbia have higher minimum wages, despite their lower cost of living. The average minimum wage worker does not fit the stereotype of a teenage working part-time. In actuality, 85% of minimum wage jobs are held by workers over 21, and 84% of minimum wage workers work more than 20 hours a week. I know you have received testimony about the wide-ranging benefits of increasing minimum wage, so I won't repeat them here. I will add that I have been made aware of this issue through a groundswell of community voices and support. I have attended or been invited to numerous public events educating others on this issue, public demonstrations, rallies, and other teach-ins. I have been impressed and moved by the turnout at these events, and it seems very clear to me that the will of Hawai'i's people is calling for this wage increase, during this session. Again, thank you for the opportunity to testify. I respectfully urge the committee to pass SB 2609 unamended.

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LATE

February 26, 2014

Re: SB2609 - Relating To Minimum Wage
Committee on Ways and Means
Wednesday, February 26, 2014, 10:35 am

Dear Chair Ige, Vice Chair Kidani and Members of the Committee:

I represent The Ritz-Carlton, Kapalua and employ 650 ladies and gentlemen on this beautiful and magical Island of Maui.

I would like to offer our concerns and comments and our support of the testimony of the Maui Hotel & Lodging Association on SB2609, Relating to Minimum Wage.

We are particularly concerned with mandating annual increases in accordance with the consumer Price Index (CPI). The CPI fails to account for the future economic environment and would be unsustainable for many small businesses. Within 5 years of the enactment of the escalator the minimum wage could be over \$10.60 per hour. When you include all the taxes associated with wages, this makes the wage cost around \$11.80 per hour (Not including healthcare and other costs).

We oppose the repeal of the tip credit. We feel that if there is an increase in minimum wage, there should likewise be an equivalent increase in the tip credit.

Wage compress: While only a small percentage of workers make minimum wage, a large increase would greatly impact many businesses as they will be forced to raise the rates of many of their employees. This could increase businesses labor cost by up to 15-20% in the first year alone.

Running a resort in Hawaii is much more costly than having one almost anywhere in the United States. The cost of doing business on Maui is tremendous.

I know you have the best interests at heart for Hawaii, I appreciate your consideration and thank you for the opportunity to testimony.

Respectfully submitted,

Alex Ahluwalia
General Manager



COMMITTEE ON WAYS AND MEANS
Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair

DATE: Wednesday, February 26, 2014
TIME: 10:35 a.m.
PLACE: Conference Room 211

STRONG SUPPORT FOR SB 2609 That: Increases minimum wage rate to \$8.20 per hour beginning on 01/01/15, \$9.15 per hour beginning on 01/01/16, and \$10.10 per hour beginning on 01/01/17. Repeals the tip credit. Authorizes the department of labor and industrial relations to adjust the minimum hourly wage to the nearest 5 cents based on the Honolulu region consumer price index beginning on 09/30/17 and on September 30 of each year thereafter to take effect on the following January 1.

Aloha Chair Ige, Vice Chair Kidani and committee members,

The Hawai'i Women's Coalition is in strong support of this measure which is desperately needed to help working women and men survive in our high-cost state.

Specifically we support

- 1. A minimum wage of at least \$10.10.**
- 2. The elimination of the discriminatory tip credit**
- 3. A wage increase over two or three years not four**

The argument by some business interests that raising the minimum wage would destroy jobs is false. Christine Owens of the National Employment Law Project argues that the increased cost to employers of having to pay workers more is partly offset by reduced turnover and improvements in morale and productivity. She notes when the state of Maryland required its contractors to pay a higher wage, more companies actually started bidding on government work.

Low-ball employers were no longer able to compete by driving wages down, and so some of the better employers who pay better wages were more eager to compete for public contracts. So it actually increased the number of bidders and increased the quality of bids.

Logically this situation would result in a wash or better with respect to numbers of jobs created or lost, but more importantly could result in better quality jobs. Most importantly, this raise in minimum wage would pull large numbers of our citizens out of poverty.

Consider the following.

Minimum wage workers are critical to our economy, but are falling further and further behind in their ability to make ends meet and this is contributing to our homelessness problem. Hawai'i needs a raise to build economic opportunity and stability for all of our workers

Hawai'i is the most expensive state to live in, yet 21 states and the District of Columbia have a higher minimum wage.

- Washington's minimum wage is \$9.32, which is 29% higher than Hawaii's, but the cost of living in Washington is 55% lower
- Nevada's minimum wage is \$8.25, which is 14% higher than Hawai'i's, but the cost of living is 64% lower
- Oregon's minimum wage is \$9.10, which is 26% higher than Hawai'i's, but the cost of living is 49% lower

A single parent of one child working at minimum wage 40 hours per week, 52 weeks per year, earns \$2,770 or 16% below the federal poverty guidelines for a family of two. Hawai'i's poverty rate of 17.3% makes Hawai'i the 9th poorest in the nation. If the minimum wage were to be increased to 10.10 per hour, thereby boosting annual earnings, it would be enough to **pull a family of three out of poverty**.

Women receive a double whammy – low minimum wage suppressed even lower by the “tip credit”. This dubious policy has been justified by the mythology that restaurant workers are mainly kids working their way through school or some such. But the facts don't bear this out.

- 2 in 3 tipped workers are women, many of them single parents
- 1 in 3 are parents and half are 30 years old or older.
- 1 in 6 rely on free lunches to feed their children.
- 1 in 7 rely on SNAP (food stamps)
- 1 in 4 people of color working for tips lives in poverty.

Bottom line on the “tip credit” it's not a credit it's a subterfuge designed to take money out of employees paycheck thereby lowering their hourly pay even more.

Do not buy the argument that employers need the tip credit in order to pay their “back of the house” employees. This is using the idea that it's an ethical business practice to rob Peter in order to pay Paul. A living wage should be factored into every business plan as the first cost of doing business.

It's time for the taxpayer to stop subsidizing businesses by paying larger sums than necessary for the social safety net, if only the workers were paid a decent wage. It's time to hold the restaurant industry in particular accountable for paying their workers, most of whom are women, a decent minimum wage. The tip credit should not be a work-around for avoiding the minimum wage law.

Mahalo for the opportunity to testify,
Ann S. Freed Co-Chair, Hawai'i Women's Coalition
Contact: annsfreed@gmail.com

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: aagbanna@hawaii.edu
Subject: *Submitted testimony for SB2609 on Feb 26, 2014 10:35AM*
Date: Tuesday, February 25, 2014 3:20:57 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Antonia Agbannawag	Individual	Support	No

Comments:

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

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: ash.kierkiewicz@gmail.com
Subject: *Submitted testimony for SB2609 on Feb 26, 2014 10:35AM*
Date: Wednesday, February 26, 2014 10:28:35 AM



SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Ashley Kierkiewicz	Individual	Support	No

Comments:

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

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From: [BARBARA HASTINGS](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Wednesday, February 26, 2014 10:29:28 AM



I realize I am very late, but please support a raise in the minimum wage. Our people need it.
Barbara Hastings
Hilo, Hawaii
808-959-1447

From: [Beverly Gotelli](#)
To: [WAM Testimony](#)
Cc: [Sen. Ronald D. Kouchi](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 6:36:37 PM



Strong Support SB 2609

Chair Ige, Vice Chair Kidani:

Thank you for letting me provide written comments on SB 2609 increasing the minimum wage. I worked in the food industry as a server and received a minimum wage. I know how hard it is to work in the industry and what a company takes in. It isn't an easy business.

I ask you to support this legislation to raise the minimum wage to at least \$10.10, by January 1, 2017, this will give those who are working in minimum wage jobs an increase that they deservingly need. I also ask that the tip credit be eliminated. As a previous employee in the food industry I felt it was unfair of my employer to reduce my pay since I was in a tip category.

Thank you for the opportunity to provide my comments.

Beverly Gotelli

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: watamura@yahoo.com
Subject: *Submitted testimony for SB2609 on Feb 26, 2014 10:35AM*
Date: Wednesday, February 26, 2014 6:17:13 AM

LATE

SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Watamura	Individual	Support	No

Comments:

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

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: bru@Hawaii.rr.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Wednesday, February 26, 2014 7:35:05 AM

LATE

SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Bruce Bennett	Individual	Support	No

Comments: I strongly support this bill with vigor... as JFK might likely say, see:
<http://www.presidency.ucsb.edu/ws/index.php?pid=8110>

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

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

From: [Padmani Brown](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 9:31:05 PM



I am a small business owner and employer in Hawaii. I am in strong support of SB2609 and believe that the legislature will be acting responsibly on behalf of Hawaii's wage earners and the overall health of our states economy by enacting taking the the following steps:

Respectfully Submitted,

- Raise the minimum wage to at least \$10.10, by January 1, 2017,
- Eliminate the tip credit, which allows employers reduce the pay of employees who earn tips,
- Tie future increases to the Consumer Price Index, which would Institute annual, automatic adjustments in the minimum wage to avoid erosion of the value of the minimum wage due to inflation.

Respectfully Submitted,

Carey Padmani Brown
1016 Holoholo St.
Kailua, Hawaii

Carol VanCamp
HC2 Box 9547
Keaau, HI 96749

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Carol VanCamp

Bob Stout
3375 Koapaka St. Ste. 108
Honolulu, HI 96819

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Bob Stout

Ajah Hoyt
P.O. Box 61313
Honolulu, HI 96839

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Ajah Hoyt

Kathleen Oshiro
95-738 Maiaku Street
Mililani, HI 96789

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Kathleen Oshiro

Marshall Joy
3102 Kaohinani Dr
Honolulu, HI 96817

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Marshall Joy

Judith Fox-Goldstein
1236 Moku Place
Hilo, HI 96720

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Senate Ways and Means Committee
SB 2609 relating to the Minimum Wage
Committee Meeting 10:35am, February 26, 2014

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

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

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

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

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

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

The market should determine what a fair wage will be. No one has to take a job that pays too low. If the wage is too low, the market will force these companies to pay more or they will not be able to hire quality workers. Please let us move through the “recovery” period as businesses are just getting back on their feet and expanding as fast as the market will allow. DON’T set us back with more Government control!

This is OUR community! We care about OUR employees and OUR businesses and we’re doing the best we can! Don’t set us back! Don’t impose legislation that WILL LEAD to more unemployment.

Please HEAR THE COLLECTIVE voice of over 250 businesses who want to succeed, want to give employment opportunities to as many people as possible and want to contribute to a SUSTAINING economy.

PLEASE DO NOT PASS THE MINIMUM WAGE BILL!

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

Respectfully Submitted,

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

Randall Francisco
3530 Mokihana Road
Hanapepe, HI 96716

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Randall Francisco

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

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
robert banach

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

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Jackie De Luz Watanabe

Michael Miller
2570 Kalakaua Ave
Honolulu, HI 96815

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Aloha!

The minimum wage is a floor wage. We have many students, just getting out of high school and starting college. For many it is their first job, and we are spending the time and money to train them. As they progress they have the opportunity to earn more.

For many employees, minimum wage positions is their first job and, generally, entry-level positions. Employers must invest time and money to train these individuals.

Please do not pass the minimum wage increase bill as proposed. The proposed increases are too steep and will have an impact on my business, especially as many of the other costs are increasing.

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

The minimum wage is a floor wage. For many employees, minimum wage positions is their first job and, generally, entry-level positions. Employers must invest time and money to train these individuals.

Mahalo,
Michael Miller

Mark Phillipson
PO Box 8
Kunia, HI 96759

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Mark Phillipson

Terry Johnson
2026 McKinley St.
Honolulu, HI 96822

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. I am concerned about the negative impact on our fragile economy. As I read the research, those businesses that are forced to pay more to hire entry level employees, hire fewer people and the net to the economy is negative.

Now is not the time for this action. Let the economy get healthy before changing the minimum wage.

Sincerely,
Terry Johnson

Malia Lageman
3507 Nuuanu Pali Dr
Honolulu, HI 96817

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

We oppose the automatic increase in the minimum wage tied to the Consumer Price Index because it does not take into account the economic conditions of business and the employment situation. Within 5 years of the enactment of the escalator, the minimum wage could be just short of \$11.00 per hour. When you include all of the taxes associated with wages, this makes the wage cost around \$14.74 per hour (not including work comp and other costs). This rate is unsustainable.

Sincerely,
Malia Lageman

Forrest Lum
3184 Waialae Ave.
Honolulu, HI 96816

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Forrest Lum

Ken Sanders
269 Kaelepulu Drive
Kailua, HI 96734

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

It should be 25 cents an hour increase not 75, up to \$.75 in 3 years.

Then in 2018 possibly to less than .25 increase/hour, depending on how the economy is doing, how much Health Care is costing the employers, and all of the other factors. MOST businesses struggle and have very slim margins.

Please don't forget that working at minimum wage is actually a way that a person can make it and not be on the dole, and that it is actually an incentive to increase their education and/or their skills so they will move into better pay.

Leave the tip system at status quo, if it isn't broken don't 'fix' it.

Sincerely,
Ken Sanders

Kathy Clark
2753 Nokekula Circle
Lihue, HI 96766

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Kathy Clark

Glen Takenouchi
2790 Kanani Street
Lihue, HI 96766

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

The minimum wage is a floor wage. For many employees, minimum wage positions is their first job and, generally, entry-level positions. Employers must invest time and money to train these individuals.

We oppose the automatic increase in the minimum wage tied to the Consumer Price Index because it does not take into account the economic conditions of business and the employment situation. Within 5 years of the enactment of the escalator, the minimum wage could be just short of \$11.00 per hour. When you include all of the taxes associated with wages, this makes the wage cost around \$14.74 per hour (not including work comp and other costs). This rate is unsustainable.

Sincerely,
Glen Takenouchi

paul kyno
6474 puupilo rd
kapaa, HI 96746

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. this bill kills jobs. people are not supposed to make a career out of starter jobs. students and others young people need to get jobs and employers will not hire them if wages go to where businesses cannot afford to pay them. these are entry level jobs and should be looked to as such. once people get experience they then can move up to higher paid jobs and vacate the entry level jobs for the next crop of youth moving into these positions. It is really a no brainer.

Sincerely,
paul kyno

Taryn Rodighiero
6250 Olohena Rd
Kapaa, HI 96746

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

I manufacture swimwear on Kauai and raising the minimum wage would make it much harder for me to compete in the market place because I'd be forced to raise the price of my product. Please help the manufacturing industry thrive on Hawaii, help keep our prices competitive- do not pass the minimum wage bill as proposed!

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

Sincerely,
Taryn Rodighiero

Paul Uyehara
4300 Waiialae Avenue
Honolulu, HI 96816

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

The minimum wage is a floor wage. For many employees, minimum wage positions is their first job and, generally, entry-level positions. The positions that offer this wage level are normally not long-term positions or positions that suits the employee's capabilities. Simply increasing this wage arbitrarily places more burdens on small businesses, the majority of Hawaii's economy. At the very least, there should be a differentiation between workers at the very beginning of their work lives (teens) and those who may need to start supporting a family (mid-20's).

If you are to take this action, it must be accompanied by complementary concessions to businesses such as tax breaks, incentives and credits.

We oppose the automatic increase in the minimum wage tied to the Consumer Price Index because it does not take into account the economic conditions of business and the employment situation. Within 5 years of the enactment of the escalator, the minimum wage could be just short of \$11.00 per hour. When you include all of the taxes associated with wages, this makes the wage cost around \$14.74 per hour (not including work comp and other costs). This rate is unsustainable.

As you must realize, pushing up the minimum wage also forces the other wage levels above that to move up as well. This domino effect creates a tremendous strain on already fragile infrastructure

Sincerely,
Paul Uyehara

Tani Matsubara
P.O Box 10144
Hilo, HI 96721

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Tani Matsubara

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

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Kirk Greenman

Kenneth R. Bailey
322 Aoloa Street
Kailua, HI 96734

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

I am not against raising the minimum wage, but I am against HB 2580 because it provides for automatic increases with not further action by the legislature and it abolishes the tip credit. I not believe automatic increases are a good idea because times change and the amount and frequency of increases should not be dictated so far into the future. I am also against elimination of the tip credit. Tip credit is a part of the current minimum wage law and it should be included and raised it relation to the current state of the economy.

Sincerely,
Kenneth R. Bailey

Joni Kamiya
45-601 Apapane St
Kaneohe, HI 96744

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Joni Kamiya

Spencer Oliver
17 Piikea St
Hilo, HI 96720

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. As a business owner & employer in the food & beverage industry, I strongly oppose such a steep increase in the minimum wage. Coming out of such a long recession where good business practice dictated holding the line on prices, we have suffered long & hard. With the business climate improving we are now raising menu prices in order to get our cost percentages in line. However, the most troubling part of this legislation is the elimination of the TIP Credit. Hawaii's Tip Credit is already one of the lowest in the country. We pay our servers \$7.25 per hour. The tip income averages between \$10 & \$15 per hour. The resulting wages total between \$17 to \$22.00 per hour. Tipped Restaurant servers are not low income workers. However, they tend to be young & part time where they can make good money with lots of free time. \$25 per hour for entry level job is way too much. We need to pay our full time, culinary graduate, kitchen workers more money not the tipped servers. Please don't eliminate the Tip Credit amount, you should raise it.

Sincerely,
Spencer Oliver

Tana Samuelu
92-7167 Elele St. #703
Kapolei, HI 96707

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. I have many friends and relatives who own a small business and these bills will put them into bankruptcy. It will not affect my employment but I am worried about my relatives and the small business owners in Hawaii. Please think about the livelihood of these men and women who put all of their investments into their business and these bills will kill it. Please, please consider my humble request to not move forward with these bills.

Sincerely,
Tana Samuelu

Japanese Chamber of Commerce & Industry of Hawaii Same
714 Kanoelehua Ave.
Hilo, HI 96749

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. Our organization represents nearly 300 members who oppose this large increase in the minimum wage.

Sincerely,
Japanese Chamber of Commerce & Industry of Hawaii Same

David Howle
95-1091 Ainamakua Drive
Mililani, HI 96789

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Although our business does not have any workers being paid only minimum wages, we oppose passage of minimum wage bills which abruptly increase the rate. Small and medium business in Hawaii would suffer and jobs would be lost with a sudden wage increase.

Therefore, I am asking you not to pass the minimum wage increase bill as proposed. The minimum wage is a floor wage. For many employees, a minimum wage position is their first job and, generally, at entry-level positions. Employers must invest time and money to train these individuals.

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

In hopes of greater sustainability,
Dr. David Howle

Roberta Chu
478 Kipuni Street
Hilo, HI 96720

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. Small businesses, the back bone of the Hawaii economy, will be hardest hit. These businesses struggle with rising costs of fuel, transportation, insurance and mandatory employee benefits. I oppose HB 2580.

Sincerely,
Roberta Chu

Ochana Bringman-Conway
311 Kinoole Street
Hilo, HI 96720

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

We feel that the increase is too aggressive and will force external forces to raise costs to offset the increase... please find an alternative to raising minimum wage to decrease the COLA difference.

Mahalo,

Sincerely,
Ochana Bringman-Conway

Peter Sit
Pono Kai Resort
Kapaa, HI 96764

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. It is not necessary to have a bill of such nature, we are paying more than minimum wages anyway, by introducing HB 2580 it will hurt the non-union people seeking for work at the open market namely the summer job for; kids and senior retired people.

Sincerely,
Peter Sit

Kelvin M. Bloom
2155 Kalakaua Ave., 5th Floor
Honolulu, HI 96815-2354

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. This bill raises the minimum wage significantly and would negatively impact our businesses and many others.

The unintended consequence is a compression effect throughout the organization at higher wage scales. This has been demonstrated time and again in other states including California resulting in business hardships. In response, businesses have laid off employees, cut back hours, increased automation, reduced services, or have outright closed down.

Thank you for your consideration.

Sincerely,
Kelvin M. Bloom

Kimberly Canepa
3247 Catherine Street
Honolulu, HI 96815

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Aloha Chair Ige, Vice Chair Kidani, and Members of the Committee:

My name is Kimberly Canepa, President of Junior Achievement of Hawaii. I have 5 full time equivalent employees and I oppose the proposed bill to increase minimum wage.

The proposed increase is too steep and will have an impact on my business, especially as many of the other costs are increasing. Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also increase their mandated benefits costs and taxes.

The minimum wage is a floor wage. For many employees, minimum wage positions are their first job and, generally, entry-level positions. Please do not pass an increase to minimum wage.

Sincerely,
Kimberly Canepa

Wayne Y. Tanaka
565 Alihi Place
Kailua, HI 96734

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Wayne Y. Tanaka

Mari Hurley
1571 poipu rd
Koloa, HI 96756

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

Sincerely,
Marisa Hurley

Gordon Takaki
PO Box 4425
Hilo, HI 96720

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Please do not pass the minimum wage increase bill as proposed. The increase is far too high and will impact our local economy. Most of employees who earn the minimum wage are not primary household wage earners. What the increase will affect is raising the floor that provides points for labor unions to justify increasing their members to keep up. My fear is that the minimum wage increase will force many small businesses to reduce their payroll or in some cases encourage them to close their business.

Sincerely,
Gordon Takaki

Christopher Riemer
P.O.Box 306
Lihue, HI 96766

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

The burden on business that will be caused by this change will cause decreases in the number of jobs available to workers.

I oppose HB 2580. The proposed increase is too steep and will have an impact on my business, especially as many of the other costs are increasing.

Sincerely,
Christopher Riemer

Antya Miller
59-661 Alapio Road
Haleiwa, HI 96712

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

Aloha,
Please do not pass the minimum wage increase bill as proposed.

Much of the literature on this subject shows that increasing the minimum wage will hurt high school kids and low-skilled employees. "At 16.2 percent, the March 2013 unemployment rate of workers under age 25 was slightly over twice as high as the national average. Though the labor market is now headed in the right direction, it is improving very slowly, and the prospects for young high school and college graduates remain dim."

Most employers do not pay the minimum wage. In Haleiwa, retail sales people are paid at least \$10. Some jobs start at minimum wage, but employers move the wage rate up as the employee proves themselves. It's a tight labor market, so employers must pay more to get experienced and/or skilled workers

I also spoke to economist Paul Brewbaker. He said that the conversation should be about training programs for the low skilled, not about increasing the minimum wage rate.

In regards to restaurants, I'm told that most wait staff make \$20+ an hour including tips and that the tip credit needs to be increased to account for this, as it is completely outdated.

Please vote against this bill.

Sincerely,
Antya Miller

Sidney Lynch
524 Kalihi St
Honolulu, HI 96819

February 26, 2014

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

Re: SB 2609 re to the Minimum Wage (February, 26 at 10:35 a.m. WAM Hearing)

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

I am a very small business and have always offered my employees full time hours and medical. Most earn around \$8- \$10/hr. If the minimum wage is increased too fast and too much I will not be able to raise the cost of my services and products enough to cover the increase in my employees' salaries. I will most likely have to offer only part time employment causing my workers to have a higher per hour salary, fewer hours and no health insurance.

Many of my employees live in government housing and their rents are raised every time they get an increase in salary. Your committee should think about all the ramifications before making this decision.

Sincerely,
Sidney Lynch

From: cconrad4@hawaii.rr.com
To: [WAM Testimony](#)
Subject: min.wage sb 2609
Date: Tuesday, February 25, 2014 11:36:17 AM



Please hear SB 2609 on raising the minimum wage. Many hard-working single parents are suffering in poverty.
Carolyn Conrad 247-9496.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: ckosora@aol.com
Subject: *Submitted testimony for SB2609 on Feb 26, 2014 10:35AM*
Date: Wednesday, February 26, 2014 9:10:38 AM



SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
catherine kosora	Individual	Support	No

Comments:

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

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: ciAlohaAdvocate@yahoo.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 10:58:18 AM
Attachments: [Zonta Club's Support of Minimum Wage Increase SB2609.pages.zip](#)

SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Charlene Iboshi	Zonta Club of Hilo	Support	No

Comments: The Zonta Club of Hilo supports SB2609 to increase the minimum wage and eliminate the tip credit. If you cannot open the attached document, please let me know. Aloha Charlene Iboshi

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: [Conard](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 3:53:16 PM



Vote very strongly in support , Cynthia Conard Eyre

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: cfrith@fbsmgt.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 5:10:47 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia Frith	Individual	Oppose	No

Comments: The extent to which an increase in the minimum wage will be effective in helping Hawaii's lowest-paid workers is in serious doubt. A recent report from the Grassroot Institute, *Four Things You Should Know About the Minimum Wage Debate in Hawaii*, found that a raise in the minimum wage will benefit less than 4% of low-income families while raising the costs of low-skilled labor by 39%. The probable result is that the proposed raise in the minimum wage would be ineffective in lifting working families out of poverty, but would create an additional burden for Hawaii's business and have a damaging effect on the rate of teenage unemployment. "The proposed minimum wage increase will not achieve its objective of improving the plight of low-paid workers and may do significant harm to our state's small businesses," states Dr. Keli'i Akina, President of the Grassroot Institute of Hawaii. Minimum wage was always meant to be an entry level pathway to work, not a source of a living wage-but supplemental in nature if needed. As skills grow/improve, the worker earns more!

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

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

From: [Cindy Lowry](#)
To: [WAM Testimony](#)
Cc: [Rep. Jessica Wooley](#); [Sen. Clayton Hee](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Wednesday, February 26, 2014 2:22:56 AM

This is to submit written testimony that I, Dr. Cynthia Lowry of Kahalu'u on Oahu, am a strong supporter of increasing the minimum wage in Hawaii to \$10.10 per hour with ZERO tip credit to the employer. It has already been far too long that a minimum pay raise has been voted to help support something closer to a "living wage" for the lowest-paid workers in Hawaii, while meanwhile legislators, teachers and many other categories of workers in Hawaii at higher levels continue to receive pay raises. Please strongly support this wage increase with no tip credit on my behalf and make me proud that I continue to vote for you at every opportunity.

Dr. Cynthia Lowry
Kahalu'u, Oahu

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: drodrigues2001@yahoo.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Wednesday, February 26, 2014 8:39:12 AM



SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Darlene Rodrigues	Individual	Support	No

Comments: Aloha, I write in strong support of SB2609. Please raise the minimum wage and adjust it annually for inflation. Please also repeal the tip credit. Workers deserve a raise and must be given the chance to make ends meet. Our state must do all it can to end poverty and break the cycle of homelessness. Mahalo for the opportunity to testify.

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

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

From: [David Case](#)
To: [WAM Testimony](#)
Cc: chair@hawaiidemocrats.org
Subject: SB2609 HAWAII MINIMUM WAGE
Date: Tuesday, February 25, 2014 7:16:30 PM



Aloha Chairman Ige and Members of the Senate Ways and Means Committee

I am writing in STRONG SUPPORT of SB2609 to raise the Hawaii minimum wage to \$10.10 per hour by 2017. People, especially in the State of Hawaii, should not have to work to "live" in poverty.

I can understand how this might be a difficult issue to get through the U.S. Congress, but there is no reason it should not be unanimously supported by the Democratic majority in the Hawaii Senate. I applaud the sensible provision in SB2609 to tie future increases to the minimum wage to the CPI-- with no reductions even if the CPI should decline.

I also hope you will eliminate the "tip credit" that penalizes employees part of whose compensation is in the form of tips. When I tip a restaurant employee (or any other worker) it is as an expression of appreciation, that is cheapened if it is just an excuse to reduce their minimum compensation. Again this is not a concept that we should accept in Hawaii.

Mahalo nui loa,
David S. Case



To: Senate Committee on Ways and Means
From: Dianne Vicheinrut
General Manager
Hearing: February 26, 2014
RE: SB2609
Relating to Minimum Wage (**TIP CREDIT**)

LATE

We **oppose** this current proposal but are in support of the intent to increase wages and request the following amendment.

- A state tip credit that correspondingly increases with the projected minimum wage increase. Keep the tipped employees pay rate at \$7.00 an hour.

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.

Hula Grill Waikiki has 120 employees. Approximately 85 work in the front of the house as greeters, bussers, bartenders, and servers. Most earn \$7.25 less tip credit of \$0.25 an hour plus tips. We agree that their income varies and some days are better than others but disagree that they are low wage earners when their average hourly wage in 2013 with tips was \$21.74.

Conversely, Kitchen employees (dishwashers, prep, and line cooks) average \$13.78 an hour (up from \$12.05 in 2012); 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 understand that the goal of increasing minimum wage is to offer a higher standard of living for those making minimum wage. 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

From: [Dorothy Craven](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 3:33:06 PM

LATE

Dear Senators and Legislators :

It is very important that this bill(SB2609) be passed. so that workers can start to move toward a reasonable living. It is important that persons who earn tips are not penalized by their employers. also important is making changes so automatic increases are tied to economic growth.

One segment that is particularly hard hit are home health workers . Many of them work at more than one agency because agencies want them to be below 20 hours so that they do not have to provide benefits. Also they are not being assisted in getting Health care by these companies who charge 25 dollars an hour and pay LOW wages to their employees.

Increasing the minimum wage is only a start but an important one.

Dorothy Craven
4921 Waa Street
Honolulu 96821

From: [Doug Lofton](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 8:19:37 PM



I strongly support SB2609. Hawaii's economy, and its residents will benefit greatly from the increase in the minimum wage to \$10.10, and the elimination of the Employer's tip credit as required by the passage SB2609.

F. Douglas Lofton, JD
Waikoloa, HI



From: [Fabian Summers](#)
To: [WAM Testimony](#)
Subject: Strong Support for SB2609
Date: Tuesday, February 25, 2014 6:05:39 PM

Aloha. I am Fabian Summers, 1583 Kanapuu Drive, Kailua. I am a retired Presbyterian minister having served most recently 13 years until 2009 as Pastor of Christ Church Uniting Disciples and Presbyterians in Kailua.

I strongly support SB 2609.

A minimum wage of at least \$10 by January 1, 2017 is the least our state should require. I say this because I believe that employers have a moral duty to pay a living wage to those upon whose labor they depend to make a successful business and profit.

I strongly support eliminating the tip credit which allows employers to reduce the pay of tip earners. All three of my children are tip earners. The quality of their labor contributes to the success of their employer's businesses. An employer's profit margin should not be inflated upon the shoulders of his/her employees at the lowest end of the pay spectrum.

I strongly support linking our Hawaii minimum wage to the Consumer Price Index. Without this provision, the negative consequences of inflation will fall disproportionately and unfairly upon those who are paid the least.

Thank you. 808-780-1583

LATE

~~RE: TO~~ To: ~~Senator~~ David Ige, Chair; ~~Senator~~ Michelle Kidani, Vice Chair; and members of the Senate Committee on Ways and Means

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From: Fawn Jade Koopman

Re: Testimony in Support of SB 2609
Relating to Minimum Wage

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~~TO: Sen. David Ige, Chair; Sen. Michelle Kidani, Vice Chair; and members of the Senate Committee on Ways and Means~~

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Hearing: HEARING: Wednesday, February 26, 2014, 10:35 AM
Hawaii State Capitol, 10:35 AM, Room 211

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Chair Ige, Vice-Chair Kidani and members of the Committee on Ways and Means:

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Thank you for the opportunity to testify in strong support of Senate Bill 2609, which would increase the minimum wage to \$10.10 per hour, repeal the tip credit, and tie future increases in the minimum wage to the Consumer Price Index.

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Hawai'i is the most expensive in the country, yet we set our minimum wage at the federal level. Twenty-one states and the District of Columbia have higher minimum wages, despite their lower cost of living.

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The average minimum wage worker does not fit the stereotype of a teenage working part-time. In actuality, 85% of minimum wage jobs are held by workers over 21, and 84% of minimum wage workers work more than 20 hours a week.

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The benefits of raising the minimum wage are clear. Increasing the minimum wage reduces poverty. At \$10.10 an hour, a full-time minimum wage worker would earn enough to lift a family of three out of poverty. As it stands, a minimum wage earner working full-time with one child would fall 16 percent below the federal poverty guidelines.

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~~Additionally, raising~~ Raising the minimum wage actually stimulates our economy, ~~as~~ Low-income workers ~~s have~~ increase ~~d~~ buying power by purchasing a higher percentage of goods and services relative to their income compared to higher income groups, which in turn churns more dollars throughout our economy. ~~Moreover,~~ Hawai'i's history with minimum wage increases ~~own experience~~ has also shown that ~~it such increases~~ ~~does~~ not reduce jobs: in fact, the last four increases in the minimum wage consistently ~~actually~~ saw job growth in the following year.

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I also support the repeal of the tip credit. Tipped workers should keep what they earn for the quality of their service. Customers give tips to employees for their service, not to subsidize employers so they can pay less than the minimum wage.

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In addition, future increases in the minimum wage should be tied to the Consumer Price Index so our workers do not lose ground as they have over the last seven years.

We should make sure that our minimum wage workers receive fair wages for their work and are better able to make ends meet by raising the minimum wage to \$10.10, repealing the tip credit, and indexing future increases for inflation.

For these reasons I respectfully urge the Committee to pass SB 2609 unamended.

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Thank you for the opportunity to testify.

Fawn Jade Koopman

Again, thank you for the opportunity to testify. I respectfully urge the committee to pass SB 2609 unamended.

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HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of George Szigeti
President & CEO
HAWAI'I LODGING & TOURISM ASSOCIATION
Committee on Ways and Means
Hearing on February 26, 2014, 10:35 a.m.
Senate Bill 2609 Relating to Minimum Wage

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee. My name is George Szigeti and I am the President and CEO of the Hawai'i Lodging & Tourism Association.

The Hawai'i Lodging & Tourism Association (HLTA) is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms that benefit from and strengthen Hawai'i's visitor industry. Our membership includes over 150 lodging properties, representing over 48,000 rooms, and approximately 470 other Allied members. The lodging industry alone employs over 38,000 workers across the state of Hawai'i and generated over \$5.7 billion in annual sales in 2012. As part of the broader visitor industry – which employs 1/6 of all workers and 1/5 of those in the private sector, and generated \$14.4 billion in visitor spending in 2012 – we represent one of Hawai'i's largest industries and a critical sector of the economy.

On behalf of HLTA, permit me to offer these comments regarding SB2609, which would increase minimum hourly wage to \$8.20 beginning January 1, 2015, \$9.15 beginning January 1, 2016, and \$10.10 beginning January 1, 2017. SB2609 would also delete the tip credit and mandate annually adjusted minimum wage rates based on the Consumer Price Index.

While we are not strongly opposed to an increase in the minimum wage, the Hawai'i Lodging & Tourism Association has **concerns** with the bill as written. A dramatic increase in the minimum wage, even over the course of a few years, will have a negative impact on businesses that now must pay for increased wages without any related growth in profits. Additionally, we are particularly concerned and are opposed to mandating annual increases in accordance with the Consumer Price Index (CPI). The CPI fails to account for the future economic environment and would be unsustainable for many small businesses. We also request that any increase in the minimum wage incorporate a comparable increase in the tip credit.

The Hawai'i economy has seen consistent growth over the past few years, much of it driven by the visitor industry; however, the economy remains tenuous. Any increase to the minimum wage should take into account the impact of rising labor costs on Hawai'i businesses, which will be hit with larger wage burdens and increased expenditures for workers' compensation, Social Security taxes, Medicare taxes, temporary disability taxes, and unemployment insurance taxes. In order to meet the additional financial burden, many businesses will face the decision to either cut entry-level jobs or increase the price of their product, both of which are not good for our State.

Thank you for this opportunity to testify.

HAWAIIAN AFFAIRS CAUCUS

Democratic Party of Hawaii
e-mail: mkhan@hawaiiantel.net or raytanv@aol.com

February 24, 2014

LEGISLATIVE TESTIMONY
IN SUPPORT OF
**SB2609, RELATING TO MINIMUM WAGE
WITH RECOMMENDED AMENDMENT**
Hearing, Wednesday, Feb 26, 10:35 a.m., Room 211

LATE

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

Aloha mai kākou,

The Hawaiian Affairs Caucus of the Democratic Party of Hawai‘i is in **STRONG SUPPORT** of SB2609, though we recommend that it be amended to start the increase in the minimum wage to at least \$9.00 in 2015, then \$10.10 in 2016, and \$11.00 in 2017. We recognize the ripple effect that this will have on businesses and consumers.

SB2809 begins with a finding by the legislature that the hourly minimum wage in Hawaii is adjusted to account for the increase in the cost of living, and that according to the United States Census Bureau, **Hawaii has the highest cost of living, yet, it is the ninth poorest state in the United States.** In addition, although there is a 4.4 per cent unemployment rate in Hawaii, **17.3 per cent of Hawaii’s population lives in poverty.** Probably, the groups most affected are those in the visitor industry, many of whom are of Filipino and Hawaiian descent.

The Council for Community and Economic Research, in their fifth edition on cost of living, found that **Hawaii is ranked third among the top 10 most expensive cities in the United States.** Manhattan and Brooklyn, NY ranked above; San Francisco, San Jose, Washington, D.C. were below.

Interestingly, **all areas that ranked among the top 10 had minimum raises above Hawaii’s current minimum wage, and in particular we note that San Francisco and San Jose that ranked just below Hawaii had minimum wages of \$10.74 and \$10.15, respectively.**

SB 2809 proposes to raise the minimum wage to \$8.20 in 2015, then \$9.15 in 2016, and ending at \$10.10 in 2017. President Obama recently approved a national minimum rate of \$10.10. For most cities and states, this may seem reasonable. For Hawaii, it is not as our cost of living is not typical of other states.

Thus, we ask legislators to consider hiking the minimum wage to at least begin at \$9.00 in 2015, then \$10.10 in 2016, and then \$11.00 in 2017. This proposed minimum wage increase will help to restore the dignity of the working poor, people who are currently not being paid wages that allow them a decent level of economic stability.

As the League of Women Voters of Hawai'i points out in their testimony, "A just society rewards workers by compensating their labor fairly. An ethical society allows those who contribute by their labor, to receive wages they can live on."

We urge you to amend SB2609 to allow for a higher beginning wage increase in the interest of justice for the workers of Hawai'i.

Respectfully

/s/ Davis Price by on-line testimony

DAVIS PRICE
Chair



To: Senate Ways and Means
Senator Ige, Chair
Senator Kidani, Vice Chair

From: Jaime Arreola
Regional Manager Kauai

Hearing Date: February 26, 2014

RE: SB2609
Relating to Minimum Wage (**KEEP TIP CREDIT**)

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

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

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

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

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

Creating Equity:

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

Mahalo for your support.

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



LEILANI'S

On the Beach

To: Senate Committee on Ways and Means

From: Jason Donez
General Manager

LATE

Hearing Date: February 26, 2014

RE: SB2609
Relating to Minimum Wage

We **oppose** this bill but 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 tip credit would continue to enable restaurants 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 credit limit of \$5.12. The next lowest tip credit is \$1.60 for the State of New York with the max tip credit for food service employees in this state at \$2.25.

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

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

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

We feel the current bill has the opposite effect of the intent 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.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: jayparasco@gmail.com
Subject: *Submitted testimony for SB2609 on Feb 26, 2014 10:35AM*
Date: Tuesday, February 25, 2014 9:36:10 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Parasco	Individual	Support	No

Comments:

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February 26, 2014

TO: Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair and
Members of the Ways and Means

LATE

FROM: Jeanne Y. Ohta, Co-Chair

RE: SB 2609 Relating to Minimum Wage
Hearing: Wednesday, February 26 2014, 10:35 a.m., Room 211

POSITION: STRONG SUPPORT

The Hawai'i State Democratic Women's Caucus writes in strong support of SB 2609 Relating to Minimum Wage which proposes increases in the minimum wage in the years 2015, 2016, and 2017 and which would also repeal the tip credit.

The minimum wage in Hawai'i has not been increased in almost 8 years. Hawai'i is the most expensive state to live in, yet 21 states and the District of Columbia have higher minimum wages. Hawai'i also has a higher cost of living, which makes it even more difficult for minimum wage workers to make ends meet and to support themselves and their families.

Raising the minimum wage is important to our families because 20% or 22,000 of Hawai'i's children under six live in low-income working families. Many claim that minimum wage earners are teenagers working for the summer or at part-time jobs; however, 85% of minimum wage earners are 21 and older and 84% of minimum wage earners work more than 20 hours a week and 30% work 35 or more hours a week.¹

Increasing the minimum wage is especially important for women, LGBT workers, and immigrants, who are more likely to be low-wage earners.²

We also strongly support eliminating the tip credit. Restaurant servers, the largest group of tipped workers, experience poverty at nearly three times the rate of the workforce as a whole, and 70% of servers are women.³ 52% of non-tipped workers are men.⁴ Employers should simply not be allowed to pay sub-minimum wages.

During the time that minimum wage earners have not seen a raise in their wages, the median pay of a CEO at a company in the Standard & Poor's 500-stock index rose by nearly 20 percent from 2011 to 2012, according to a report by the research firm GMI Ratings.

We urge the committee to pass this important measure and we thank the committee for the opportunity to submit our testimony in strong support of SB 2609.

¹ U.S. Census Bureau, 2008-2012 American Community Survey

² U.S. Census Bureau, 2008-2012 American Community Survey

³ Bureau of Labor Statistics (BLS), U.S. DOL, from the Current Population Survey by the U.S. Census Bureau

⁴ Restaurant Opportunities Centers United, February 2012.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: joelmark@hawaii.edu
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 12:08:41 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Joel Mark	Individual	Support	No

Comments: Please help Hawaii's working families by raising the minimum wage, \$7.25 is far too low to support a family (or even a single person) given Hawaii's outrageous cost of living. Please don't bow to the business lobby who will do everything it can to continue exploiting Hawaii's workers. Thank You.

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: [Keshia Adolpho](#)
To: [WAM Testimony](#); [Sen. David Ige](#); [Sen. Michelle Kidani](#)
Subject: SB 2609
Date: Wednesday, February 26, 2014 9:47:23 AM

February 26, 2014

Testimony on SB 2609 RELATING TO MINIMUM WAGE

Senate Ways and Means Committees Chair Ige, Vice Chair Kidani and Committee Members
February 26, 2014 10:35am
Conference Room 211
State Capitol
Testimony submitted by: Keshia L. Adolpho

Aloha, Chair Ige, Vice Chair Kidani and Committee members. My name is Keshia Adolpho and I am a third year master's student with the University of Hawaii at Manoa's School of Social Work Distance Learning Program in Hilo. I am currently enrolled in an Advanced Social Work Policy course that is being taught by Dr. Wesley Lum. I am testifying in support of SB 2609 that would increase the minimum wage rate to \$8.20 per hour beginning on 01/01/15, \$9.15 per hour beginning on 01/01/16, and \$10.10 per hour beginning on 01/01/17. It also repeals the tip credit and authorizes the department of labor and industrial relations to adjust the minimum hourly wage to the nearest 5 cents based on the Honolulu region consumer price index beginning on 09/30/17 and on September 30 of each year thereafter to take effect on the following January 1.

In my opinion, the topic of minimum wage is one that has been floating around for years and one that I feel should be put into place immediately. With the cost of living ever increasing every year here in Hawaii, an increase in the minimum wage rate is greatly needed. Currently the minimum wage rate is \$7.25 an hour. That is barely enough to buy a decent lunch these days let alone be expected to pay someone's rent and monthly bills. An increase to \$8.20, \$9.15, and \$10.10 will not only benefit those who are currently working at the minimum wage level but all employees in Hawaii.

When I heard about this bill I thought back to when I got my first raise at my first job. I instantly felt appreciated and of value to my company. Now five years later I am still with that same company and plan on being here for many more years ahead. In today's economy it is hard to come by loyal employees and even more hard to come by loyal employers but I do believe that with this increase it will make those that make a mere \$7.25 feel that they are appreciated and valued and will therefore allow them to work harder and maintain their loyalties to their company.

Thank you for providing me with this opportunity to submit my testimony and for your commitment to Hawaii's people.



Maui Hotel & Lodging
ASSOCIATION

Testimony of
Lisa H. Paulson
Executive Director
Maui Hotel & Lodging Association
on
SB2609
Relating To Minimum Wage

COMMITTEE ON WAYS AND MEANS
Wednesday, February 26, 2014, 10:35am
Room 211

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes over 150 property and allied business members in Maui County – all of whom have an interest in the visitor industry. Collectively, MHLA’s membership employs over 20,000 local residents. The visitor industry is the economic driver for Maui County. We are the largest employer of residents on the Island - directly employing approximately 40% of all residents (indirectly, the percentage increases to 75%).

MHLA would like to offer concerns and comments on SB2609 which increases minimum wage rate to \$8.20 per hour beginning on 01/01/15, \$9.15 per hour beginning on 01/01/16, and \$10.10 per hour beginning on 01/01/17. Repeals the tip credit. Authorizes the department of labor and industrial relations to adjust the minimum hourly wage to the nearest 5 cents based on the Honolulu region consumer price index beginning on 09/30/17 and on September 30 of each year thereafter to take effect on the following January 1.

- We are particularly concerned with mandating annual increases in accordance with the Consumer Price Index (CPI). The CPI fails to account for the future economic environment and would be unsustainable for many small businesses. Within 5 years of the enactment of the escalator the minimum wage could be over \$10.60 per hour. When you include all the taxes associated with wages, this makes the wage cost around \$11.80 per hour (Not including healthcare and other costs).
- We oppose the repeal of the tip credit. We feel that if there is an increase in minimum wage, there should likewise an equivalent increase in the tip credit
- Wage compression: While only a small percentage of workers make minimum wage, a large increase would greatly impact many businesses as they will be forced to raise the rates of many of their employees. This could increase businesses labor cost by up to 15-20% in the first year alone.

Thank you for the opportunity to testify.



Marcus Dunn

SB2609 Testimony

The minimum wage; it is the symbol of lowly work. Raising the minimum wage has two sides. Those who support I understand their position. Those who work cannot live off this wage, and the huge corporations can clean themselves with money. But doesn't the raising the minimum wage destroy the entire idea of capitalism? Where do those that advocate for a raise think the money comes from? The money comes from the pockets of business owners, but not just the ones that can buy their own jet. Raising the minimum wage will destroy small business. Raising the minimum wage will destroy the competition for those "greedy" corporations. Raising the wage would not only cause small business to shut down or get bought out, but it causes jobs to be lost as well. It is simple math. If a business has 5 workers on minimum wage, and suddenly the government interferes and causes the wage to go up 3 dollars, how would the business make up this extra \$15 in payment? They would have to fire at least one of the workers so they can retain the same profits as they were able to before. But wait! Along with Obamacare, and many other taxes, minimum wage workers cost almost up to five extra dollars to hire a worker. This is common sense. Businesses won't raise their prices; they will lay off their employees.

Raising the minimum wage encourages mediocrity. Why do these easily replaceable workers think they deserve more money than what their work produces? The idea of America is that someone can come from nothing to something by their own individual drive. That is the American Dream. With a wage that one can live "comfortably" on, it means that mediocrity is accepted, and that one does not need to be the best he can possibly be. It means that it is okay to be a Wal-Mart cashier for the rest of your life and that you don't have to think about working hard for a pay raise or to get a higher position. With a raise in the wage, one doesn't need to compete, because everyone gets their participation award.

From: [Marjorie Gifford](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 3:39:18 PM



I want to lend my support to SB2609. As an individual, I have to pay \$25 per hour not including social security or medicare contributions to individuals to have them clean house for me or to have them work in the yard. These people are having a tough time making enough from all their customers to pay rent and support a child (mostly unwed mothers). I can imagine what someone is doing on \$7.25 per hour. Ridiculous.

Lower income people spend all the money they make. It helps the economy in general. It will help to create more sales for businesses.

It is ridiculous for us to consider 1000 businessmen who do not want to provide a reasonable income to their workers; they are getting rich off their employees. The chamber of commerce is only interested in providing more money for the pockets of their members. They are not interested in the general welfare of our island.

I clearly support an increase in the minimum wage.

Marjorie Gifford

From: [Martha Martin](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 3:38:04 PM



Please pass a bill to raise the minimum wage to at least \$10.10 by 2017, drop the tip credit completely, and make annual increases based on the CPI.

This bill should be enacted this session!

I am a voter who has lived most of my life in Hawaii and have worked fifty years in the labor market. I know the minimum wage does not give workers a good life and higher pay is needed.

Martha E. Martin
POB 790300
Paia, HI 96779 <mauimartha@gmail.com>

Sent from my iPad

From: [Dr. Mele Welte](#)
To: [WAM Testimony; chair@hawaiidemocrats.org](mailto:chair@hawaiidemocrats.org)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 5:33:27 PM

LATE

Aloha State Legislators,

I am writing with a compassionate plea that you all vote in favor of increasing the minimum wage in Hawai'i in three escalating steps over the next three years from the poverty level of \$7.25 to \$8.50 in 2014 to \$9.75 in 2015 and to \$11.00 in 2016.

Let us show the rest of our nation that here in Hawai'i nei we believe in sharing the income wealth of our state with our workers who are at the bottom of the income level. These workers serve both our residents and our visitors. They need to be paid a living wage, especially due to the extremely high cost of living here in the islands. Do not neglect in failing to increase the minimum wage any longer!

Mahalo for your service to those who serve us!
Mele Welte
Hawai'i Kai resident

From: [Melinda Wood](#)
To: [WAM Testimony](#)
Subject: SB 2609 Raising Minimum Wage
Date: Tuesday, February 25, 2014 3:05:43 PM



I strongly support the bill to raise Hawaii's minimum wage. Most minimum wage workers are adult women trying to support families. Raising their pay will actually REDUCE the state burden of providing SNAP, WIC, and other forms of subsistence living to workers who are barely surviving.

Melinda Wood
1505 Alexander St.
Honolulu 96822

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mgolojuch@hotmail.com
Subject: *Submitted testimony for SB2609 on Feb 26, 2014 10:35AM*
Date: Tuesday, February 25, 2014 8:26:32 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	GLBT Caucus of the Democratic Party of Hawaii	Support	Yes

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: michelematsuo@yahoo.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 6:59:48 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
michele matsuo	Individual	Support	No

Comments: Thank you for this opportunity to submit testimony! I strongly support this bill however am okay with the CPI not being Honolulu's CPI. Molokai's CPI would be okay too. Thank you!

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STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
OFFICE OF COMMUNITY SERVICES
830 PUNCHBOWL STREET, ROOM 420
HONOLULU, HAWAII 96813
www.hawaii.gov/labor
Phone: (808) 586-8675 / Fax: (808) 586-8685
Email: dliir.ocs@hawaii.gov

March 3, 2014



To: Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair
Members of the Ways and Means Committee

Date: Tuesday, February 26, 2014
Time: 10:35 a.m.
Place: Conference Room 211, State Capitol

From: Mila Kaahanui, Executive Director

Re: S.B. 2609 Relating to Labor (Minimum Wage)

POSITION: Strongly Support

I. OVERVIEW OF PROPOSED LEGISLATION

The proposal is one of several bills introduced this Session to increase the minimum wage.

This bill would increase minimum wage rate to \$8.20 per hour beginning on 01/01/15, \$9.15 per hour beginning on 01/01/16, and \$10.10 per hour beginning on 01/01/17; repeal the tip credit; and authorizes the Department of Labor and Industrial Relations to adjust the minimum hourly wage to the nearest 5 cents based on the Honolulu region consumer price index beginning on 09/30/17 and on September 30 of each year thereafter to take effect on the following January 1.

II. CURRENT LAW

The Hawaii Wage and Hour Law (chapter 387, HRS) was established to safeguard minimum wage and maximum hour standards to maintain the health, efficiency and general well-being of workers in the State of Hawaii. The current minimum wage is \$7.25, effective as of January 1, 2007. Employers are allowed to claim a tip credit of 25 cents an hour for tipped employees, i.e. pay them below the minimum wage at \$7.00 an hour, provided that the tipped employee receives 50 cents in tips or at least \$7.75 an hour.

The current Hawaii minimum-wage law, like prior versions of this law, lacks any provision for automatic increases that would take account inflation. The lack of such a provision acts as a brake on necessary increases in the minimum wage. The combination of inflation and the lack of such a provision

for automatic increases creates a de facto “sunset” provision in the law as inflation eventually and inevitably erodes the gains created by each new amendment of the law.

III. COMMENTS

The Office of Community Services (OCS), established by Act 305 of the 1985 Hawaii State Legislature and codified as Chapter 371K of the Hawaii Revised Statutes, serves as the lead agency in State government to facilitate and enhance the development, delivery, and coordination of effective programs for the economically disadvantaged population, including immigrants and refugees. OCS administers and delivers Federal and State funded programs through purchase of service contracts with non-profit agencies.

OCS strongly supports an increase in the minimum wage and indexing the minimum wage to preserve the purchasing power of minimum wage workers:

- Hawaii’s Current Minimum Wage Law is at the Bottom.

The Federal Minimum-Wage law, which sets the floor for minimum-wage laws nationally, is at \$7.25, so, we are at the bottom of the barrel with states such as Alabama, where living expenses are much lower than in Hawaii. This is primarily because our minimum-wage law lacks a provision for automatic increases.

- A Provision for Automatic Increases is Needed.

Hawaii’s minimum-wage law does not keep up with constant inflation. This situation obligates the Legislature to wrestle with new minimum-wage bills every several years.

Hawaii's minimum-wage earners are going into their 8th year without a raise while everybody else is moving forward - the average weekly earnings have increased 16% since 2007 but 0% for minimum wage workers. Adjusting the current \$7.25 minimum wage for inflation since the last time the minimum wage was raised in 2007, a worker would have to be paid \$8.68 an hour to match the buying power of 2007.

- A Minimum Wage is Still a Poverty-Level Wage.

The purpose of the present bill is to raise the minimum wage to further the economic recovery of Hawaii and lift its residents out of poverty; however, the minimum wage, even as it would be enhanced by this bill, is still not a living wage. We have a long way to go before people regularly get actual living wages. This is especially a problem because of Hawaii’s disproportionately high cost of living, caused primarily by the housing market.

- Minimum-Wage Workers are not only the Young Just Earning Extra Money:

- 85% of minimum-wage earners are 21 and older;
- 84% of minimum-wage earners work 20+ hours a week; and
- 30% work 35+ hours a week.

- Higher Minimum Wages Benefit the Entire Economy.

Increases in the minimum wage boost consumer demand and increase jobs because minimum- and low-wage workers spend most if not all of their increased wages, and that increased spending generates greater economic activity to the benefit of everyone. Hawaii statistics show that, since 2002, the number of jobs in the Accommodations & Food Service sector has increased by an average of 2.2% over the twelve months following each of the last four minimum wage increases. An average of 2,012 more jobs or 3.8% more were added in Food Services & Drinking Places (restaurants & bars) within 6 months following each of the last four times that the minimum wage was increased.

The Office of Community Services (OCS) concurs with the comments provided by Dwight Takamine, Director of the Department of Labor and Industrial Relations.

Thank you for the opportunity to provide comments on this measure.

Chair Ige and Vice Chair Kidani, and members of the Ways and Means Committee,

LATE

We are Patsy Izumo and Mona Chang Vierra, the owners of Grand Cafe & Bakery, your neighbors across the street. We are opposed to SB 2609 as it stands and respectfully offer the following as amendments to this bill. We believe that these are fair for both small business owners like ourselves and minimum wage earners.

1. **Scale back the minimum wage increase to \$2.00 and phase it over an eighteen month period.** Increasing the minimum wage in smaller increments would help small business owners to cope.

2. **Delete tying the minimum wage increase to the consumer price index.**

This makes budgeting and projections for each year impossible. Also, if the consumer price index were to drop, then would the minimum wage then follow suit and drop?

3. **Restore the tip credit for food servers.** Servers, on the average, make \$18.00 to \$25.00 per hour with the tips. This hourly amount is far in excess of wages that are earned by anyone else in the restaurant.

Thank you.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: nalani1192@msn.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 10:34:25 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Nalani Shintani	Individual	Support	No

Comments: Please, Hawaii's residents desperately need this raise in minimum wage. It's impossible for people to live here working minimum wage jobs. Don't let families who've lived here for generations feel forced to leave because they can no longer afford it. We should be a community and support each other.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: nokumura@vipfoodservice.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Wednesday, February 26, 2014 7:48:09 AM



SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Nelson T. Okumura	VIP Foodservice	Oppose	No

Comments: I steadfastly oppose tying the minimum wage increase to the Consumer Price Index as it removes the voice of business from future discussions. Please do not pass this bill.

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LATE

Testimony to the Senate Committee on Ways and Means
State Capitol, Conf. Room 211 at 10:35am
February 26, 2014

RE: OPPOSING SB2609 TO INCREASE THE MINIMUM WAGE

Dear Chair Ige, Vice Chair Kidani, and Committee Members:

The Maui Chamber of Commerce on behalf of our membership is asking that you oppose this bill. We adamantly OPPOSE this bill and feel it will have many harmful and unintended consequences, including job losses.

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

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

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

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

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

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

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

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

We cannot continue to make decisions in a vacuum, absent the impact on businesses and the economy. There is a two-tiered recovery right now and businesses are not seeing the same returns that the visitor industry is.

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

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

Sincerely,



Pamela Tumpap
President

From: [Phil Barnes & Diane Fournier](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 4:44:20 PM



Ways and Means Committee Members:

I would urge every legislator to get on board with raising Hawaii's minimum wage. I think that a reasonable point to start in turning our minimum wage into a living wage is \$10.50 an hour. President Obama has set this as the minimum wage for federal contractors. Since the cost of living in most parts of the US is far cheaper than Hawaii in seems to me that the minimum wage should at least be at this level.

The servers that wait on us every day deserve to get consideration with this new law as well. In tough economic times some folks have been cutting back on their tips and the serves deserve better. Once the new minimum wage is established it should be linked to the Consumer price Index so that these benefits are not eroded over the years.

Working residents of our state deserve to be able to support their families with their labor. Their hard work enriches all of our lives and it's past time to tell them, "thanks". I thank you for your consideration.

Dr. Phil Barnes
Hilo, Hawaii

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: may11nineteen71@gmail.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 4:15:14 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Raymond Catania	Individual	Support	No

Comments: I fully support SB 2609. My two adult daughters and and niece all work at least two jobs for minimum wages. They are having a difficult time, like many young workers trying to survive in jobs that offer no medical,dental,sick leave benefits. Their waitressing skills are enabling them to earn tips, but not enough to pay their bills or even rent a home or apartment. Increasing the minimum to \$10.10 or more will enable them to peek their heads above poverty and give them a little dignity for the important work they do.

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From: mailinglist@capitol.hawaii.gov
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Subject: *Submitted testimony for SB2609 on Feb 26, 2014 10:35AM*
Date: Tuesday, February 25, 2014 8:27:25 PM

LATE

SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Rob Hatch	Honolulu Pride	Support	Yes

Comments:

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From: [R Nawahine Mansfield Jr](#)
To: [WAM Testimony](#)
Subject: Testimony in STRONG SUPPORT of SB2609
Date: Tuesday, February 25, 2014 4:51:31 PM



I strongly support SB2609. The current minimum wage does not provide the means to live in Hawaii.

Robert Nawahine Mansfield Jr
POB 601
Kaaawa, HI 96730
51-544 A-1 Kamehameha Hwy

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: babyjean@hotmail.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Wednesday, February 26, 2014 3:03:54 PM



SB2609

Submitted on: 2/26/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Ronnie Perry	Individual	Support	No

Comments: I strongly support an increase in the minimum wage. I also support eliminating the tip credit. Tipped employees should get the full minimum wage. I believe that the minimum wage should be tied to the cost of living especially housing and food prices. Although this is a start, I believe \$10.10 should begin immediately; if not, it should be raised to \$15.00 over the period specified in the bill. by the time that wage goes into effect, it should be higher. Mahalo Ronnie Perry

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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PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

LATE

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TO: Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair
Members, Committee on Ways & Means

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: Senate Committee on Ways & Means
Wednesday, February 26, 2014 at 10:35 a.m. in Rm. 211

Testimony in Support of SB2609, Relating to Minimum Wage

Thank you for the opportunity to provide testimony **in strong support** of SB2609, which would increase the minimum wage to \$10.10 in three stages by January 2017. PHOCUSED is a statewide coalition of health, housing, and human services organizations committed to strengthening policies and programs that benefit the marginalized and underserved in Hawaii. PHOCUSED believes that increasing Hawaii's minimum hourly wage is critical due to the serious financial hardship faced by low-income families and individuals in our community.

Hawaii's residents experience the highest cost of living in the nation – paying more for food, utilities and shelter than comparable families on the mainland. And, they pay these elevated costs while earning the lowest adjusted income among all of the mainland states. In addition, Hawaii's poverty rate of 17.3% makes Hawaii the 9th poorest State in the nation according to 2012 U.S. Census Bureau data. Despite these facts, 21 other states currently have a higher minimum wage than Hawaii, and Hawaii's minimum wage has not been increased since 2007.

Increasing the minimum wage would not only lift thousands of Hawaii's residents out of poverty, but would also boost consumer spending since most low income people spend most of their income locally. This is likely to result in more jobs due to increased economic activity. In addition, an increase in minimum wage may also result in positive educational outcomes for children in low-income working families – a 2011 study by Department of Economics at UC San Diego found that a \$1,000 increase in household income can raise combined math and reading test scores in young children by as much as 6%.

Once again, PHOCUSED strongly urges your support of this bill, and believes that now is the time to increase our minimum wage for Hawaii's working families. We appreciate the opportunity to testify. If you have any questions, please do not hesitate to contact me at PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: shay.chanhodges@gmail.com
Subject: Submitted testimony for SB2609 on Feb 26, 2014 10:35AM
Date: Tuesday, February 25, 2014 2:59:10 PM



SB2609

Submitted on: 2/25/2014

Testimony for WAM on Feb 26, 2014 10:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shay Chan Hodges	Individual	Support	No

Comments: I support raising the minimum wage to \$10.10, repealing the unfair tip credit, and automatically linking future minimum wage increases with the rise of inflation.

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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February 25, 2014

Sen. David Y. Ige, Chair
Sen. Michelle N. Kidani, Vice Chair
Hawaii State Capital
415 South Beretania Street, Conference Room 308
Honolulu, Hawaii 96813

LATE

Subject: H.B. 2580 Hearing on February 26, 2014. **Strongly Support.**

To: Sen. David Ige, Sen. Michelle Kidani and the Committee on Ways and Means.

The Labor Caucus of the Democratic Party of Hawaii, strong support of S.B. 2609. Relating to Minimum Wage.

This is the best measure for our Elderly and everyone on minimum wage. We support minimum wage increase to \$10.10, the elimination of the tip credit, and indexing this measure to the CPI.

We the Labor Caucus of the Democratic Party of Hawaii **strongly support** S.B. 2609. I would like to thank, the Committee on Judiciary and Labor for this opportunity to testify.

Sincerely,

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

A Letter from the Clergy of FACE

LATE

Dear Hawaii State Legislature:

FACE is a faith-based grassroots organization in Hawaii founded in 1996. FACE grew out of a sponsoring committee established in the mid-1990s with the assistance of the Center for Community Change. In November 2008 FACE became a statewide organization when our Maui chapter was founded. We currently have a membership base of 27 institutions on Oahu, 24 on Maui, and one statewide institution. Combined on both islands, we are made up of 38 churches, a Buddhist temple, 2 Jewish congregations, 10 community groups and non-profit organizations, and one labor union. FACE's membership reflects the cultural and socio-economic diversity of our community. We are the Clergy representing FACE as well as other religious leaders.

FACE exists to allow its members to live out our common, faith-based values by engaging in actions that challenge the systems that perpetuate poverty and injustice. We balance social, economic and community activity with a deep spiritual commitment. Our spiritual centeredness empowers us to return hope and love to the public arena. We seek to make our faith witness in an inclusive and non-sectarian manner.

It's a political fact now that faith communities across the board, very widely, are in favor of increasing the minimum wage. Why is that? What's the theological foundation behind that? We don't just do politics; we do politics because of our faith.

The issue of the widening income inequality gap is something that has gained the attention of many of our political leaders and citizens across the United States and locally in Hawaii. For those of us from the faith communities, this income gap is part of a larger context of social inequality that effect the educational opportunities of our children and youth, the barriers to health care, and the lack of adequate affordable housing for of all our citizens. These concerns are part of our DNA, because instead of despairing of the disparities that exist, we call upon the institutions of our society to work for the common good of our citizens. This has been the case from the beginning within many faith communities.

For example, when we see the Hebrew prophets and how they always seemed to speak up when the gaps in society grew too large. When the gulf widened and injustice deepened, the prophets rose up to thunder the judgment and justice of God. Their words reveal that God hates inequality. That's our theological foundation – God hates inequality.

What does the Bible have to say about the minimum wage?

The prophet Isaiah said: *“my chosen shall long enjoy the work of their hands. They shall not labor in vain...”* (65:22-23).

James, who was the sibling of Jesus, and probably knew what his brother thought about things pretty well, said: *“Listen! The wages of the laborers who mowed your fields, which you have kept back by fraud, cry out, and the cries of the harvesters have reached the ears of the Lord.”*

We believe that God calls us to share a vision of economic equality. This vision includes a wage rate that acknowledges the dignity of workers who are made in the image of God. This understanding of dignity and economic equality requires a system of just compensation. This vision includes Hawaii as a place where workers do not have to work 2 or even three jobs to make ends meet, rather it calls us to believe in a Hawaii where workers are paid enough to be available for their ohana, especially their children. We see the social ills of truancy, drug use, and teen pregnancy as stemming in no small part from the isolation of children from their parents as a direct result of the need to work multiple jobs.

Increasing the minimum wage takes a step towards making Hawaii more in line with God's intention for his people...

As far the public policy implications raising the minimum wage to \$10.10 per hour is a mere start to ensuring that all workers can earn a living wage. The statistical and economic data is clear that the buying power of the current \$7.25 has over a \$1.00 since 2007. Since the a single parent of one child earning the current minimum wage who works 40 hours per week for 52 weeks a year, earns \$2,770 or 16% below the federal poverty guidelines. It is one of the factors that cause Hawaii to have a poverty rate of 17.3% making our state the 9th poorest in the nation. Simply raising the minimum wage to \$10.10 would be enough to pull a family of three out of poverty.

Finally I would like to add a word about why increasing the Tip Credit would be another wedge that would further increase income inequality. The fact that many of our international visitors come from countries where tipping is not customary makes the use of a Tip Credit a cruel hoax for Hawaii's poorest workers.

We urge the legislature to pass a clean Minimum Wage Bill of \$10.10 without a Tip Credit and with future increases tied to the CPI.

Mahalo Nui Loa for your time.

Testimony of Rebecca Lennon, CPA
Treasurer and Controller of the Pioneer Inn Hotel

658 Wharf Street
Lahaina, HI 96761

Relating to SB 2609 – Proposed increases in minimum and wage and elimination of Tip Credit

Committee on Ways and Means

Room 211

LATE

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

I would like to offer comments in opposition to the proposed annual increase in minimum wage commencing on January 1, 2015 and linked to the consumer price index effective 9/30/17

We are a hospitality company and the only minimum wage employees that we employ are wait staff and buss persons who earn not only the guaranteed minimum wage but also tips. As many others have stated, if the effective minimum wage increases to near ten dollars per hour then our non-tipped employees will expect a corresponding (37%) increase to their wages. We will be forced to lay off employees and operate with a fewer number of non-tipped employees in order to maintain satisfaction among our housekeepers, guest service agents, maintenance and management staff.

I would also like to comment on the proposal to abolish the tip credit. Already, the tip credit in Hawaii is only twenty five cents which is much less than any other state. An increase in the minimum wage should be accompanied by an increase in the amount of the tip credit to keep the playing field equitable.

We have already made a study on the impact that this will have on our business and have determined that our only alternative would be to change our business model, lay off our tipped employees and convert our restaurant to a fast casual facility (similar to Hyatt Place hotels on the mainland) that only employs one or two higher paid cashiers instead of a dozen tipped employees.

I am fairly certain that we are not the only small hospitality business in Hawaii that would be similarly impacted. I propose that in an effort to increase the standard of living in a state that has a large contingent of tipped employees, you would in fact be increasing the number of unemployed and/or creating a sub-culture of employers that pay employees cash under the table with no contributions made to either income tax or unemployment tax.

Thank you for the opportunity to testify.

Rebecca Lennon, CPA
Controller
Pioneer Inn Hotel