

SB2609



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

Written Testimony in **support** of 2609
Relating to Minimum Wage

Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile Shimabukuro, Vice Chair

January 30, 2014
9:30 am Room 016

Chair Hee, Vice-Chair Shimabukuro, and members of the Judiciary and Labor Committee:

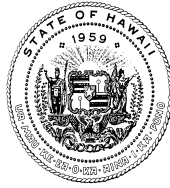
The Office of the Governor submits this **written-only** testimony in **support** of Senate Bill 2609, Relating to Minimum Wage. This measure would increase the minimum wage, repeal the tip credit, and authorize the Department of Labor and Industrial Relations (DLIR) to adjust the minimum wage based on the consumer price index.

Hawaii's minimum wage rate is currently lower than 21 other states plus the District of Columbia despite the fact that the cost of living is higher here than those other states.

It is a myth that increases to the minimum wage will only benefit entry level workers or mostly teenagers. In Hawaii, 85 percent of minimum wage earners are 21 years old or older. It has been seven years since the last increase in the minimum wage and these hard-working individuals deserve a raise.

DLIR is available to answer any questions you may have in this matter.

Thank you for the opportunity to submit testimony.



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
<http://labor.hawaii.gov>

January 30, 2014

To: The Honorable Clayton Hee, Chair,
The Honorable Maile S.L. Shimabukuro, Vice Chair, and
Members of the Senate Committee on Judiciary and Labor

Date: January 30, 2014

Time: 9:30 a.m.

Place: Conference Room 016, State Capitol

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

Re: S.B. No. 2609 Relating to Minimum Wage

I. OVERVIEW OF PROPOSED LEGISLATION

The proposal increases the minimum wage to \$10.10 an hour in three stages by January 2017, authorizes the DLIR to adjust the minimum wage thereafter by using the Consumer Price Index (CPI), and repeals the tip credit provision in chapter 387, Hawaii Revised Statutes (HRS).

The department strongly supports an increase in the minimum wage and supports indexing the minimum wage to preserve the purchasing power of minimum wage workers. President Obama recently addressed the issue of rising inequality and declining mobility in the United States in advocating for an increase in the federal minimum wage:

"It was Adam Smith, the father of free-market economics, who once said, "They who feed, clothe, and lodge the whole body of the people should have such a share of the produce of their own labor as to be themselves tolerably well fed, clothed, and lodged. And for those of you who don't speak old-English let me translate. It means if you work hard, you should make a decent living. If you work hard, you should be able to support a family."

"Now, we all know the arguments that have been used against a higher minimum wage. Some say it actually hurts low-wage workers -- businesses will be less likely to hire them. But there's no solid evidence that a higher minimum wage costs jobs, and research shows it raises incomes for low-wage workers and boosts short-term economic growth."

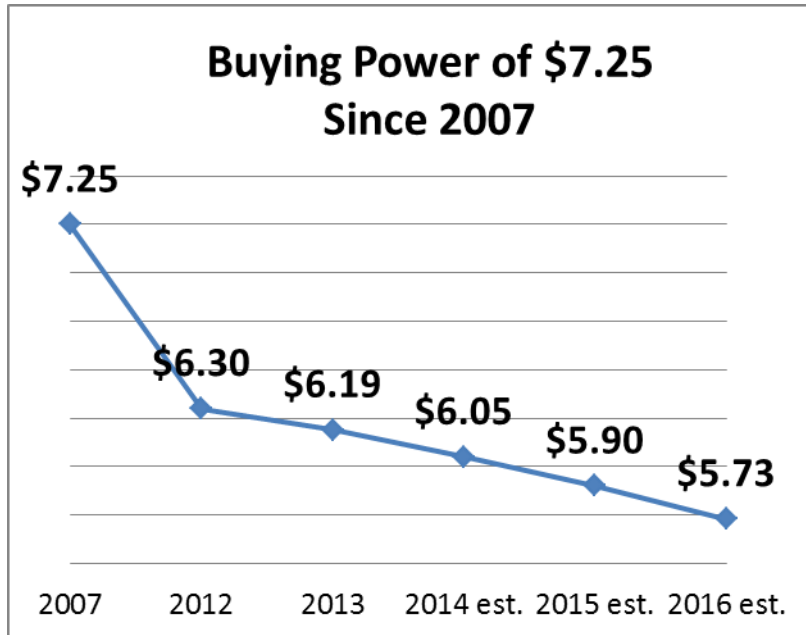
II. CURRENT LAW

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

III. COMMENTS ON THE SENATE BILL

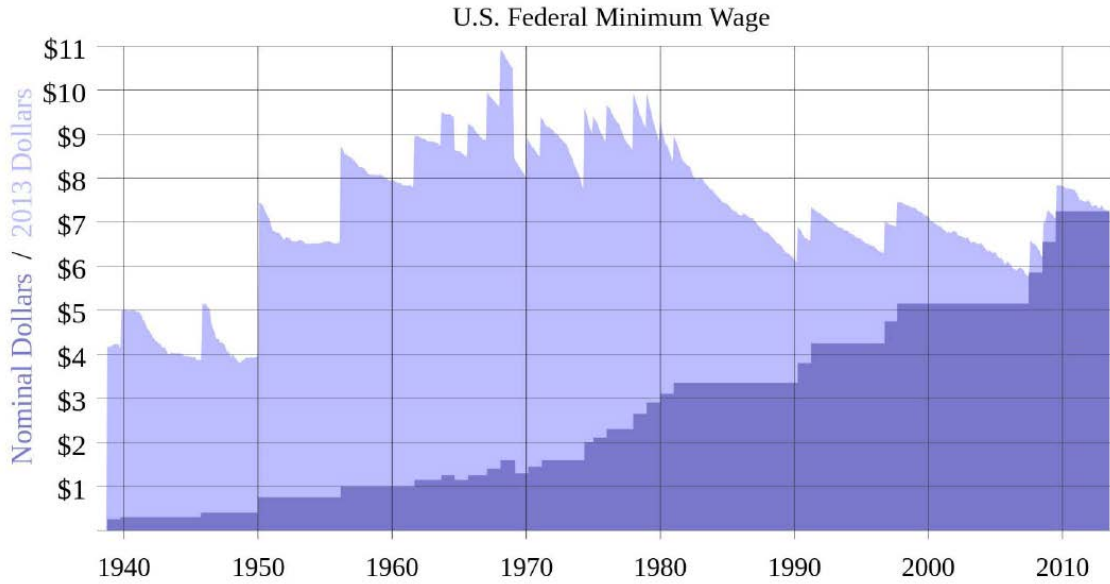
The purpose of the proposal is to raise the minimum wage to further the economic recovery of Hawaii and lift Hawaii residents out of poverty. An increase in the minimum wage will boost consumer demand and jobs because minimum and low-wage workers spend most if not all of their increased wages and therefore will generate economic activity.

Hawaii's minimum wage earners are going into their **8th year** without a raise while everybody else is moving forward—the average weekly earnings have **increased 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 2007.¹

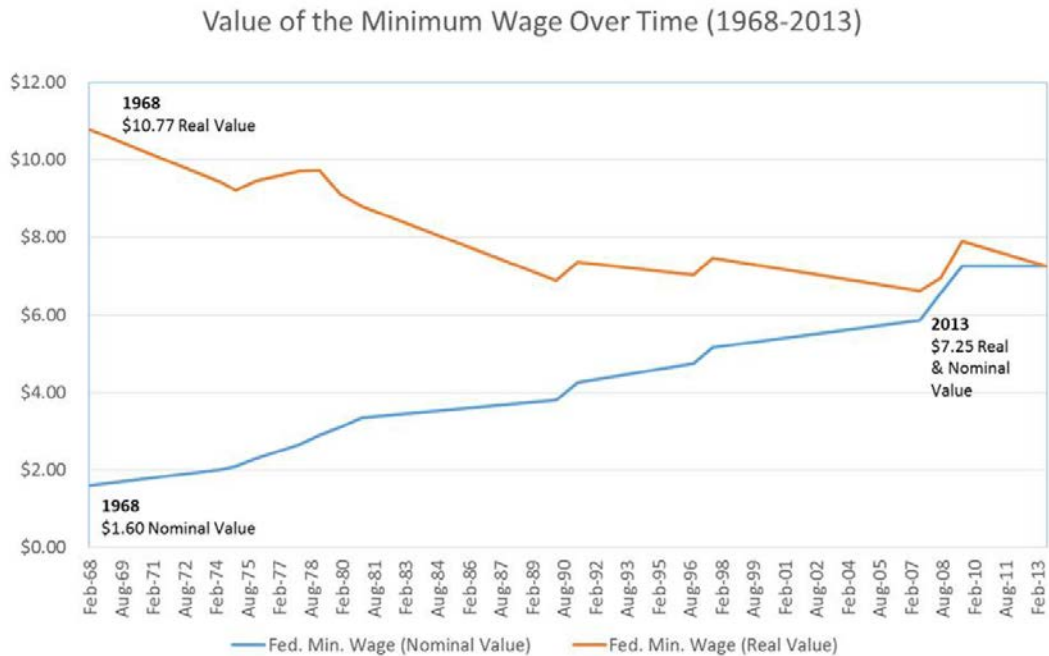


¹ Research & Statistics Office (R&S), DLIR

Historically, the federal minimum wage was higher than \$7.25 an hour in 2013 dollars for most of the last 60 years.²



In fact, the minimum wage in 1968 was \$10.77 in 2013 dollars.



Source: Congressional Research Service, September 2013

Prepared by PHOCUSED (Protecting Hawaii's Ohana, Children, Under-Served, Elderly & Disabled)

²Nominal Wages: Department of Labor CPI: Bureau of Labor Statistics

Minimum Wage is higher in 21 states and D.C. despite higher cost of living in Hawaii

The following twenty states or jurisdictions have a higher minimum wage than Hawaii as of January 1 2014; thirteen of these states index their minimum wage to inflation so that the real value of the minimum wage does not fall every year.

\$9.32	Washington*
\$9.10	Oregon*
\$8.73	Vermont*
\$8.70	Connecticut*,
\$8.25	District of Columbia*, Nevada*, Illinois, New Jersey
\$8.00	California, Colorado*, New York, Massachusetts*, Rhode Island,
\$7.95	Ohio*
\$7.93	Florida*
\$7.90	Arizona*, Montana*
\$7.75	Alaska,
\$7.50	Maine*, Missouri, New Mexico
\$7.40	Michigan

**Denotes indexed to a cost of living or other indexing mechanism.*

Give Hawaii's minimum wage earners more buying power

Minimum wage workers are critical to our economy, but are falling further and further behind in their ability to make ends meet and this is contributing to our homelessness problem. This proposal will improve the quality of life for current minimum wage workers by giving workers more purchasing power. The majority of minimum wage workers in such occupations as waitperson, food service counter worker, and bus person, will also see an improvement in their economic sustainability.

The last minimum wage increase was in 2007. Using that as the base year, and adjusting the current \$7.25 minimum wage for inflation based on the most recent Consumer Price Index and using the Department of Business Economic Development and Tourism's (DBEDT) CPI-U forecast for 2013 to 2016, a worker would have to be paid \$9.16 by 2016 to have the same purchasing power that the worker had in 2007 at \$7.25 an hour. Conversely, if the current minimum wage were deflated to 2007 dollars, it would be worth only \$5.73 in 2016.³

The low minimum wage is exacerbated by the high cost of living in Hawaii. In research generated by the Missouri Economic Resource and Information Center on the cost of living, Hawaii continues to have the highest cost of living as of the third quarter 2013. (http://www.missourieconomy.org/indicators/cost_of_living/index.stm)

³ R&S, DLIR

Washington's minimum wage: \$9.32 **29% higher** Cost of Living: **55% lower**
 Nevada's minimum wage: \$8.25 **14% higher** Cost of living: **64% lower**
 Oregon's minimum wage: \$9.10 **26% higher** Cost of living: **49% lower**

A few comparative statistics with Western states helps to bring this disparity into focus: in Nevada where the minimum wage is **one dollar higher** than Hawaii at \$8.25, the cost of groceries is **40% lower** and in Washington State where the minimum wage is **more than two dollars** higher than Hawaii at \$9.32, the cost of housing is **50% lower** than in Hawaii. By increasing the minimum wage and providing a mechanism for it to keep up with the cost of inflation, the purchasing power of minimum wage workers will be preserved while providing employers with predictable, smaller increases in the minimum wage over time.

Raising the Minimum Wage Will Decrease Poverty

2013 Federal Poverty Guidelines for Hawaii

Household Size	100%	133%	138%	150%	200%	300%	400%
1	\$13,230	\$17,596	\$18,257	\$19,845	\$26,460	\$39,690	\$52,920
2	17,850	23,741	\$24,633	26,775	35,700	53,550	71,400
3	22,470	29,885	\$31,009	33,705	44,940	67,410	89,880
4	27,090	36,030	\$37,384	40,635	54,180	81,270	108,360
5	31,710	42,174	\$43,760	47,565	63,420	95,130	126,840
6	36,330	48,319	\$50,135	54,495	72,660	108,990	145,320
7	40,950	54,464	\$56,511	61,425	81,900	122,850	163,800
8	45,570	60,608	\$62,887	68,355	91,140	136,710	182,280
For each additional person, add	\$4,620	\$6,145	\$6,376	\$6,930	\$9,240	\$13,860	\$18,480

A single parent of one child working at minimum wage 40 hours per week, 52 weeks per year, earns **\$2,770 or 16% below** the federal poverty guidelines for a family of two. Hawaii's poverty rate of **17.3%** makes **Hawaii the 9th poorest** in the nation according to the U.S. Census Bureau.⁴

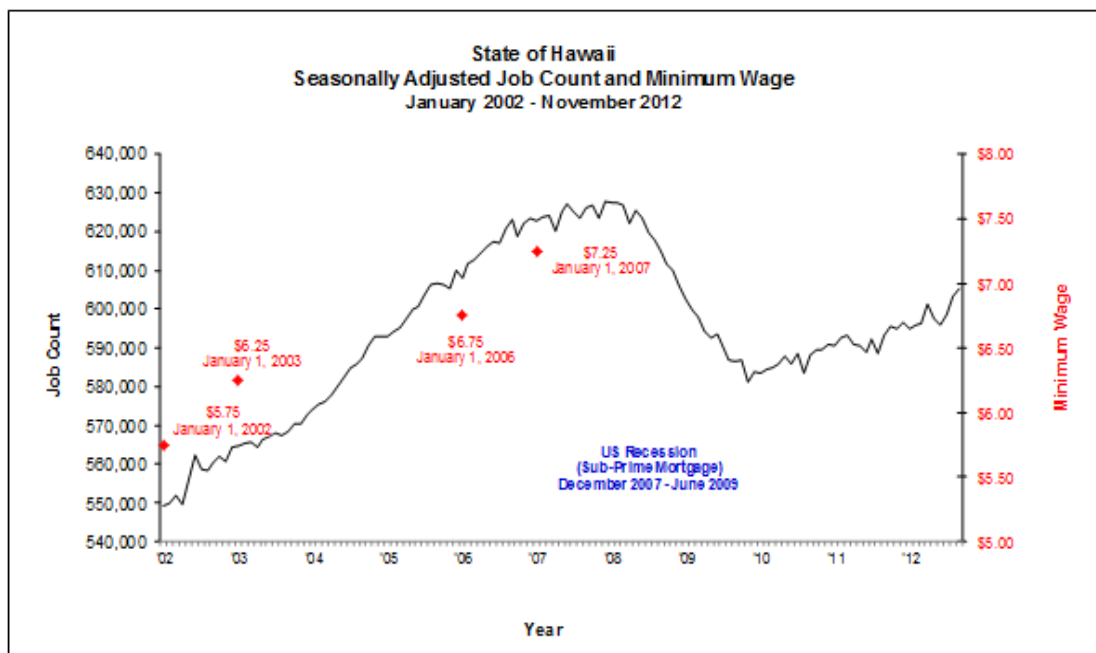
⁴U.S. Census Bureau, Current Population Reports, Supplemental Poverty Measure: 2012

If the minimum wage was increased to \$8.20 an hour in January 2015, a single parent of one child working at minimum wage 40 hours per week, 52 weeks per year would still fall **nearly \$800 below the 2013** federal poverty guidelines for Hawaii.

20% or 22,000 of Hawaii's children under six live in low-income working families. Research of early childhood development has found that income insecurity negatively affects three key aspects of brain development – positive relationships, learning resources, and high stress. A 2011 study suggests that a \$1,000 increase in household income raises combined math and reading test scores by up to 6%.⁵

Increase in minimum wage and job count

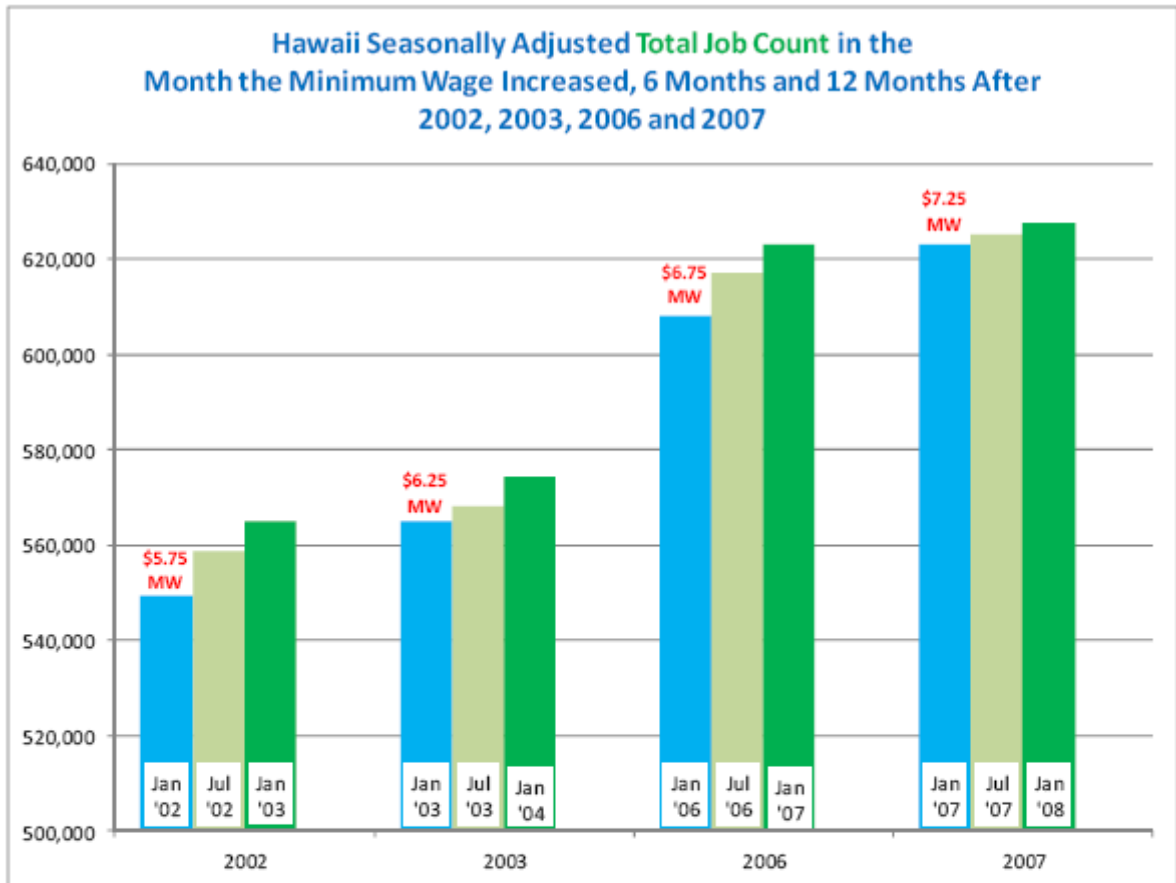
Since 2002, the minimum wage has increased four times and on each of those occasions, the seasonally adjusted job count continued to grow—the number of **jobs increased by an average of 2.2%** over the next twelve months after the minimum wage increase.⁶



- ✓ **15,700 jobs were added** in the twelve months following the minimum wage increase from \$4.75 to \$5.75 on January 1, 2002.
- ✓ **15,000 jobs were added** to Hawaii's economy in the twelve months after the increase from \$6.25 to \$6.75 on January 1, 2006.

⁵ The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit, American Economic Review, 2012.

⁶ All Jobs Data from R&S, DLIR



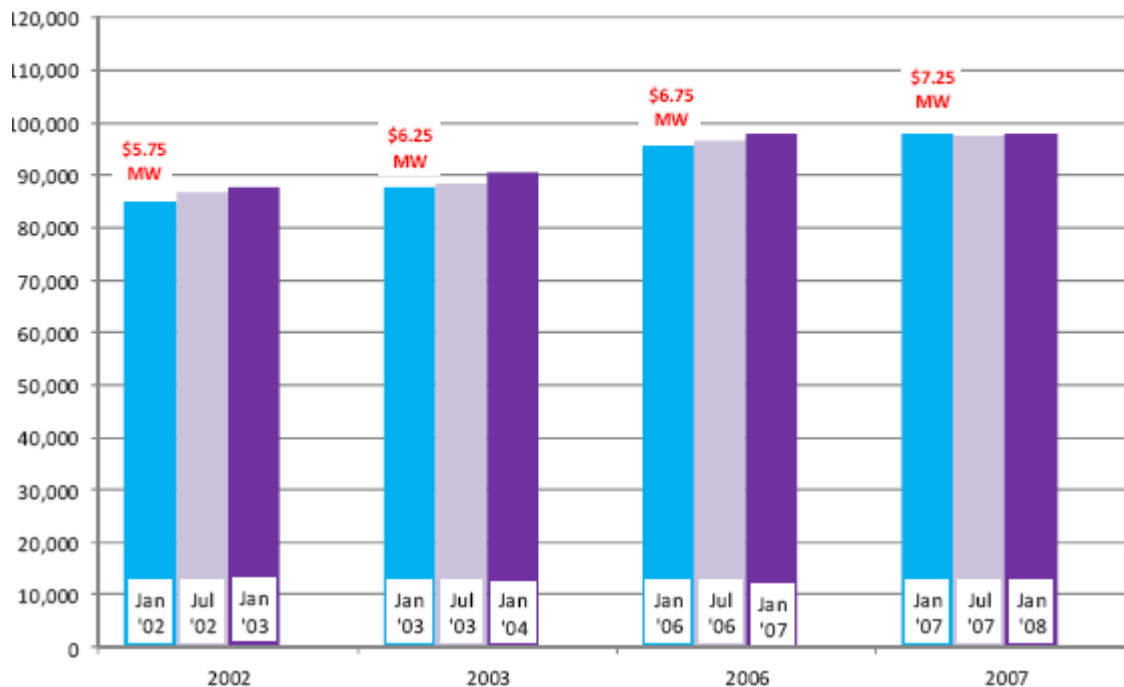
State of Hawaii - Minimum Wage and Seasonally Adjusted Total Job Count

Minimum Wage Increase Date	January 1, 2002			January 1, 2003			January 1, 2006			January 1, 2007		
Minimum Wage	\$5.75			\$6.25			\$6.75			\$7.25		
Job Count Date	Jan '02	Jul '02	Jan '03	Jan '03	Jul '03	Jan '04	Jan '06	Jul '06	Jan '07	Jan '07	Jul '07	Jan '08
Job Count	549,100	558,700	564,800	564,800	568,000	574,200	607,900	617,100	622,900	622,900	625,000	627,400
6 month Job Count Change		9,600			3,200			9,200			2,100	
12 month Job Count Change			15,700			9,400			15,000			4,500
6 Month % Change		1.7%			0.6%			1.5%			0.3%	
12 Month % Change			2.9%			1.7%			2.5%			0.7%

Notes:

US Recession (Sub-Prime Mortgage): December 2007 – June 2009

**Hawaii Seasonally Adjusted
 Accommodation and Food Services Industry Job Count in the Month
 the Minimum Wage Increased, 6 Months and 12 Months After
 2002, 2003, 2006 and 2007**



The number of jobs in **Accommodations & Food Service** has increased by an average of 2.2% over the next twelve months after the last four minimum wage increases. An average of **2,012 more jobs or 3.8%** more were added in **Food Services & Drinking Places** (restaurants & bars) within 6 months the last 4 times the minimum wage increased. In the 12 months after these minimum wage increases, the **Accommodations & Food Service saw an additional:**

- ✓ **2,900 jobs** following the minimum wage increase from \$4.75 to \$5.75 on 1/1/2002.
- ✓ **2,800 jobs** following the minimum wage increase from \$5.75 to \$6.25 on 1/1/2003.⁷

Who are Minimum Wage Workers?

- ✓ **85%** of minimum wage earners are 21 and older.
- ✓ **84%** of minimum wage earners work 20+ hours a week and 30% work 35+ hours a week.⁸

⁷ All Jobs Data from R&S, DLIR

⁸ U.S. Census Bureau; Current Population Survey Basic Micro Data Set, <http://dataferrett.census.gov>, data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu. Hawaii 2012 data

Statistical Profile of Minimum Wage Workers in Hawaii—2012*

Statistical Profile of Persons Earning \$7.25 or Less*

Total: 14,303 2.2% of Labor Force

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

Subminimum Wage: 7,624 1% of Labor Force

Gender Profile of Persons Earning \$7.25 or Less

Percentage of Males Earning \$7.25 or below: 49.5%

Percentage of Females Earning \$7.25 or below: 50.5%

Age Profile of Persons Earning \$7.25 or Less:

Under 18: 13%

Between 21 and 55: 72%

55 and Over: 13%

Total over 18: 85%

Hours Worked by Persons Earning \$7.25 or Less:

Works Less than 20 hours: 17%

Works 20 - 34 hours: 54%

Works More than 35 Hours: 30%

Total working more than 20 hours and presumably eligible for employer paid healthcare: 84%

*Source: U.S. Census Bureau; Current Population Survey Basic Micro Data Set, <http://dataferrett.census.gov>, data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu. Hawaii 2012 data

By major occupational group, the highest proportion of hourly paid workers earning at or below the federal minimum wage was in service occupations, at about 12 percent. About three-fifths of workers earning the minimum wage or less in 2012 were employed in service occupations, mostly in food preparation and serving related jobs.

The industry with the highest proportion of workers with hourly wages at or below the federal minimum wage was leisure and hospitality (about 19 percent). About half of all workers paid at or below the federal minimum wage were employed in this industry, the vast majority in restaurants and other food services.⁹

⁹ Characteristics of Minimum Wage Workers: 2012, Bureau of Labor Statistics, U.S. Department of Labor

We All Subsidize Minimum Wage Workers:¹⁰

- 1 in 5 minimum wage workers receives SNAP (formerly food stamps).



- 1 in 5 minimum wage workers have someone in the family on Medicaid.



- 1 in 5 minimum wage workers have at least one child that receives free or reduced price school meals.



The department offers the following information pertaining to the tip credit.

Many of the Western states do not have tip credit provisions in their law.



- Alaska
- California
- District of Columbia
- Montana
- Minnesota
- Nevada
- Oregon
- Washington

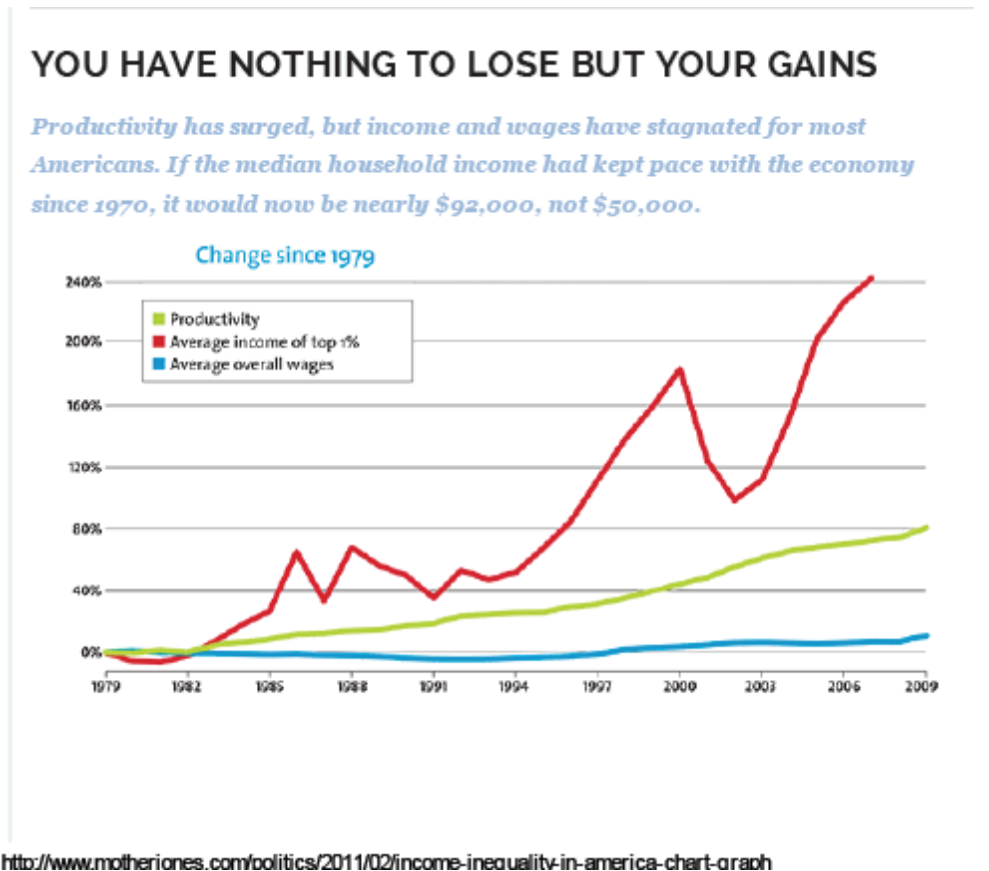
¹⁰ U.S. Census Bureau, Current Population Survey March Supplement Micro Data Set, <http://dataferrett.census.gov>, data extracted by Lawrence W. Boyd Ph.D., Center for Labor Education and Research, University of Hawaii at West Oahu. Hawaii Data 2012

The average tipped worker in Hawaii earns just \$9.87 per hour including tips, and tipped workers are more likely to live under the federal poverty guidelines. Waiters and servers earn an average of \$26,280 a year (\$12.64/hour) in Hawaii while cooks average \$29,200 (\$14.04/hour). The average annual wage for all workers in Hawaii is \$39,613 (\$19.04/hour).¹¹

Who Are Tipped Workers in the United States?

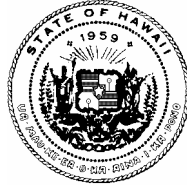
- 2 in 3** are women
- 1 in 3** are parents
- Half** are 30 years old or older
- 1 in 6** rely on free lunches to feed their children
- 1 in 7** rely on SNAP (food stamps)
- 1 in 4** people of color working for tips lives in poverty¹²

“We can either settle for a country where a shrinking number of people do really well, while a growing number of Americans barely get by,” said President Obama in his 2012 State of the Union address. ***“Or we can restore an economy where everyone gets a fair shot, everyone does their fair share, and everyone plays by the same set of rules.”***



¹⁰ R&S, DLIR

¹¹ U.S. Census Bureau, 2006-2012 American Community Survey, calculated by Restaurant Opportunities Center United.



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

January 30, 2014

MEMORANDUM

TO: The Honorable Clayton Hee, Chair
Senate Committee on Judiciary and Labor

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2609 - RELATING TO MINIMUM WAGE**

Hearing: Thursday, January 30 2014; 9:30 a.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of the measure is to increase the minimum wage to \$8.20 starting 01/01/15, \$9.15 starting 01/01/16, and \$10.10 starting 01/01/17; repeals the tip credit; and authorizes the Department of Labor and Industrial Relations to adjust the minimum hourly wage based on the Honolulu region consumer price index.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports increasing the minimum wage in Hawaii.

According to the United States Department of Labor, Bureau for Labor Statistics, of the 321,000 hourly workers in Hawaii, 8,000 were paid the minimum wage of \$7.25 in 2011 while an additional 7,000 residents were paid below the minimum wage. For those workers earning minimum wage at a full-time job, annual earnings total \$15,080. This measure will ensure that Hawaii's lowest paid workers will earn wages that will at least support their basic needs.

Importantly, with this measure Hawaii will also join the 10 other states across the nation that adjust their minimum wages annually to keep pace with the rising cost of living – a policy known as indexing. Indexing to inflation ensures that real wages for our lowest paid workers do not fall even further behind.

If we accept the figures used by the United States Census Bureau to apportion cost of living expenses then 13% of an individual's earnings are applied towards grocery items, 29% towards housing, 10% towards utilities, 12% towards transportation, 4% towards healthcare, and 32% towards other miscellaneous items. Applying the United States Census Bureau's formula, a family earning \$7.25 per hour would allocate \$350 per month towards housing, \$120 towards utilities, \$145 towards transportation, and \$157 towards groceries. In urban Honolulu's housing market it is a stretch to find apartments renting for below \$1,000 per month and difficult to imagine utility bills including electricity, water, and telephone at costs below \$120 per month.

Raising the minimum wage is good for Hawaii's families and good for Hawaii's economy. Money in the pockets of working people will be spent to make ends meet, boosting our economy and creating jobs in our communities. According to the Federal Reserve Bank of Chicago, every \$1.00 in wage increases for a minimum wage worker results in \$2,800 in new consumer spending by the worker's household over the following year.

Raising the minimum wage is also good for Hawaii's working women who, together with their children, will benefit from increased economic security. In Hawaii, 47% of full-time minimum wage workers are women, and 75% of our heads of household for TANF/TAONF programs are women. Across the nation, women workers are concentrated in low-wage industries such as food service, retail, and home health care and despite the progress women have made, women still earn less overall than

men in all occupations – a wage gap that translates into thousands of dollars of unearned income over a lifetime. As applied to Hawaii's TANF/TAONF beneficiaries, women with children are disproportionately represented in low wage jobs and will accrue the greatest benefits from an increase in the minimum wage.

Raising the minimum wage is the right thing to do. Franklin D. Roosevelt called the minimum wage, "a fair day's pay for a fair day's work." Yet, today's minimum wage of \$7.25 buys 30% less of what it did 40 years ago. It's time for Hawaii to ensure that poorest of our wage workers can at least support their most basic needs.

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



SENATE COMMITTEE ON JUDICIARY & LABOR
Sen. Clayton Hee, Chair
Sen. Maile Shimbukuro, Vice Chair
Thursday, January 30, 2014
9:30 a.m.
Conference room 016

SB 2609, RELATING TO MINIMUM WAGE

In STRONG SUPPORT

Aloha Chair Hee, Vice-Chair Shimabukuro and members of the committee,

My name is Dante Carpenter. I am chair of the Democratic Party of Hawaii and testifying today in strong support of this bill.

The State Central Committee of the Party voted on January 11th 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



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



Executive Officers:
Stanley Brown, ConAgra Foods - Chairperson
John Schilf, RSM Hawaii - Vice Chair
Derek Kurisu, KTA Superstores - Treasurer
Lisa DeCoito, Aloha Petroleum - Secretary
Lauren Zirbel, Executive Director

1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

TO:
SENATE COMMITTEE ON JUDICIARY AND LABOR
Senator Clayton Hee, Chair
Senator Maile Shimabukuro, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: January 30, 2014
TIME: 9:30am
PLACE: Conference Room 16

RE: SB2609

Position: Strong Opposition

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

Senate Bill 2609 contains elements which could put many retailers out of business; cost jobs for workers here in Hawaii; and dramatically increase the price of food for everyone.

Increasing the minimum wage by so much so quickly makes it almost impossible for food retailers to budget these new wages for their businesses. This bill also ties the minimum wage to the unpredictable price index, which means that it would be impossible for business owners and managers to create budgets in advance. For many businesses this could mean it is impossible to do business at all.

Hawaii has one of the lowest unemployment rates in the nation. Economists uniformly agree that most employees earn far more than the minimum wage; and that a minimum wage increase actually causes a reduction in the number of entry-level jobs because of the increased cost to employers to maintain such jobs. The real cost to business includes all of the other employee benefits and taxes that are tied to the employee wages. Those include, social security tax, unemployment tax and workers compensation premiums. These increase the cost of employing workers, which reduces the number of available jobs. Increasing the minimum wage will require employers to pay additional costs after adding the additional taxes of FICA, Medicare and FUTA. The end result of this is that businesses will have to get rid of employees in order to stay open.

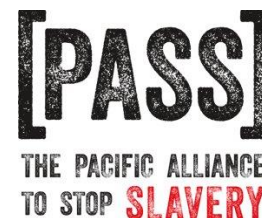
If this measure, or one like it, is passed it will not only have negative consequences for the businesses that have to shut down, and the employees who can't afford to be kept on the payroll; this will affect food prices for all residents of Hawaii. Such a dramatic increase in labor costs will create inflation and will inevitably drive up the cost of food. Due to the fact that we live in an isolated island state with extremely expensive labor and healthcare regulations we already pay high prices for food and other goods. Some of these food cost factors are unavoidable, but arbitrarily skyrocketing the cost of labor is something that can be avoided. Making it so much more expensive to do business is a cost that will ultimately be borne by the consumers.

Due to the highly competitive nature of the food industry, food retailers operate at a profit margin of around 1 percent. These retailers are valuable parts of our communities and our economy and are not in a position to shoulder drastic and unpredictable increases. If you are intent on passing this bill please lower the increase per year to no more than 25 cents a year over three years and do not tie the minimum wage to CPI.

If enacted in its current form this bill will undermine efforts made to turn Hawaii's economy around. Hawaii's business community is at a critical point – where any additional mandates could mean the difference between continued existence, or bankruptcy. Arbitrarily raising the minimum wage will hurt businesses in Hawaii at a time when we should be looking to grow our economy, support local businesses, keep our unemployment rate low, and keep food costs down.

On behalf of our members we strongly encourage you to vote no on this measure.

Thank you for the opportunity to testify.



January 17, 2014

COMMITTEE ON JUDICIARY

Sen. Clayton Hee, Chair
Sen. Maile Shimabukuro, Vice Chair
Mike Gabbard
Brickwood Galuteria
Malama Solomon
Sam Slom
Les Ihara Jr.

NOTICE OF HEARING

DATE: Tuesday, January 30, 2014
TIME: 9:30am
PLACE: Conference Room 016m State Capitol, 415 South Beretania Street

**RE: TESTIMONY IN STRONG SUPPORT OF SB2609
RELATING TO MINIMUM WAGE**

Aloha, Committee on Judiciary and Labor:

The Pacific Alliance to Stop Slavery is in strong support of SB2609 and kindly urge the committee to pass this measure which would directly reduce poverty and allow for a living wage for Hawaii's hard-working citizens. According to the MIT Minimum Wage Calculator for Honolulu County, the minimum wage should be \$12.91 for a single person and \$25.83 for a single parent with one child¹.

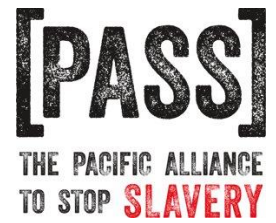
PASS also strongly urges the committee not to amend SB2609 to alter its language seeking to repeal the tip credit or delete its language that would automatically link future increases of the minimum wage to inflation.

Some may not quickly make the connection between raising the minimum wage and preventing human trafficking, but there is indeed a strong connection. Economists on both sides of the argument both agree that raising the minimum wage is directly linked to reducing poverty². Reducing poverty by acts such as raising the minimum wage, **prevent** serious travesties of justice such as trafficking.

It is in a state of poverty and desperation when human trafficking offenses flourish. Demand and supply for trafficking spikes when communities fall into poverty. According to the State Department of Human Services, between 2012 and 2013, Hawaii's rate of houseless persons increased 4.6% on Oahu. What's worse, our rate of unsheltered houseless families with children increased 5% on Oahu.

¹ Poverty in America: Living Wage Calculator. Massachusetts Institute of Technology. Retrieved on January 23, 2014, from: <http://livingwage.mit.edu/counties/15003>

² Konczal, M. (2014) *Economists agree: Raising the minimum wage reduces poverty*. The Washington Post. Retrieved on January 23, 2014, from: <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/01/04/economists-agree-raising-the-minimum-wage-reduces-poverty/>



Children in poverty are highly vulnerable to both sex and labor trafficking. Additionally, it is incredibly difficult, when helping to heal a survivor and reintegrate them into the workforce, to convince them that working for minimum wage is the path to freedom. All of Hawaii's people, especially our survivors, deserve to be able to maintain a basic standard of living on minimum wage.

These are the reasons why PASS urges you to pass SB2609 as a step to preventing the poverty that leads to travesties of justice such as trafficking.

Sincerely,

Kathryn Xian
Executive Director

Hawai'i Alliance for Retired Americans

An affiliate of the Alliance for Retired Americans
c/o HEA 1953 South Beretania St., Suite 5C - Honolulu, Hawaii 96826

AFT Hawaii Retirees
HGEA Retirees
HSTA – Retired
ILWU Retirees
Kokua Council
UPW Retirees
Hawaii Family Caregivers Coalition
Kupuna Education Center

(Submitted by email to: JDLtestimony@capitol.hawaii.gov)

Statement of Al Hamai in support of SB2609, Relating to Minimum Wage

Senate Judiciary and Labor Committee

January 30, 2014, 9:30 a.m. Conference Room 016

Chair Clayton Hee, Vice Chair Maile S.L. Shimabukuro and Members of the Committee,

HARA supports SB2609, which proposes to increase the minimum wage to \$8.20 on Jan 1, 2015, \$9.15 on Jan. 1, 2016, and \$10.10 on January 1, 2017 and then to authorize the department of labor and industrial relations to adjust the minimum hourly wage thereafter in accordance with the consumer price index beginning on September 30, 2017.

We believe in the dignity of all work. Workers now, earning the lowest wages need your help to live with greater dignity and hope. We also supported SB331, SD1 last session.

Nationally, President Obama proposed the increase in the minimum wage. The New York Times in its editorial, "From the Bottom Up" on February 17, 2013 supported the proposal and pointed out among other facts:

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

We urge your Committee to approve SB2609. Mahalo and Aloha.

HARA is a strong voice for Hawaii's retirees and seniors; a diverse community-based organization with national roots; a grassroots organizer, educator, and communicator; and a trusted source of information for decision-makers.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: local627@boilermakershawaii.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Friday, January 24, 2014 10:07:53 AM

SB2609

Submitted on: 1/24/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Aycock	Boilermakers L-627	Support	No

Comments: We strongly support a minimum wage increase and appreciate Senator Hee's position of \$10.10 an hour. We also strongly support S.B. 2069 repeal of the tip credit, but strongly oppose any efforts to raise the tip credit. Obviously, our members do not make minimum wage and our union or it's members have no personal "skin in this game." We feel this is a very small measure towards some form lifting low wage income earners out of their respective financial difficulties. If the small businesses would only pass this "burden" on to the consumers, it would be understandable and for the most part, unnoticeable by their patrons. Everything we buy in Hawaii has become more expensive in the last several years; I feel this would have a far more positive impact on the economy than any negative effects! There is no evidence this measure (law) harms the job market! Mahalo, Gary Aycock Asst. Busn. Mngr. Boilermakers L-627

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



HAWAII CATHOLIC CONFERENCE

6301 Pali Highway
Kaneohe, HI 96744-5224

Submitted: Online
Hearing on: Thursday, January 30, 2014
Conference Room: 9:30 a.m.

DATE: January 26, 2014
TO: Senate Committee on Judiciary & Labor
Sen. Clayton Hee, Chair
Sen. Maile Shimabukuro, Vice Chair
From: Walter Yoshimitsu, Executive Director
Re: Support for SB 2609 Relating to Minimum Wage

Mahalo for the opportunity to provide written testimony in support of this measure. I am Walter Yoshimitsu, representing the Hawaii Catholic Conference. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in the State of Hawaii under the leadership of Bishop Larry Silva. We strongly urge the Committee to support an increase to the minimum wage in Hawaii. We believe such an increase is consistent with the tenets of Catholic social teaching on the dignity of workers, the needs of low-income wage earners in our state, and the principles that have driven welfare reform at both the state and federal levels.

For over a century, the Catholic Church has addressed the rights of workers in modern industrial societies in light of the principles of Catholic social teaching. A number of these principles are relevant to a discussion over the minimum wage and I offer them for thought.

The Dignity of Workers.

Ultimately, the value of work is grounded in the dignity of the human beings who toil in various workplaces across our great state. Every life has value and every worker has dignity. Wages are a critical way by which we recognize that dignity.

Rights and Responsibilities.

Our rights are grounded in our own personal responsibility as well as to those in our community. Each of us has the twin responsibility of developing our own God given skills to its fullest and being able to provide for the needs of our families. This is why Catholic social teaching has long defined a just wage in terms of a "family wage," or that which is necessary to meet the needs of a family.

Strengthening the Family.

Many of these working people are parents. In this context, raising the minimum wage is one way to strengthen the families of Hawaii. We strongly believe that an increase in the minimum wage is a matter of fairness and justice, and we hope it can be addressed as soon as possible so that it will benefit the people in Hawaii that need it most.

In light of these considerations, raising the state minimum wage is good public policy and we encourage you to pass this bill out of committee.

Mahalo for the opportunity to testify.



49 South Hotel Street, Room 314 | Honolulu, HI 96813
www.lww-hawaii.com | 808.531.7448 | voters@lwwhawaii.com

COMMITTEE ON JUDICIARY AND LABOR

THURSDAY JAN. 30, 2014 9:30 A.M.
ROOM 016

SB 2609, RELATING TO MINIMUM WAGE
TESTIMONY

Beppie Shapiro for the League of Women Voters of Hawaii

Chair Hee, Vice-Chair Shimabukuro, Members of the Committee:

The League of Women Voters of Hawaii supports SB2609 which incrementally increases the amount of the minimum wage, and provides for indexing the minimum wage to inflation. Since its founding in February 1920 the League has been working to improve the quality of life for Americans, striving first for child labor laws, a minimum wage and equal opportunity for women in government and industry.

The rationale for increasing the state minimum wage is well provided within the language of SB 2609. We also want to point out that when the minimum wage is increased, some families will see their household income increase so they will no longer receive public benefits such as food stamps, food banks, shelters or public housing or Medicaid. (This would be true e.g. for some families where one worker already earns substantially more than the minimum wage, but another earns the minimum wage.) These families will cost the public less than they do now.

Further, every dollar received by these very low income workers will undoubtedly be spent on necessities of life, thus adding to consumer spending and tax revenue for the state.

Research comparing similar states and localities in which one has increased the minimum wage while another state or locality has not, shows that increasing the minimum wage does not have much discernible effect on employment – perhaps due to the increased consumer spending referred to above, or to the needs of employers.¹

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. SB 2609 moves Hawai'i toward justice.

We urge you to pass this bill. Thank you for the opportunity to submit testimony.

1



451 Atkinson Drive – Honolulu, Hawaii 96814
Phone: (808) 944-0611 – Fax: (808) 949-8051 – Email ibuhi@hawaiiantel.net



January 27, 2014

Judiciary and Labor Committee

Clayton Hee, Chairman

Room 407

Re: Testimony in support of SB 2609

The Inlandboatmen's Union of the Pacific, Hawai'i Region supports SB 2609; to increase the minimum wage rate and repeal the tip credit.

We urge the Committee to support SB 2609.

Sincerely,



Warren B. Ditch, Jr.
IBU Regional Director

"An Injury to One is an Injury to All"
Hawai'i Region
InlandBoatmen's Union of the Pacific
1/27/2014 12:33:32 PM

HPBS INC.

P. O. Box 721 Honolulu, Hawaii 96808
Telephone: (808) 532-7233



January 27, 2014

COMMITTEE ON JUDICIARY AND LABOR

Honorable Clayton Hee, Chairperson and Committee Members

Public Hearing, January 30, 2014, 9:30 AM, Conference Room 016, State Capitol

TESTIMONY OF HPBS, INC.

IN SUPPORT OF S.B. 2609 RELATING TO MINIMUM WAGE

My name is Thomas Heberle, and I am the President of HPBS, Inc. We are a Honolulu based business providing pilot launch boat services throughout the State of Hawaii. HPBS, Inc. supports S.B.2609 which would authorize increases to the minimum wage, and authorize the Department of Labor and Industrial Relations (DLIR) to adjust the minimum wage by using the Consumer Price Index (CPI).

The current minimum wage of \$7.25 per hour was last increased in 2007. Since that time, inflation has significantly reduced the buying power of the minimum wage. In fact, according to the DLIR, a worker would have to be paid \$8.68 per hour today to match the buying power that the minimum wage had in 2007.

We believe that increasing the minimum wage will be beneficial to Hawaii's economy. Increases to the minimum wage serve to boost consumer demand and generate economic activity.

The proposed inflation adjustment mechanism using the CPI is an important component of this bill. Without it, the buying power of the minimum wage will fall further behind in future years as inflation takes its toll.

Thank you for the opportunity to comment on this measure.

Thomas Heberle, President



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 2609: Relating to Minimum Wage

TO: Senator Clayton Hee, Chair, Senator Maile S.L. Shimabukuro, Vice Chair, and Members, Committee on Judiciary and Labor

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

Hearing: Thursday, January 30, 2014; 9:30 am; Conference Room 016

Thank you for the opportunity to testify on SB 2609, which increases the minimum wage rate, repeals the tip credit and allows for future adjustments to be made to the minimum hourly wage based on the Honolulu region consumer price index. I am Trisha Kajimura, Social Policy Director for Catholic Charities Hawaii. **I am testifying in support of SB 2609: Relating to Minimum Wage.**

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

Many of the vulnerable in Hawaii are the working poor, people who earn low wages through hard work but due to our high cost of living struggle to make ends meet. We serve these low-income workers in our programs. They are sometimes homeless, often barely able to avoid homelessness, or working several jobs to juggle the basic expenses of their families. These workers are parents who try very hard to support their own families but often must also rely on some type of public or charitable assistance to raise their children.

The 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. In addition to the hourly wage increase, we support the repeal of the tip credit and also the future adjustments of the hourly minimum wage being tied to the Honolulu region consumer price index. This would ensure that future adjustments are fairly connected to the cost of living in Hawaii.

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





AFFILIATED WITH THE SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA • AFL-CIO

SEAFARERS INTERNATIONAL UNION
ATLANTIC • GULF • LAKES AND INLAND WATERS

606 KALIHI STREET • HONOLULU, HAWAII 96819 • (808) 845-5222

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UTW NATIONAL DIRECTOR

January 27, 2014

TO: Senate Committee

RE: SB 2609 – Testimony in support

The Seafarers International Union strongly supports SB 2609; increase to the minimum wage rate and repeal to the tip credit. An increase to the minimum wage rate is long-overdue for minimum wage workers in the State of Hawaii. We urge the Committee to support SB 2609.

Sincerely,

Hazel Galbiso
Port Agent



Randy Perreira
President

HAWAII STATE AFL-CIO

320 Ward Avenue, Suite 209 • Honolulu, Hawaii 96814

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Seventh Legislature, State of Hawaii
Hawaii State Senate
Committee on Judiciary and Labor

Testimony by
Hawaii State AFL-CIO
January 30, 2014

S.B. 2609 – RELATING TO MINIMUM WAGE

The Hawaii State AFL-CIO strongly supports S.B. 2609 which increases 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 and repeals the tip credit. It also, 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.

Hawaii's cost of living is the highest in the nation; however, Hawaii's minimum wage is still equal to the federal minimum wage of \$7.25 an hour. In fact, the last time Hawaii raised the minimum wage was over seven years ago in 2007 and if Hawaii's minimum wage had been indexed to the Consumer Price Index (CPI) the minimum wage in 2013 would have been \$8.26 an hour. Even states with a lower cost of living have increased their minimum wage while Hawaii has sat back. States such as California, Washington, Illinois, Oregon, and even Nevada all have a higher minimum wage than Hawaii. In fact, 21 states and the District of Columbia have a higher minimum wage than Hawaii and all of them have a lower cost of living. Additionally, Santa Fe has raised its minimum wage to \$10.51 an hour, and San Francisco has raised its minimum wage to \$10.74 an hour becoming the two highest mandatory minimum wages in the country. Even with the higher minimum wages, a number of studies have indicated San Francisco and Santa Fe's minimum wage hasn't had a negative affect on vital components of their economy, such as job creation and unemployment.

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

Moreover, the poverty line for a family of two in Hawaii as of 2012, was \$17,410, and is increased to \$21,960 for a family of three. A full-time minimum wage worker in Hawaii who works 40 hours a week for 52 weeks would earn \$58.00 a day, \$290.00 a week, and a disturbingly low \$15,080.00 a year. This, unfortunately for a family of two or more, is well below the poverty level. The truth is, over 17 percent or nearly 229,000 Hawaii residents live in poverty when calculating cost of living and regrettably, according to the National Low Income Housing

Coalition, in no state can a minimum wage worker afford a two-bedroom unit at Fair Market Rent, working a standard 40-hour work week. In Hawaii, a minimum wage worker would need to work 175 hours a week, 52 weeks per year to afford rent.

According to a report by the National Economic Council in 2000, increasing the minimum wage does not have a negative effect on employment. The National Economic Council states, "since the (national) minimum wage increase in 1996, the economy has created more than 10 million jobs and the unemployment rate has fallen from 5.2 percent in September 1996 to 4.1 percent in February 2000, near its lowest level in thirty years. Labor market trends for workers most affected by the minimum wage increase—including younger workers, workers with lower educational levels, and minorities—also show no negative impact of the minimum wage on employment. Numerous careful economic studies, including ones by David Card and Alan Krueger, have shown that increasing the minimum wage has no negative effect on employment. Recent research has even suggested that higher wages can increase employment, because they increase employers' ability to attract, retain, and motivate workers. And they benefit workers by increasing the reward to work."

Furthermore, a more recent study conducted in 2010 by University of California, Berkeley, economics professor Michael Reich also concludes that the minimum wage does not lead to the short- or long-term loss of low-paying jobs. Professor Michael Reich proclaims "although increasing the minimum wage can stimulate the economy by putting more money in the pockets of those most likely to spend it on necessities, he said, suggestions to raise minimum wages typically trigger fears. These fears center around the idea that raising the minimum wage would force many employers to reduce job offerings to meet a more expensive payroll, or that a "tipping point" where the minimum wage becomes too high has already been reached."

In fact, some economists such as Paul Osterman, an economics professor at MIT maintain raising the minimum wage to get more cash to the working poor is just as crucial as creating a large number of low-wage positions. He asserts "gradually raising the federal minimum wage to something close to that level (\$10 an hour) over the next few years would be an important first step to helping the working poor climb out of poverty, while injecting more money into the economy." Further, 75 leading economists including 7 Nobel laureates support the idea of raising the federal minimum wage to \$10.10 an hour. They proclaimed, "The vast majority of employees who would benefit are adults in working families, disproportionately women, who work at least 20 hours a week and depend on these earnings to make ends meet." The leading economists also went on to say "At a time when persistent high unemployment is putting enormous downward pressure on wages, such a minimum-wage increase would provide a much-needed boost to the earnings of low-wage workers and research suggests that a minimum-wage increase could have a small stimulative effect on the economy as low-wage workers spend their additional earnings, raising demand and job growth, and providing some help on the jobs front."

We hope the legislature recognizes the importance of raising the minimum wage and appreciate the repeal of the tip credit in S.B. 2609. Tipped workers should not have to rely on inconsistent and voluntary wages to survive. Most tipped workers earn below \$10.00 an hour; a

wage that is very difficult and challenging to live on in Hawaii. Passage of S.B. 2609 unamended is a step in the right direction of reducing poverty and inequality in Hawaii.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
President



Committee on Judiciary and Labor
Thursday, January 30, 2014
9:30 a.m.

SB 2609 Relating to Minimum Wage.

Dear Committee Chair Hee and Committee Members:

The University of Hawaii Professional Assembly (UHPA) supports an increase in the minimum wage to at least \$10 an hour effective immediately. UHPA also supports the elimination of the tip credit.

UHPA members observe daily the impact that low wages have on the students. A large portion of the student body must work in order to stay in school. For many, the amount of tuition support is not enough to ensure they can adequately provide for themselves and their families. While our students have a low student debt level it is in part due to working significant hours. Most are employed at low wage jobs. Many students have returned to college to increase their skills to find better paying jobs but need greater income to complete their education goals.

Raising the minimum wage has a direct impact on the ability of students to increase the number of courses each semester and can lead to shortening the time to graduation and obtainment of new workforce skills.

We strongly support raising the minimum wage and elimination of the tip credit to increase income security for many in our community.

Respectfully submitted,

Kristeen Hanselman
Associate Executive Director

UNIVERSITY OF HAWAII
PROFESSIONAL ASSEMBLY

1017 Palm Drive • Honolulu, Hawaii 96814-1928
Telephone: (808) 593-2157 • Facsimile: (808) 593-2160
Web Page: <http://www.uhpa.org>

The Senate
Twenty-Seventh Legislature
Committee on Judiciary and Labor
January 30, 2014, 9:30 a.m.
Room 016

Statement of the Hawaii Regional Council of Carpenters on
S.B. 2609, Relating to Minimum Wage

The Hawaii Regional Council of Carpenters (HRCC) strongly supports increasing the minimum wage, providing for regular and more gradual adjustments consistent with the cost of living, and eliminating the “tip credit”.

While our union membership is not commonly thought of as working for the minimum wage, our family members, neighbors, and at times our members themselves, work at minimum wage jobs. Furthermore, the quality of our community life is improved when more working people have basic necessities and a chance to participate. While the vast majority of minimum wage workers are adults, minimum wage paychecks from “kids” also help families stay intact and off the streets.

Minimum wage earners work for their money, and of necessity, directly circulate their earnings into the economy. It’s been eight years since that minimal level of income has been adjusted. Rather than eight years of added earnings spreading through our economy, we have all had to pay to supplement basic survival needs as real minimum wage buying power eroded.

Why are we haggling over the correct amount of “tip credit”? Are we to legislate what the maximum income should be for a certain targeted group of people? The minimum wage is to compensate tipped workers for their basic duties, just like other minimum wage workers. Beyond their basic duties, which generally include non-tipped set-up and clean-up, as well as serving customers, let tipped employees keep tips they earn with their sales and marketing skills. Don’t penalize them for having and using people skills, initiative and efficiency.

The minimum wage, with increases, without a tip credit, will not make any workers rich. Anyone who feels it to be a “jolt” to make up eight years of decreasing the value of the minimum wage, should favor a system for gradual adjustments in tune with the economic times. That is the concept the Bill proposes, annually referencing the consumer price index.

Numerous studies make clear that minimum wage increases haven’t caused economic or job preservation disasters. Much larger forces determine our business prosperity or distress. Minimum wage increases did not stop our economic millennial “boom”, nor that of the years around the Japanese “bubble”. The tip credit did not prevent nor cause the Great Recession or oil price spikes.

For all of us that make Hawaii home, it’s time to take care of this part of our community, with the passage of S.B. 2609.



International Organization of
Masters, Mates & Pilots

521 Ala Moana Blvd., Ste 254, Honolulu, HI 96813
Telephone: 808-523-8183 • Fax: 808-538-3672
Internet: www.bridgedeck.org

DONALD J. MARCUS
International President

STEVEN E. WERSE
International Secretary-Treasurer

DAVID H. BOATNER
Vice President, Pacific Ports

January 28, 2014

Committee on Judiciary and Labor

Honorable Clayton Hee, Chairperson and Committee Members

Public Hearing, January 30th, 2014, 9:30 AM, Conference Room 016 State Capitol

Testimony in Support of S.B. 2609 Relating to Minimum Wage

The International Organization of Masters, Mates and Pilots strongly supports an increase to the Minimum Wage to \$10.10 per hour, repeal of the Tip Credit along with implementing annual increases according to the Consumer Price Index.

Sincerely,

Randy Swindell

Honolulu Port Representative

HAWAII PORTS MARITIME COUNCIL

affiliated with

Maritime Trades Department

AMERICAN FEDERATION OF LABOR and CONGRESS OF INDUSTRIAL ORGANIZATION

606 Kalihi Street Honolulu, Hawaii 96819

TELEPHONE: (808) 845-5222

FAX: (808) 841-1191

Member Unions:

*International Brotherhood of
Boilermakers, Iron Ship
Builders, Blacksmiths,
Forgers and Helpers
Lodge 627*

January 28, 2014

*International Brotherhood of
Electrical Workers Local 1260*

Committee on Judiciary and Labor

*International Union of
Elevator Constructors
Local 126*

Honorable Clayton Hee, Chairperson and Committee Members

*Hawaii Government
Employees Association,
AFSCME Local 152*

Public Hearing, January 30th, 2014, 9:30 AM, Conference Room 016 State Capitol

*Hawaii Pilots Association,
MM&P Pilots Division*

Testimony in Support of S.B. 2609 Relating to Minimum Wage

*Inlandboatmen's Union
of the Pacific*

*International Longshore and
Warehouse Union Local 142*

The Hawaii Ports Maritime Council supports an increase to the Minimum Wage to \$10.10 per hour , repeal of the Tip Credit along with implementing annual increases according to the Consumer Price Index.

*Laborers' International Union
of North America Local 368*

*Marine Engineers'
Beneficial Association*

*Marine Firemen,
Watertenders, Oilers & Wipers*

Sincerely,

*Masters, Mates and Pilots,
Offshore Division*

Sailors' Union of the Pacific



Seafarers International Union

Randy Swindell

*United Food and Commercial
Workers International Union
Local 480*

President, Hawaii Ports Maritime Council





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

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TO: Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
Members, Committee on Judiciary and Labor

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: Senate Committees on Judiciary and Labor
Thursday, January 30, 2014 at 9:30 a.m. in Conf. Rm. 016

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. Thank you for the opportunity to testify on this very important issue. If you have any questions, please do not hesitate to contact me at PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.



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

TO: Honorable Clayton Hee, Chair
Honorable Maile Shimabukuro, Vice Chair
Members of the Committee on Judiciary & Labor

DATE: Thursday, January 30, 2014
TIME: 9:30 a.m.
PLACE: Conference Room 016
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

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

RE: SENATE BILL 2609, RELATING TO MINIMUM WAGE

Chair Hee, Vice Chair Shimabukuro, and members of the Committee,

Thank you for the opportunity to testify in opposition of SB 2609. NFIB Hawai'i respectfully opposes this measure.

Mandatory wage increases hurt not only small businesses, but their employees as well. Most minimum-wage jobs are offered by small businesses. The overwhelming majority of economists continue to affirm the negative impact of mandatory wage increases on jobs. Mandatory minimum-wage increases end up reducing employment levels for those people with the lowest skills.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.

**MARINE ENGINEERS' BENEFICIAL
ASSOCIATION, AFL-CIO (M.E.B.A.)**



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January 28, 2014

Judiciary and Labor Committee

Honorable Clayton Hee, Chairperson and Committee Members

Re: Testimony in support of S.B. 2609

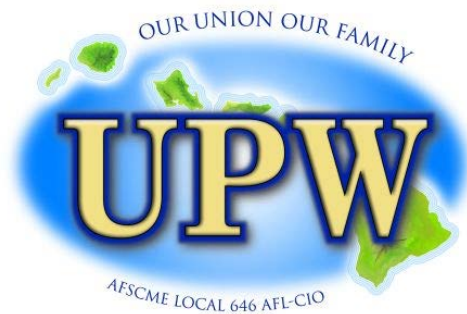
Dear Chairperson and Committee Members,

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's minimum wage earners are approaching their 8th year without a raise while average weekly earnings have increased by 16%.

We ask for the committee's full support of S.B. 2609.

Sincerely,

Luke Kaili - Representative



THE HAWAII STATE SENATE
The Twenty-Seventh Legislature
Regular Session of 2014

COMMITTEE ON JUDICIARY AND LABOR
The Honorable Sen. Clayton Hee, Chair
The Honorable Sen. Maile Shimabukuro, Vice Chair

DATE OF HEARING: Thursday, January 30, 2014
TIME OF HEARING: 9:30 AM
PLACE OF HEARING: Conference Room 016

TESTIMONY ON SB2609 RELATING TO MINIMUM WAGE

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW strongly supports SB2609, which increases the minimum hourly wage to \$8.20 per hour beginning on 01/01/15. The cost of living in Hawaii is the highest in the nation, but our state's minimum wage is still equivalent to the federal minimum of \$7.25 an hour. The last time that the minimum wage was increased was in 2007. As of 2014 the poverty level for a family of two in Hawaii is \$18,090 and \$27,430 for a family of four. An individual who works 40 hours a week at minimum wage for 52 weeks would earn \$65.60 a day, \$328.00 a week, and \$17,056 a year. A family of two or more would be well below the poverty level.

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

Thank you for the opportunity to testify on this measure.



HAWAII

AMERICANS FOR DEMOCRATIC ACTION

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MAILING ADDRESS

PO. Box23404
Honolulu
Hawaii'i 96823

January 27, 2014

TO: Chair Clayton Hee, Vice Chair Maile Shimabukuro
Members of the Senate Committee on Judiciary and Labor

FROM: John Bickel, President
Americans for Democratic Action/Hawaii'i

RE: Support and Comments on SB 2609 Relating to Minimum Wage

Americans for Democratic Action/Hawaii reluctantly supports SB 2609. We have supported social justice causes for over half a century. We support the bill because it raises the minimum wage, repeals the tip credit, and provides for some future incremental increases. We are reluctant because we should understand that \$10.10 is not a living wage. One moderate estimate of a living wage in Hawaii comes from livingwage.mit.edu which calculates it to be \$12.91 for a single adult without dependents. To defer to January 2017 to get to \$10.10 seems to be justice delayed. By that time, it will be even harder to live on minimum wage. If our society values work, we must reward it. Raising the minimum wage to a living wage would encourage people to do the important jobs done by many minimum wage workers.



The Senate
The Twenty-Seventh Legislature
Regular Session of 2014

Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair

RE: SB 2609 Relating to Minimum Wage

Aloha Chair Hee, Vice Chair Shimabukuro and Members of the Committee,

We support SB 2609, and ask that the legislature seriously consider increasing the minimum wage to \$10.00/hour or more and repeal the tip credit effective in January 1, 2015.

For over seven years there has not been a minimum wage increase and Hawaii's cost of living increases to include good and services, increase daily. Hawaii's minimum wage worker earns \$7.25 an hour or \$15,080/year; a wage that is impossible to live on and raise a family.

An increase to \$10.00 an hour or more will at least provide some relief to the lowest paid worker struggling to make ends meet. It is vital to have a fair and decent minimum wage that is equal for all workers in the State. Tipped workers should not be penalized with a tip credit. We respectfully request that tip credit be repealed to ensure tipped workers are guaranteed a decent minimum wage. More than 17 percent or approximately 229,000 of Hawaii's workers live in poverty. An increase to \$10.00 or more an hour and a repeal of the tip credit is a move in the right direction to reducing poverty in our State.

We ask for your support to increase the minimum wage to \$10.00 an hour or more and repeal the tip credit. Every worker deserves to earn an equitable wage.

Aloha,

David C. Farmer
President, SAG-AFTRA Hawaii Local

Brenda Ching
Executive Director, SAG-AFTRA Hawaii Local

Brenda Ching, Executive Director
brenda.ching@sagaftra.org • SAGAFTRA.org • 808-596-0388 (P) • 800-305-8146 (F)
SCREEN ACTORS GUILD - AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS
949 Kapiolani Blvd., Suite 105, Honolulu, HI 96814
Associated Actors & Artistes of America / AFL-CIO

Twenty-Seventh Legislature
Regular Session of 2014

THE SENATE

Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
State Capitol, Conference Room 016
Thursday, January 30, 2014; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2609
RELATING TO MINIMUM WAGE**

The ILWU Local 142 strongly supports S.B. 2609, 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; authorizes thereafter the minimum wage to be adjusted each year in accordance with the Honolulu Consumer Price Index; and repeals the tip credit

The minimum wage in Hawaii is \$7.25 an hour. For more than seven years, workers with the lowest wage had no increase in pay while government workers, legislators, judges, and many others received pay raises in keeping with a recovering economy. Meanwhile, the cost of living continued to climb. A loaf of bread cost \$2.29 on sale in 2007. Today, that same loaf costs almost \$4.00—on sale! The buying power of the dollar is weakening.

Contrary to what opponents of the minimum wage are saying, it's not just teenagers working their first job who are earning a minimum wage. A minimum wage earner is very likely an adult, supporting a family, working two or three jobs to make ends meet, and spending every dollar earned to help boost our economy.

Yet minimum wage earners are denigrated as only able to work at entry-level positions because they lack skills to get a better-paying job, thus should not expect to be paid more than the lowest minimum possible. But workers in entry-level positions perform work that is needed in the community and have families and themselves to support just like others. They need a livable wage, too.

Most people in Hawaii, including some employers, agree that the minimum wage should be increased and were stunned that, even with a "super-majority" of Democrats in both the House and Senate, the Hawaii State Legislature could not pass a minimum wage increase in 2013. The issue then, as now, appears to be the tip credit.

What is a tip credit? That is the amount below the minimum that employers may pay their tipped employees. The tip credit is currently 25 cents. Theoretically, an employer may pay a tipped employee as low as \$7.00 an hour. However, most employers do not apply the tip credit, possibly because the amount is so low. If they do, it is only applied to restaurant servers, not other workers who routinely receive tips and earning the minimum wage. Increasing the tip credit could open the door for more workers to be paid less than the minimum.

We expect a clamor, as occurred last year, for an increase in the tip credit. Employers argue that tipped employees earn far more than the minimum when tips are included. Why should that matter to the employer? Tipped employees earn their tips, just as they earn their wages. And who pays the tips? Not the employer, who actually benefits from a subsidy provided by the tipping customer. Without tips, the employer might be forced to pay a worker two or three times more in wages. Finally, a tip is not guaranteed. While it is customary in the U.S. for customers to leave a tip for restaurant servers, the tip is voluntary.

Other states and municipalities have increased their minimum wage but have no tip credit. In Washington state, the minimum wage is \$9.32 with no tip credit. In San Francisco, the minimum wage is \$10.53 with no tip credit. In all, seven states (Alaska, California, Minnesota, Montana, Nevada, Oregon, Washington) and the District of Columbia allow NO tip credit at all. While once one of the most progressive states in the nation, Hawaii has now fallen far below other jurisdictions.

The most egregious argument offered by those who want to increase the tip credit is that increasing the minimum wage for those who earn tips will mean less for non-tipped employees. Pitting one group of workers against another is what plantation owners used to do when they separated workers by ethnic groups to keep them from organizing their power. But those plantation days and plantation ways are long gone. All workers deserve to be paid wages that acknowledge their labor and help them support themselves and their families.

S.B. 2609 rightly calls for the elimination of the tip credit in Hawaii law altogether.

The final proposal in S.B. 2609, to adjust the minimum wage in accordance with the Honolulu Consumer Price Index, is both sensible and reasonable. Once adopted, the law will automatically allow for nominal wage increases in keeping with the cost of living. The increases may not be huge, but they will be steady. Furthermore, the issue of raising the minimum wage will be settled, and the Legislature can devote their attention to other serious issues that confront them.

The ILWU strongly urges passage of S.B. 2609. We thank you for the opportunity to share our views and concerns.



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Mika Okuno
Planning & Research Associate

Ben Costigan
AmeriCorps Vista

Date: January 28, 2014

To: Senator Clayton Hee, Chair, Senator Maile S.L. Shimabukuro Vice Chair, and members of the Committee on Judiciary and Labor

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)

Re: Strong Support for SB 2609, Relating to Minimum Wage

Aloha Senator Hee, Senator Shimabukuro, and members of the Committee,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports SB 2609, which would increase the minimum wage to \$10.10 in three stages by January 2017.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map. HACBED also facilitates the Family & Individual Self-Sufficiency Program (FISSP), which administers the Internal Revenues Services' Volunteer Income Tax Assistance (VITA) program as a part of its larger asset building and financial education initiatives for needy families. As such, HACBED strongly supports the proposed bill that would provide a needed income boost for families in our community.

The Family Economic Self-Sufficiency Standard (FESS) further depicts the obstacles that Hawai'i families are facing. The FESS measures the amount of money that individuals and families require to meet their basic needs without government and/or other subsidies and the data shows the following percentage of families who fall below the self-sufficiency standard statewide:

- 25.9% of families with two adults and two children;
- 77.3% of single-adult families with one child; and
- 74.3% of single-adult families with two children.

Increasing the minimum wage would not only assist families in becoming more self-sufficient and resilient, but would also provide the local economy a needed boost as much of the income of these families are spent locally. 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%.

Mahalo for this opportunity to testify,

Brent N. Kakesako
Executive Director

Hawai'i Alliance for Community-Based Economic Development

COMMUNITY ALLIANCE ON PRISONS

P.O. Box 37158, Honolulu, HI 96837-0158

Phone/email: (808) 927-1214 / kat.caphi@gmail.com



COMMITTEE ON JUDICIARY AND LABOR

Sen. Clayton Hee, Chair

Sen. Maile Shimabukuro, Vice Chair

Thursday, January 30, 2014

9:30 a.m.

Room 016

STRONG SUPPORT - SB 2609 MINIMUM WAGE

Aloha Chair Hee, Vice Chair Shimabukuro and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies for more than a decade. This testimony is respectfully offered on behalf of the 5,800 Hawai'i individuals living behind bars, always mindful that approximately 1,500 Hawai'i individuals are serving their sentences abroad, thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Native Hawaiians, far from their ancestral lands.

SB 2609 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.

Community Alliance on Prisons is in strong support of this measure. **A rising tide lifts ALL boats.**

We are glad to see a bill that eliminates the tip credit. Tips are offered by a customer to a WORKER for good service. Tips are not part of the employers' income. They are given in appreciation for the service provided by the worker. Employers have an obligation to pay decent wages to their employees and tips should not be used to decrease the employer's obligation/responsibility to his or her employees.

BREIF HISTORY:

"In 1974, wages fell by 2.1 percent and median household income shrunk by \$1,500. To be sure, it was a year of mild recession, but the nation had experienced five previous downturns during its 25-year run of prosperity without seeing wages come down.

What no one grasped at the time was that this wasn't a one-year anomaly, that 1974 would mark a fundamental breakpoint in American economic history. In the years since, the tide has continued to rise, but **a growing number of boats have been chained to the bottom.**"¹

¹ "The Forty Year Slump", *The American Prospect* by Harold Meyerson. <http://prospect.org/article/40-year-slump>

RESEARCH:

Research into the minimum wage revealed that the last increase took effect almost five years ago, and while that isn't the longest stretch we've had – the minimum was at \$5.15 for ten years starting in 1998, and at \$3.35 for nine years in the 1980s – minimum wage workers increasingly find it impossible to live on what works out to be a yearly salary in Hawai'i of \$15,080. This is \$1,850 above the poverty level. At that income you'll technically be above the poverty level for a single person, but not for anyone with children.

All the factors that had slowly been eroding Americans' economic lives over the preceding three decades – globalization, deunionization, financialization, Wal-Martization, robotization, the whole megillah of nefarious -izations – have now descended en masse on the American people. Since 2000, even as the economy has grown by 18 percent, the median income of households headed by people under 65 has declined by 12.4 percent. Since 2001, employment in low-wage occupations has increased by 8.7 percent while employment in middle-wage occupations has decreased by 7.3 percent. Since 2003, the median wage has not grown at all.²

And despite the widespread belief that minimum wage workers are just teenagers working afterschool jobs, according to the Bureau of Labor Statistics, in 2012 there were 2.7 million Americans age 20 or above earning minimum wage or less (the ones who earn less mostly work for tips and are allowed to be paid a sub-minimum wage). Millions more who earn just above minimum wage would be in line for a raise if the minimum were raised.³

FACTS:

National Employment Law Project⁴

1. During the recession, employment losses occurred throughout the economy, but were concentrated in mid-wage occupations. By contrast, during the recovery, employment gains have been concentrated in lower wage occupations, which grew 2.7 times as fast as mid-wage and higher-wage occupations. Specifically:
 - **Lower-wage occupations were 21% of recession losses, but 58 % of recovery growth.**
 - Mid-wage occupations were 60% of recession losses, but only 22% of recovery growth.
 - Higher-wage occupations were 19% of recession job losses, and 20% of recovery growth.
2. The **lower-wage occupations that grew the most** during the recovery include **retail salespersons, food preparation workers, laborers and freight workers, waiters and waitresses, personal and home care aides, and office clerks and customer representatives.**
3. The unbalanced recession and recovery have meant that the long-term rise in inequality in the U.S. continues. The good jobs deficit is now deeper than it was at the start of the 21st century:
 - Since the first quarter of 2001, **employment has grown by 8.7 percent in lower-wage occupations and by 6.6 percent in higher-wage occupations.**

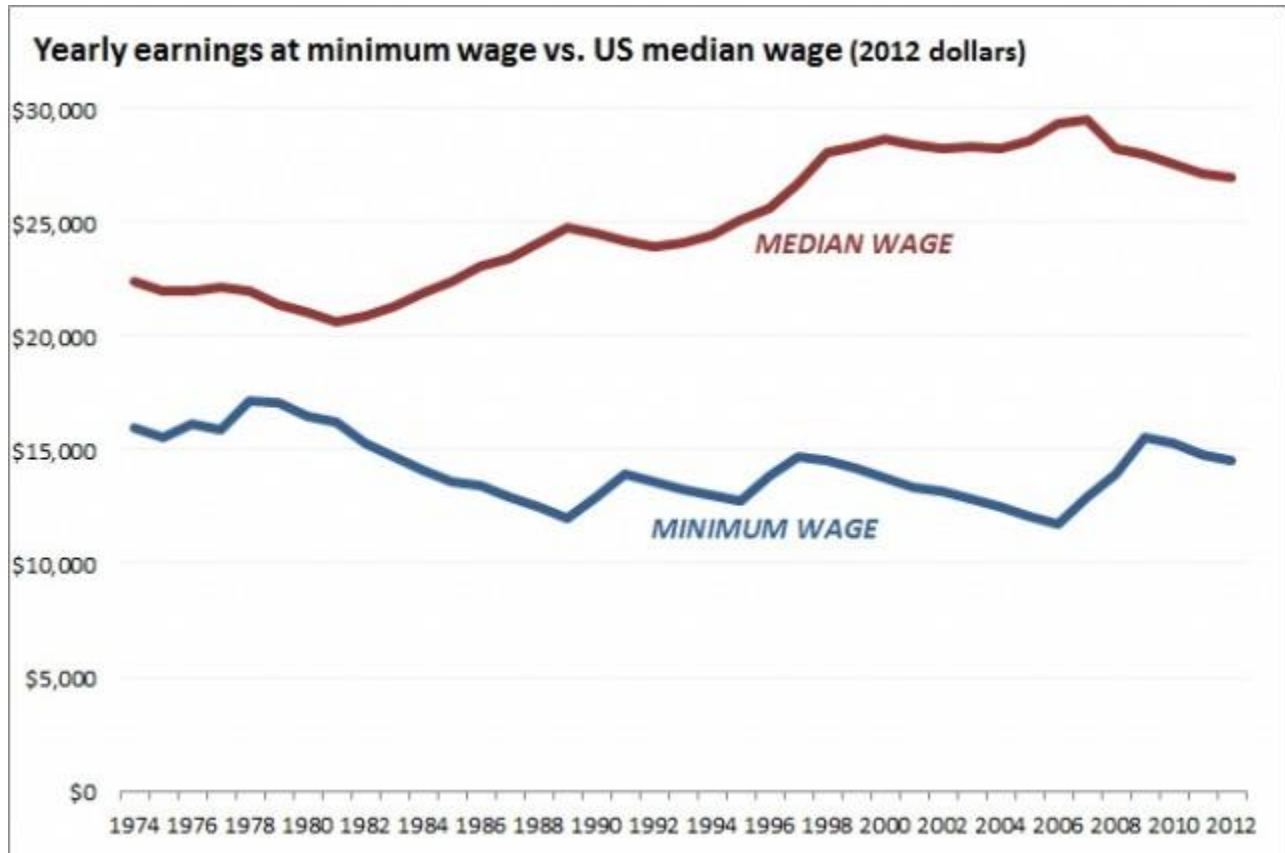
² *The Forty Year Slump*, *The American Prospect*, Harold Meyerson. <http://prospect.org/article/40-year-slump>

³ *The Minimum Wage: A Crash Course*, Paul Waldman, December 12, 2013
<http://prospect.org/article/minimum-wage-crash-course>

⁴ *The Low-Wage Recovery and Growing Inequality*, National Employment Law Project, Data Brief, August 2012.
http://www.nelp.org/page/-/Job_Creation/LowWageRecovery2012.pdf?nocdn=1

- By contrast, employment in **mid-wage occupations has fallen by 7.3.**
4. In 2013, America's three largest private-sector employers are all low-wage retailers: Wal-Mart, Yum! Brands (which owns Taco Bell, Pizza Hut, and Kentucky Fried Chicken) and McDonald's. In 1960, the three largest employers were high-wage unionized manufacturers or utilities: General Motors, AT&T and Ford.

This chart⁵ illustrates what is happening to workers, especially the minimum wage workers,



It is not just teenagers who are minimum wage earners anymore.⁶ The gap is huge and growing and it is swallowing more and more people, more families. It does not have to be this way and we must change or as Dr. Martin Luther King Jr. said, *"We must learn to live together as brothers or perish together as fools."*

We are Hawai'i. We care for and about each other. Please don't keep our families' boats chained to the bottom. Let the rising tide lift all boats.

Mahalo for this opportunity to testify.

⁵ See Footnote 3

⁶ Bureau of Labor Statistics website has Labor Force Statistics, Current Population Survey. Characteristics of Minimum Wage Workers: 2012 <http://www.bls.gov/cps/minwage2012tbls.htm>.



January 30, 2014

Senate Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair

Testimony in strong support of SB2609

Pride At Work Hawai'i, which advocates for full equality and inclusiveness for lesbian, gay, bisexual, transgender, intersex, and queer workers and our families, strongly supports SB2609, which would increase Hawai'i's minimum wage to \$10.10/hour by 2017, repeal the tip credit, and peg future increases to the cost of living.

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

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

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

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

Thank you for the opportunity to testify in support of SB2609.

PRIDE AT WORK HAWAII'I advocates for full equality and inclusiveness - in our workplaces and our unions - for LGBT workers and our families, and builds solidarity between the Labor movement and the LGBT community.

PO Box 22416 Honolulu, HI 96822 (808) 543-6054 prideatworkhi@gmail.com www.prideatworkhawaii.org



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

**The Twenty-Seventh Legislature, State of Hawaii
The Senate
Committee on Judiciary and Labor**

**Testimony by
Hawaii Government Employees Association
January 30, 2014**

S.B. 2609 – RELATING TO MINIMUM WAGE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 2609, which increases the minimum wage rate over three years, beginning with an increase to \$8.20 per hour effective January 1, 2015, \$9.15 per hour effective January 1, 2016, and \$10.10 per hour effective January 1, 2017, while also repealing the tip credit and authorizes the Department of Labor and Industrial Relations to adjust the minimum hourly wage to the nearest 5 cents based on the Honolulu region consumer price index.

The current minimum wage is \$7.25 per hour and has not changed since January 1, 2007, which equates to 8 years of salary stagnation for minimum wage employees. An increase to the minimum wage, in conjunction with repealing the tip credit, will directly benefit those who need it the most – the working class. The gradual increases over three years contained in S.B. 2609 will help spur Hawaii's economic recovery by increasing a minimum wage earner's purchasing power and thus generating much needed consumer spending.

We respectfully request passage of the measure, as written. Thank you for the opportunity to testify in strong support of S.B. 2609.

Respectfully submitted,

for:

**Randy Perreira
Executive Director**

S.B. #2609

My name is Jozette Montalvo and I am the Human Resources Director from Hawaii Petroleum, Inc. We have operations on Maui as well as on the Big Island which include the Minit Stop Convenience Stores which includes fifteen stores and one hundred eighty eight employees.

We oppose Senate Bill #2609

Any minimum wage increase would directly affect our entry level positions. At the present time, we hire many entry level part-time employees seeking hands on training and work experience. Committed, quality employees are able to advance within our organization based on merit and experience. The minimum wage law does not come into play here.

If entry level wages for these types of positions increased because the minimum wage increased, we would opt for reducing the number of employees at this level and only hire more experienced workers. This bill would overall significantly limit opportunities for inexperienced young people just starting their work life. Our employees already have the ability to earn more than the proposed wages based on effort, experience and ability. Again if entry level wages increased, there would be no room in our organization for inexperienced employees.

Overall, this is an added cost to our organization that would be passed onto the customer, or could potentially result in store closings and a reduction in our employee base. The increase in wages would restrict our ability to grow. All employer taxes would increase as well, creating *additional* burdens on employers already struggling to remain in business.

I kindly ask that you oppose Senate Bill #2609.

**Testimony to the Senate Committee on Judiciary and Labor
Thursday, January 30, 2014 at 9:30 A.M.
Conference Room 016, State Capitol**

RE: SENATE BILL NO. 2609 RELATING TO MINIMUM WAGE

Chair Hee, Vice Chair Shimabukuro, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** S.B. 2609 Relating to Minimum Wage.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber opposes the bill which raises the minimum wage from the present \$7.25/hour to:

- \$8.20 per hour on January 1, 2015
- \$9.15 per hour on January 1, 2016
- \$10.10 per hour on January 1, 2017
- Then beginning in every year thereafter tied to the CPI-W index

This bill will **increase the minimum wage by \$2.85 per hour in two years**. This is a huge increase for business at a time when the economic recovery for many industries and businesses is still fragile.

While only a small percentage of workers make minimum wage, this will greatly impact many businesses as they will be forced to raise the rates of many of their employees. As an example, if John started with the company 2 years ago and earns \$8.50 per hour and Lisa just started and is under the new law at \$8.20 per hour, the employer will have to raise John's hourly to compensate for those at the lower part of the pay scale being increased. This could increase businesses labor cost by up to 15% in the first year alone.

Also, workers' compensation, Social Security tax, Medicare tax, temporary disability insurance and unemployment insurance tax are all based on wage. This bill will not only increase businesses' direct labor costs but will also **increase their mandated benefits costs and taxes**.

We also oppose the automatic increase in the minimum wage tied to the consumer price index. We believe that this does not take into account the economic conditions of business and the

employment situation. Within 5 years of the enactment of the escalator the **minimum wage could be over \$10.60 per hour**. This rate is unsustainable.

We would also like to point out that the minimum wage is a floor wage. For many employees, it is their first job and generally, entry-level positions. Employers must invest time and money to train these individuals. Also in the food and beverage industry, there are many at this wage who earn tips which allow them to earn anywhere from \$18-30 per hour.

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

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

With this large increase in the minimum wage many businesses may have to cut back hours or possibly lay off employees.

Thank you for this opportunity to express our views.



PARTNERS IN CARE Oahu's Coalition of Homeless Providers

TESTIMONY IN SUPPORT OF SB 2609: RELATING TO MINIMUM WAGE

TO: Senator Clayton Hee, Chair; Senator Maile Shimabukuro, Vice Chair; and members of the Senate Committee on Judiciary and Labor

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

Hearing: **Thursday, January 30, 2014, 9:30 AM, Room 016**

Dear Chair Hee, Vice Chair Shimabukuro, and committee members:

Thank you for the opportunity to provide testimony **in strong support** of SB 2609, to incrementally raise the minimum wage to \$10.10 in 2017, repeal the tip credit, and automatically adjust future wage increases for the Consumer Price Index. I am Peter K. Mattoon, and I am an Advocacy Committee Co-Chair for Partners In Care (PIC), a coalition of care providers focusing on the needs of homeless persons and strategies to end homelessness.

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

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

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

Adequate wages for all of our families are critical to ending and addressing homelessness. This bill will help families escape poverty and also ensure that the buying power of their wages keeps up inflation. Again, thank you for the opportunity to testify in **strong support** of SB 2609.

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

**Board of Directors**

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 2609 Relating to Minimum Wage
Senate Committee on Judiciary and Labor
Scheduled for Hearing Thursday, January 30, 2014 9:30 PM, Room 016

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

Thank you for the opportunity to testify **in strong support** of Senate Bill 2609, which would raise the minimum wage to \$10.10 in 2017, repeal the tip credit, and automatically adjust the minimum wage for increases in the Consumer Price Index.

Hawai'i's workers are long overdue for a raise. We should share our state's prosperity with our critical workers. Our minimum wage workers work hard at jobs that are tough—and essential—to our economy but haven't seen a raise in eight years. During this time, the average weekly income of all workers has grown 16 percent. Raising the federal minimum wage to \$10.10 by 2016 would return the federal minimum wage to roughly the same inflation-adjusted value it had in the late 1960s. But at the same time, there is no reason to predict a decrease in jobs based on the four increases in the minimum wage since 2002.

We have the highest cost of living in the nation. Combined with relatively low wages, our families struggle to survive. We have the ninth highest rate of poverty in the nation and the highest rate of homelessness. This is a matter of fairness for the workers who we can't do without. It's impossible to survive working full-time on minimum wage (see chart on page 2), and public expenditures must subsidize these low wages because families can only make ends meet through benefits. From at least 1988 through 2007, Hawai'i set its minimum wage above the federal rate, reflecting the higher cost of living and our state's commitment to fair compensation for workers. We must do better.

We also favorably note that this bill contains two other important provisions: the repeal of the tip credit and automatically indexing the minimum wage to the Consumer Price Index. The tip credit allows workers to keep all of the gratuities that they have earned for their service. Using the Consumer Price Index for future increases will spare the legislature from having to regularly revisit the minimum wage issue—and from workers going years without a raise. Again, thank you for the opportunity to testify in **strong support** of SB 2609.

Monthly Budget

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

Monthly Net Income

Income.....\$1160

(40 hours a week, minimum wage)

Monthly Expenses

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

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

Health Insurance.....\$17

Cable/Phone.....\$38

Electric.....\$70

Food.....\$288

Other.....\$0

Monthly Expenses Total.....\$1632

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

(Monthly Net Income minus Monthly Expenses Total)

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

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

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

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

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

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

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

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

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

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

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

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

From: mailinglist@capitol.hawaii.gov
To: [JDL Testimony](#)
Cc: mauibrad@hotmail.com
Subject: *Submitted testimony for SB2609 on Jan 30, 2014 09:30AM*
Date: Thursday, January 23, 2014 7:20:56 PM

SB2609

Submitted on: 1/23/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Brad Parsons	Aloha Analytics	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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January 27, 2014

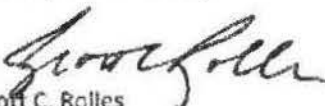
Dear Senator Clayton Hee,

I have submitted testimony to your office in the past regarding the minimum wage legislation. When I heard the Governor's speech Tuesday morning, I was inspired to once again try to explain my point of view on the subject of raising the minimum wage. Governor Abercrombie mentioned having worked as a tipped employee at Chuck's Steak House many years ago. Chuck Rolles is my father and I have worked at the various Chuck's Steak House restaurants since I was 13 years old. He and I own and operate the 3 Hawaii Chuck's restaurants together. So you see when the Governor shared his waiter past it caught my interest.

I have supported a minimum wage raise and still do. However, I have repeatedly tried to explain how important a corresponding allowable tip credit raise is as well. I really do not understand why anyone would oppose a dollar for dollar tip credit increase. Our servers make more than \$25/hour in tip income! We have no tipped employees making less than double the minimum wage (some more than 4 times it!) When tip income is accounted for I do not understand who would be protected by not raising the allowable tip credit! I can tell you with certainty that if the minimum wage were to rise without a corresponding rise in the tip credit, wage resources will be directed away from the employees who actually make the least when tips are counted as part of total income. Non-tipped employees like kitchen staff and maintenance workers would be the big losers. Also, no matter what others may tell you, I can assure you that owner/operators will cut down employee on-the-clock time to the absolute minimum and margins will be squeezed and prices will be raised. All these things will make it harder just to survive in business and keep people employed.

I cannot help but hope that you and your fellow decision makers just do not understand how important the tip credit is to employers of tipped employees. (And how relatively unimportant a dollar or two of base wage is to someone taking home more than \$25/hour in tips.) So I hope I can help you understand. I wholeheartedly make myself available for further discussion of the matter.

Thank you and Aloha,


Scott C. Rolles
President

R & R Restaurants, Inc.

Office: 4747 Kilauea Avenue, #211, Honolulu, Hawaii 96816 Telephone: (808) 733-7500 Fax: (808) 733-7503



To: Senator Hee
Senator Shimabukuro
Committee on Judiciary and Labor

From: Melanie Bailey
T S Restaurants Hawaii
Human Resources Manager

Hearing: January 30, 2014

RE: SB2609 Relating to Minimum Wage – INCREASE THE TIP CREDIT

We are in support of the intention to increase wages for low wage earners but correspondingly increase the tip credit. If you eliminate the tip credit you will have the opposite effect and create LESS EQUITY IN WAGES in the restaurant industry.

SUGGESTED LANGUAGE-BASED ON FEDERAL LANGUAGE

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

T S Restaurants is a family owned company with eight locations in Hawaii employing 1400 Hawaii residents. Our minimum wage Front of the House employees are not low wage earners. With tips they average \$23 an hour. Many of our employees work part time with school and family obligations but based on forty hour weeks that would be an annual income of \$47,000.

In addition, their income has slowly risen and will keep rising through the years as menu prices increase. Higher check average = more tips. We have the data to support this.

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

SUGGESTED LANGUAGE-CURRENT HAWAII LAW

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

A minimum wage increase will immediately effect the restaurant industry.

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

A minimum wage increase will immediately raise the menu prices in all Hawaii restaurants. We are willing to accept that but feel we must step forward and ask that the increase in pay go to our Kitchen employees whose wages are not augmented with tips. Currently, in our restaurants they are averaging \$13.76 an hour. Other restaurants we have surveyed pay their kitchen staff starting wages of \$9-10 an hour.

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

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

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

Thank you for your time.

Mahalo!

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

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

TO: Senate Committee on Judiciary and Labor

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

RE: SB2609 Relating to Minimum Wage (Increase the Tip Credit)

Aloha,

I am writing this letter in support of the January 30, 2014 hearing to increase the minimum for low wage earners. An amendment to the bill has to be attached so the intentions of the bill will not be diluted. I am in favor of the bill but with an increased tip credit attached.

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

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

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

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

PLEASE ADD AN AMENDMENT TO THE BILL

Thank You,

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

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: tomjones@reihawaii.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 11:45:48 AM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Jones	Individual	Oppose	Yes

Comments: COMMITTEE ON JUDICIARY AND LABOR Senator Clayton Hee, Chair Senator Maile S.L. Shimabukuro, Vice Chair Committee Members: I am in opposition to SB2609 as it repeals the Tip Credit. Repealing the Tip Credit is actually counter productive to increasing the wages of the lowest paid workers in Hawaii's largest private sector employer, the hospitality industry. Tipped employees earning 2 to 5 times the minimum wage in tips do not need minimum wage protection. They are already earn well above what many consider a "living wage". Mandating restaurateurs to increase the wage they pay their tipped employees significantly reduces their ability to increase the wages of their other un-tipped workers being paid above the the minimum wage, but not nearly as much as the tipped employees. This creates a huge wage disparity between the service staff and the production staff. The lack of a meaningful tip credit puts undue pressure on restaurateurs to keep kitchen wages low. Please enact meaningful tip credit and help us pay our kitchen workers more. We want to. I suggest changing the tip credit frmo 25 cents to 25% of hour tip income claimed by the employee, but the employer not paying less than \$5 per hour. Under this formula, an employee claiming \$20 per hour in tips would be subject to a \$5 tip credit. However, since the employee cannot pay the employee less than \$5 per our, the employee would be making \$25 in total wages and tips. I would hope that the committee members and others would recognize the restaurant industry for providing so many above "living wage" employment opportunities that do not require a college education and can be filled by single moms and others as part time second jobs. So many of our kitchen workers earning above the minimum wage could benefit from wage increases too if restaurateurs were able to get credit for the highly compensated tipped positions they create. Note: Federal labor laws prohibit employer mandated tip pools that include kitchen staff. It may seem counter intuitive, but increasing the Tip Credit will help increase the wages of the lowest paid restaurant workers. Please believe me. Repealing the Tip Credit will have the unintended consequences of continued pressure to keep kitchen worker wages down. Sincerely, Thomas Jones President & CO-Owner Gyotaku Japanese Restaurants

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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Hearing Date: January 30, 2014, 9:30am

To The Members of the Senate Judiciary and Labor Committee,

I'm writing to you, in my capacity as the General Manager/ Partner of Keoki's Paradise (a restaurant located on the island of Kaua'i) in regards to Hawaii Bill Proposal SB2609 RELATING TO MINIMUM WAGE. My management team and I are **in support of the intent** to increase wages for low wage earners, but, we would like to request the following amendment for your consideration: **a minimum wage increase that also increases the tip credit accordingly**. We ask this because we feel that a corresponding increase in the tip credit will enable restaurants (such as ours) to raise the rate of pay for non-tipped employees.

We have approximately 110 non-supervisory employees at Keoki's Paradise. Of these 110 employees, 70 of them (64%) work in the front of the house making the \$7.25 minimum wage less tip credit of \$0.25 an hour, plus tips. The average hourly wage for our front of the house employees in 2013 (with tips) was \$22.45.

On the other hand, our kitchen and maintenance staff make up the remaining 40 employees and averaged \$12.82 an hour in 2013. Without a corresponding tip credit to the proposed minimum wage increase it will be very difficult to continue to raise the wages for these employees whom would benefit most.

Thank you for your consideration.

Respectfully,

Derek Kessler
General Manager / Partner
Keoki's Paradise
2360 Kiahuna Plantation Drive
Koloa, HI 96746
808-742-7534
derek@keokis.com



To: Senate Committee on Judiciary and Labor

From: Dianne Vicheinrut
General Manager

Hearing: January 30, 2014 9:30am

RE: SB2609 RELATING TO MINIMUM WAGE (TIP CREDIT)

We are in support of the intent to increase wages but request the following amendments.

- 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



To: Senate Committee on Judiciary and Labor
Senator Hee, Chair
Senator Shimabukuro, Vice Chair

From: Jaime Arreola
Regional Manager Kauai

Hearing Date: January 30, 2014

RE: SB2609 RELATING TO MINIMUM WAGE (**KEEP TIP CREDIT**)

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

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

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

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

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

Creating Equity:

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

Mahalo for your support.

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



To: Senate Committee on Judiciary and Labor
From: Shaughn Helliar
General Manager
Hearing: January 30, 2014 9:30am
RE: SB2609 RELATING TO MINIMUM WAGE (TIP CREDIT)

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

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

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

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

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

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

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

Creating Equity:

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

Thank you for your efforts.

Dukes beach House Maui Management.



To: Senate Judiciary and Labor Committee

From: Chris Almeroth
General Manager

RE: SB2609 MINIMUM WAGE – TIP CREDIT
January 30, 2014

Kimo's Restaurant supports the proposed minimum wage increase. The concern for us, as an employer of both tipped and non-tipped employees, lies in the need for Hawaii to adjust the tip credit to correspond with the growing minimum wage and ultimately provide fair pay for all those employed at Kimo's Restaurant.

We currently employ 125 employees. Of that number, more than half are minimum waged employees that represent the "front of the house". They comprise our food servers, cocktail servers, bartenders and bussers. These positions are the most sought after, as well as, the positions that we have the least amount of turnover. In 2013 Kimo's tipped employees earning minimum wage less .25 tip credit averaged \$24.98 per hour (\$1.77 an hour more than 2012). Front of house employees income goes up as menu prices go up.

On the other hand, we have the portion of the staff who are non-tipped or the "back of the house"; the cooks, food preps and dishwashers. On average in 2013, these "back of the house" employees made \$13.86 per hour. In our community, we strive to stay competitive with our hourly wage for our staff that provides the support from behind the scenes. We feel all our employees are vital to operating a successful restaurant. However, with the minimum wage increase and the possibility of not increasing the tip credit, it will be these "back of the house" employees who will suffer.

It will be difficult to provide pay increases or highly competitive starting wages to our non-tipped employees without somehow balancing out the two very different but equally important groups that contribute to the staff at Kimo's Restaurant. We believe that an increase to Hawaii's tip credit is the answer...it will enable us as an employer to continue to provide fair wages to all.

Without a change to Hawaii's tip credit...we will create inequality in pay.



LEILANI'S

On the Beach

To: Senator Hee
Senator Shimabukuro
Committee of Judiciary and Labor

From: Jason Donez
General Manager

Hearing Date: January 30, 2014 9:30am

RE: SB2609 RELATING TO MINIMUM WAGE

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

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

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

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

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

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

Thank you for your efforts.



To: Senator Hee, Chair
Senator Shimabukuro, Vice Chair

From: Dylan Ching
General Manager

Hearing Date: January 30, 2014

RE: SB2609 RELATING TO MINIMUM WAGE (**KEEP THE TIP CREDIT**)

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

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

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

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

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

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

Thank you for your support.

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



3375 Koapaka Street, D-108
Honolulu, HI 96819

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

Thursday, January 30, 2014

Committee on Judiciary and Labor

Re: SB 2609, Relating to Minimum Wage

Dear Chair Hee, Vice Chair Shimabukuro, Vice Chair, and members of the Committee,

We appreciate the opportunity to testify on SB 2609, and respectfully submit the following written testimony in opposition to the bill. Times Supermarket is based on Oahu and operates 26 stores with locations in Maui, Kauai and Oahu. SB 2609 increases the hourly minimum wage to \$8.20 per hour beginning on 01/01/15, \$9.15 per hour beginning 01/01/16, and \$10.10 per hour beginning on 01/01/17. The bill 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.

SB 2609 has the potential to seriously harm businesses and consumers alike. Thus, we ask that you hold this bill for further discussion.

Thank you for the opportunity to testify.

Respectfully,

Bob Gutierrez
Director of Government Affairs, Times Supermarket

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: mikepalcic@gmail.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Wednesday, January 29, 2014 9:22:58 AM

SB2609

Submitted on: 1/29/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Michael G. Palcic	Smart Business Hawaii	Oppose	Yes

Comments: The minimum wage is just that: a minimum. It a mechanism for youth to gain employment and experience, for seniors to supplement retirement income, for the destitute to gain a toehold in the economy, for individuals to learn the discipline of employment: reliability, job performance, cooperation, achievement. It is a beginning for many people, not a destination. Raising the rates deprives individuals of these opportunities. In many instances government is insulated from the effects of increased costs. This is because government can create revenue streams by force of law. This skews the views of many government officials. Businesses have no such illusion. As costs rise they are forced to raise prices. But, unlike with government, people are not forced to buy their goods and services. Businesses can be priced out of the market by high costs. Businesses disappear along with the employment they provide. Government does not seem to suffer such a fate. Despite the good intentions of many government programs they end up swamped by their unintended consequences. Basic economics demonstrates the effect of raising the cost of almost any item or service. Before interfering in labor markets and forcing increases in wage levels, government should be mindful of the following: Reduction in current employment Inhibition of new job creation Higher prices for goods and services Harm done to seniors Higher wages shifts jobs overseas Joblessness creates homelessness Low-wage facilitates entry into the labor market Low-wage is the road back up for people down and out Higher wages means higher taxes on business Low wage employees move up the ladder The minimum wage should be kept low enough to allow for job creation to allow people to gain all the other benefits of employment, to build a record of reliability, of work and worth in the marketplace. For whatever gains made by those who benefit from an increased minimum, consideration of the the risks and potential harm done to others by its unintended consequences should outweigh a raise in the rates

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: OccupyHiloMedia@yahoo.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Thursday, January 23, 2014 7:55:02 PM

SB2609

Submitted on: 1/23/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Kerri Marks	Individual	Support	No

Comments: Strongly support raising the minimum wage

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From: [Lili Townsend](#)
To: [JDLTestimony](#)
Subject: Sb2609
Date: Thursday, January 23, 2014 8:29:30 PM

It is time!! time for us to factor in the higher cost of living
On our Beloved islands.. It seems fair and preferable to
Increase wages.. More for workers to spend it the economy too!
LiLi Townsend
Kihei Hi

From: [leslie bennett](#)
To: [JDLTestimony](#)
Subject: "Testimony in Support of SB2609"
Date: Thursday, January 23, 2014 9:30:23 PM

I have lived here on the Big Island of Hawaii since 1963 and have seen the Island grow and change though out the years. I had my first job at the age 14 cleaning condos at Hale Kona Kai apartments making minimum wage at that time. To be honest I can't even remember what the minimum wage was back then, but I do remember getting a pay check every two weeks and at that age that was pretty cool.

From the age of 16 until I was 22 I worked two jobs because the cost of living was so high. You needed one job just to pay for rent and a second job to pay for the rest of your bills like medical, a car payment, utilities, cable, gas, groceries, clothing, and more. If you didn't have two jobs then you were still living at home, married or you had roommates so that you could split the bills between everyone.

Hawaii is a beautiful paradise, but I've seen a lot of people move back to the states because they couldn't make it here financially. Many of them even having degrees, but couldn't find work in their field.

In my opinion raising the minimum wage yearly here in Hawaii would give people, the local people a chance to prevail here and maybe even enjoy the Island where you live.

Many kids graduate and move away to go to college, unfortunately most of them don't return because there is nothing here for them in their field which is a whole another issue.

It would be traffic to have Bill SB2609 passed so that people here don't have to work so hard and can enjoy the Hawaiian life here more.

Thank you for your time, Leslie Bennett

From: [Starla Orion](#)
To: [JDLTestimony](#)
Subject: Testimony in Support of SB2609
Date: Friday, January 24, 2014 1:33:01 AM

I have seen many people who make minimum wage who work 3-4 jobs and sometimes don't have a day off, just to barely make it by in Hawaii. More money going around is good for the economy, because it stops all of these people from going into debt. We really actually need min wage to be like \$14 an hour, but this is a slow step forward.

Too often people in Hawaii choose between paying the electric bill, eating, and paying rent. People are so afraid of getting scammed that renting has become difficult.

Working for anything under \$12 an hour in Hawaii is asking to barely make it every month, better yet \$10 an hour.

Help the state as a whole by doing this. We can lower crime, help build communities, and make this state a better place!

Tabatha Pinkston
Honolulu, HI

:-D

From: [Collette Wilhelm](#)
To: [JDLTestimony](#)
Subject: Minimum Wage Hike
Date: Friday, January 24, 2014 6:34:39 AM

It has been a long time coming. I am 51 already and I wonder if it will pass this time. The groceries go up, the gasoline goes up, the rent goes up. What is going to happen to our children? Some of them work 2 jobs and go to school at the same time, and their under 20 years of age! That's why everyone moves to the mainland!

From: [Teresa Berthiaume](#)
To: [JDLTestimony](#)
Subject: Support Raising Minimum wage in Hawaii
Date: Friday, January 24, 2014 8:52:30 AM

I support raising the minimum wage in Hawaii. I support SB2609
Teresa Vigneri-Berthiaume
P.O. Box 1115
Haleiwa, HI 96712

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: onewahine@hawaii.rr.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Friday, January 24, 2014 11:06:38 AM

SB2609

Submitted on: 1/24/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Denise Towle	Individual	Support	No

Comments: Hawaii is one of the most expensive states to live in, and the current minimum wage is impossible for anyone to live on! Help us invest in people-driven economics by asking lawmakers to pass SB2609, a bill seeking to raise the minimum wage to \$10.10 by 2017 and repealing the tip credit. This measure would give our state's workers the financial security they've earned.

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From: mailinglist@capitol.hawaii.gov
To: [JDL Testimony](#)
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB2609 on Jan 30, 2014 09:30AM*
Date: Friday, January 24, 2014 11:38:54 AM

SB2609

Submitted on: 1/24/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments:

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From: [Lana Frutoz](#)
To: [JDLTestimony](#)
Subject: Testimony in support of SB2609"
Date: Friday, January 24, 2014 12:58:57 PM

I am supporting raising the minimum wage in Hawaii. The feeling I gather as a local myself is that the uneducated and people with less opportunity for that education to have a successful career and wealth is that they're are becoming quickly homeless with their children no less.

I believe people could create better lives and futures for themselves and their families it would also make going to college seem more accessible with jobs that allow for saving money and paying off loans seems more like a possibility than be overwhelming.

Thank you

From: [Kanani Alapa](#)
To: [JDLTestimony](#)
Subject: Testimony in support of SB2609
Date: Friday, January 24, 2014 1:46:22 PM

I strongly support this bill !

Sent from my iPhone

From: [Bob Stout](#)
To: [JDLTestimony](#)
Subject: testimony_JDL_sb2609_opposition
Date: Friday, January 24, 2014 2:00:32 PM

Dear Senate Committee Testimony,

TO:
SENATE COMMITTEE ON JUDICIARY AND LABOR
Senator Clayton Hee, Chair
Senator Maile Shimabukuro, Vice Chair

Date: January 30, 2014
Time: 9:30am
Place: Conference Room 16

Re: SB2609
Position: Strong Opposition

Chair Hee, Vice Chair Shimabukuro, and Members of the Committee;

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

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

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

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

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

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

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

Sincerely,

Bob Stout

986 Kailiu Pl
Honolulu, HI 96825

From: [Steve Ueda](#)
To: [JDLTestimony](#)
Subject: testimony_JDL_sb2609_opposition
Date: Friday, January 24, 2014 2:43:35 PM

Dear Senate Committee Testimony,

TO:
SENATE COMMITTEE ON JUDICIARY AND LABOR
Senator Clayton Hee, Chair
Senator Maile Shimabukuro, Vice Chair

Date: January 30, 2014
Time: 9:30am
Place: Conference Room 16

Re: SB2609
Position: Strong Opposition

Chair Hee, Vice Chair Shimabukuro, and Members of the Committee;

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

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

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

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

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

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

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

Sincerely,

Steve Ueda

268 Noelani Loop
Hilo, HI 96720

From: [Marlene Shiroma](#)
To: [JDLTestimony](#)
Subject: SB2609
Date: Friday, January 24, 2014 7:58:39 PM

Honorable Judicial Chair and Committee:

I am in support of SB2609. Please recognize the hard working people in this State who are struggling to survive in these tough economic times. The minimum wage is currently too low in comparison to the cost of living in Hawaii. My son who lived on his own works at a restaurant in Waikiki. I see his paycheck of 350.00 for two weeks for all the hard work he does and when it's slow he is sent home early, not to mention no tips in those lost hours either. All his pay goes to rent and utilities not much left for food or transportation.

Sometimes he does not have enough for rent. Something has to change. There are many other examples of hard working people who have families and chose to work and who try not live off the government; they deserve to be properly compensated in higher wages. There are also people who have no one else to turn to for financial help and these hard working people can't pay the rent and become homeless. Please pass SB2609.

Thank you.

Marlene Shiroma

--

Marlene Shiroma

From: [Ruth Pahinui](#)
To: [JDLTestimony](#)
Subject: Minimum wage
Date: Saturday, January 25, 2014 9:20:35 AM

To whom it may concern, you folks have to raise the minimum wage.....have you all forgotten that we live in the middle of the sea & we pay dearly to live in paradise. A lot of people are living paycheck to paycheck & then again, are living home with their parents because they can't handle the rent. If you folks don't want to see anymore homeless people, please raise the minimum wage. Thank you, Ruth Pahinui

[Sent from Yahoo Mail for iPad](#)

From: [Terry Travis](#)
To: [JDLTestimony](#)
Subject: Testimony in Support of SB2609
Date: Saturday, January 25, 2014 11:05:55 AM

My wife and I strongly support raising the minimum wage. We are both senior citizens, retired, and living on social security and pension. But when we were young enough to work, we remember that the fast food workers were mostly young kids trying to get extra money. There were plenty of good full time jobs so persons supporting a family could find real jobs paying enough to support a family. Now, with the economy poor, people who need to support a family cannot find a decent paying job, so many of them have turned to working minimum wage jobs, which do not pay enough to support a single person, let alone a family. National surveys have shown that the “typical” fast food worker is 27 years old and has at least 2 dependents. Meanwhile, Wal-Mart, McDonald’s and many other corporations who employ primarily minimum wage employees are enjoying historic profits with very highly paid executives. This is not right. These corporations claim that raising the minimum wage would “force” them to raise prices – we doubt this. But even if true, a small raise in prices would easily support the increase.

Another important reason for raising the minimum wage – Republicans are refusing to extend the unemployment benefits because (they say) that those unemployed are not seriously looking for a job and they would rather collect “free” money instead. In reality, the jobs available are “minimum wage”, which is not enough to support a family, so this is why someone would not give up unemployment benefits for starvation wages. If the minimum wage were raised, then more people on unemployment would be motivated to go get one of those jobs.

And finally, the economy would be improved. Every \$ that a minimum wage worker makes, even at the proposed higher level, immediately goes back into the economy. By contrast, the excessive profits and CEO payments of corporations go into “buying” more votes so that they can elect politicians who will give them bigger tax breaks and more ways to exploit workers.

Thank you for your consideration of SB 2609.

Barbara & Terence Travis
91-999 La’aulu St. #F
Ewa Beach, HI 96706

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: jlouis@hawaii.edu
Subject: *Submitted testimony for SB2609 on Jan 30, 2014 09:30AM*
Date: Saturday, January 25, 2014 1:33:16 PM

SB2609

Submitted on: 1/25/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments:

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From: [Larry Caldwell](#)
To: [JDLTestimony](#)
Subject: Testimony in support of SB 2609
Date: Sunday, January 26, 2014 5:52:10 PM

Aloha
It's time to do the right thing

Sent from my iPad

From: [Cheri Vasek](#)
To: [JDLTestimony](#)
Subject: Testimony in Support of SB2609
Date: Sunday, January 26, 2014 6:21:34 PM

Please support increasing the minimum wage in Hawaii.
Our state is a very expensive place to live, and good jobs are hard to come by. We have many talented, hard-working and warm-hearted people here. They deserve to live meaningful and productive lives. A higher minimum wage would reduce the stress on families.

Thank you

Cheri Vasek

Sent from my iPad

From: [Gaeton Cavarocchi](#)
To: [JDLTestimony](#)
Subject: testimony_JDL_sb2609_opposition
Date: Monday, January 27, 2014 8:40:23 AM

Dear Senate Committee Testimony,

TO:
SENATE COMMITTEE ON JUDICIARY AND LABOR
Senator Clayton Hee, Chair
Senator Maile Shimabukuro, Vice Chair

Date: January 30, 2014
Time: 9:30am
Place: Conference Room 16

Re: SB2609
Position: Strong Opposition

Chair Hee, Vice Chair Shimabukuro, and Members of the Committee;

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

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

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

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

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

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

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

Sincerely,

Gaeton Cavarocchi

3375 KOAPAKA ST STE D108
HONOLULU, HI 96819

From: [Michele A. Halligan](#)
To: [JDLTestimony](#)
Subject: Testimony in support of SB2609
Date: Monday, January 27, 2014 12:54:54 PM

I urge support of SB2609 in the interest of increased peace and security for hard-working people.

Please consider the words of the Iroquois:

Look and listen for the welfare of the whole people and have always in view not only the present but also the coming generations, even those whose faces are yet beneath the surface of the ground – the unborn of the future Nation.

Mahalo,

Michele Halligan

Haiku, Hawaii

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: bkulbis@reagan.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Monday, January 27, 2014 2:09:01 PM
Attachments: [Minimum Wage History.pdf](#)

SB2609

Submitted on: 1/27/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments: I oppose raising the minimum wage. Supporters of the minimum wage intend it to lift low-income families out of poverty. Unfortunately, despite these good intentions, this has proven ineffective. Minimum wage positions are learning wage positions, they assist workers in gaining skills necessary to become more productive on the job. Economic research has shown that raising the minimum wage does not reduce poverty. Please review the attached research from the Heritage Foundation.

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From: [Miss Alicia](#)
To: [JDLTestimony](#)
Subject: Testimony in Support of SB2609
Date: Monday, January 27, 2014 2:48:35 PM

January 27, 2014

Alicia Yang

1940 Kuapapa Place

Honolulu, HI 96819

Attn: Committee on Judiciary and Labor

Hawaii State Capitol

Re: Testimony in support of Senate Bill 2609

Aloha Chairman and Senator Clayton Hee and Members of the Judiciary and Labor Committee:

I am writing to express my strong support for Senate Bill 2609 to raise Hawaii's minimum wage to \$10.10 by 2017, protect wages for tipped workers by repealing the current tip credit, and allow the minimum wage to be increased each year to keep up with inflation.

Hawaii's low-paid workers, make up approximately one-fourth of the employed labor force in the state (Thiess, Rebecca. "The Future of Work, Trends and Challenges for Low-Wage Workers," Economic Policy Institute, April 27, 2012). Given that Hawaii's economy is largely service-oriented, many of Hawaii's lowest-paid workers make up an important part of the backbone of our economy, however fragile it may be. These workers contribute to our local economy by putting their income right back into rent, energy bills, and groceries. Suffering a health crisis or loss of job would put a significant portion of these workers at risk for homelessness.

Since the late 1970's, income inequality has grown in Hawaii, with the richest 5% of households making more than 10.9 times more than the poorest 20% of households in average income (<http://www.cbpp.org/files/pullingapart2012/Hawaii.pdf>).

According to economists, income inequality takes a toll on the economy, translating into less stable economic expansions and unstable growth, and ultimately a weaker economy (Annie Lowrey, "Income Inequality May Take Toll on Growth," New York Times, October 17, 2012).

Increasing the minimum wage will boost the purchasing-power of Hawaii's families into the local economy, promoting economic growth and helping to stabilize our economy. Businesses will ultimately benefit, as fair wages contribute to reduced turnover and higher worker productivity.

As a graduate student in Oriental Medicine and Acupuncture, I have worked in retail and the non-profit industry to support myself and get through school. I know just how difficult it is to survive and make ends meet as a low-paid worker. At two different times, I was forced to seriously consider moving out-of-state in order to find a lower cost of living. Luckily, I received some temporary help from friends and family who offered a few months of financial support while I worked to transition into my new career in holistic and alternative health care. I know that the increasing of the minimum wage would greatly benefit people like me, who are hoping to keep Hawaii as home, contribute our skills and talents to building the local economy, and help strengthen the community.

Thank you for your time and for your support for increasing Hawaii's minimum wage.

Sincerely,

Alicia Yang

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: daniel4aloha@gmail.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Monday, January 27, 2014 2:52:50 PM

SB2609

Submitted on: 1/27/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments: Hawaii residents deserve fair, livable wages.

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From: [Joe O'Brien](#)
To: [JDLTestimony](#)
Subject: Please Raise The Minimum Wage !
Date: Monday, January 27, 2014 9:09:48 PM

January 28, 2014

Dear Sir or Madam:

- 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.
- The Hawaii minimum wage earners are going into their eighth year without a raise while average weekly earnings have increased by 16%.
- 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 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.
- Increasing the minimum wage is especially important for women, LGBT workers, and immigrants, who are more likely to be low wage earners.
- 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.
- If the minimum wage was increased to \$10.10 per hour, thereby boosting annual earnings, it would be enough to pull a family of three out of poverty.
- Research of early childhood development has found that income

insecurity negatively affects three key aspects of brain development – positive relationships, learning resources, and high stress.

- 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.
- The minimum wage has been increased four times since 2002, and the number of jobs increased by an average of 2.2% over the next twelve months after the minimum wage increase.
- The average tipped worker earns just \$9.87 per hour, and tipped workers are more likely to live under the federal poverty guidelines.
- As a result, seven states allow no tip credit at all. Neither should Hawaii.

Please do the right thing.

Hawaii has a significantly higher cost of living and that should be reflected with a higher minimum wage.

Opponents have always claimed in the past that it will hurt businesses. Yet it never has. Businesses simply absorb some of the cost and pass some of it on to customers.

Joseph O'Brien
114 N. Kuakini St. # 1604
Honolulu Hawaii 96817

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: keolabear@hotmail.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Monday, January 27, 2014 3:29:05 PM

SB2609

Submitted on: 1/27/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments: Aloha Senators. My testimony is in support of SB2609 to increase the minimum wage to a more livable level. In fact I believe the minimum wage ought to be increased to \$10+ sooner than in 3 years. When traveling to Sydney, Australia last year found the minimum wage to be \$17 per hour. While Sydney is an expensive city to live in, Honolulu and Hawai`i are also expensive. Housing, food, gas, etc. are almost unaffordable to support a 2 adult working family, especially if there are children. It is time to bring some equity to the minimum wage, to allow all families to thrive in Hawai`i Nei, not just the upper middle income and wealthy. Mahalo, Keola Akana

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: patriciablair@msn.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 9:39:06 AM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Blair	Individual	Support	No

Comments: This is the right action. Please pass! Mahalo!

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: palmtree7@earthlink.net
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 9:51:42 AM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
janice palma-glenie	Individual	Support	No

Comments: Aloha and mahalo for supporting this bill. unfortunately, the minimum wage needs to be raised to \$10.10 much sooner than 2016, but this is a step in the right direction for those who work so hard yet earn so little that they can never make ends meet -- even if they work 2 jobs to do it! mahalo again for supporting this measure.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: businger@hawaii.edu
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 10:11:21 AM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments: I strongly support this measure. The best way to ensure a living wage and reduce the gap between rich and poor in Hawaii is to raise the minimum wage. It will spur the economy and increase tax revenue as well.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: glennida@gmail.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 10:41:10 AM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Glenn Ida	Individual	Support	No

Comments: I personally believe SB2609 should be passed unamended. This is what a Minimum Wage Law should be. A starting dollar amount with no conditions and periodic adjustments without having it to be Legislated will help all workers at the entry level of the work force. Thank you.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: paolarodelas@gmail.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 10:54:17 AM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Paola Rodelas	Individual	Support	No

Comments: Increasing the minimum wage to \$10.10 and eliminating the tip credit would tremendously help our entire community. It seems the only argument against raising the minimum wage is that it would cause prices to increase. There is absolutely no evidence showing that this would happen if minimum wage were increased. Furthermore, eliminating the tip credit is the right thing to do. Employers should be responsible for paying their employees a living wage and not be leaving that burden to their customers. I once worked as a hostess and know that living off tips is unpredictable. And since tourism is our #1 industry, we have so many tipped workers who's lives would vastly improve by eliminating the tip credit. Simply put, there is no way \$7.25 is a living wage. We have the highest cost of living out of any state, but our minimum wage is at the federal level. Anyone who works a full-time job should be able to make a living wage to support themselves and their families without having to work multiple jobs.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: sustainablesakala@gmail.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 11:27:18 AM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Sakala	Individual	Support	No

Comments: Aloha Senators, I am writing you in support of SB2609 raising the minimum wage. I think this bill is vital to our service based economy and feel that it actually doesn't move us fast enough to the base wage of \$10.10. I would like to see an amendment to raise the minimum wage to the set amount of \$10.10 by the end of 2015. Thank you for supporting SB 2609 as a step toward income equality and long term economic stability for all. Mahalo, Steve Sakala

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: deshayne@deshayne.net
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 12:01:26 PM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Donn DeShayne	Individual	Support	No

Comments: Please its about time. Wage earners are struggling. 2012 cost of living index in Honolulu County: 155.9 (very high, U.S. average is 100). Wage increases go right back into the economy because low wage earners spend every penny of their paycheck.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: cjinhi@yahoo.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 12:07:07 PM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments: Please support SB2609 to increase the minimum wage. I am a retired federal employee. I have not had to contend with earning only minimum wage for many decades, but when I did I struggled to pay rent and buy food, the most basic needs. Minimum wage is worth much less now than it was in those years and no one can support themselves with a full-time minimum wage job. It is the cost of doing business to pay adequate wages. I urge you to support SB2609. Thank you.

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From: [Elizabeth O'Connor](#)
To: [JDLTestimony](#)
Subject: Raise the Minimum Wage
Date: Tuesday, January 28, 2014 12:12:40 PM

I support raising the Minimum Wage. However, it needs to be \$10.00 this year - not over 3 years! Every year after 2014 the Minimum Wage needs to be raised as the cost of living rises!

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: AceHI@hawaii.rr.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 1:04:50 PM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments: As a retiree on a fixed income, this bill will not benefit me directly. But raising the minimum wage and eliminating the tip credit will allow residents and tourists alike, by paying whatever small price increases may result, to improve the lot of the working poor, and thereby improve our economy and general standard of living.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: tia.pearson@gmail.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 1:05:36 PM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

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

Comments: When I worked as a pizza delivery person, I got 25 cents less than minimum wage because I could earn tips. If there were hardly any deliveries, I would have to stay in the store and work for less than minimum wage. That happened quite a bit. I had a difficult time living on that salary. When one has a 'good' night, it is great but there wasn't many of those. I had to have government assistance. If the minimum wage was a decent wage (anything under \$10 is NOT a decent wage here in Hawaii and even \$10 is questionable but much better than now), I would not have needed that assistance. Help people get off of welfare by passing this bill. Also, tell businesses I don't mind paying a little bit more for my pizza or whatever because of this bill. More people will have more money to buy more stuff and that will help our economy.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: sdinion@mac.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 6:22:23 PM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Dinion	Individual	Support	No

Comments: Please support this important bill to support Hawaii's low-wage workers. We need a substantial increase to the minimum wage - to no less than \$10.10/hour - and a repeal to the tip credit.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: sfloyd@aloha.net
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 6:42:11 PM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
susan floyd	Individual	Support	No

Comments: I support these minimum wage increases and tip policy change, I just wish it was now and not over the next years. Workers need to pay bills now not in 2 years. But if this is the best our legislators will approve, then lets go for it! Mahalo.

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CHAIRMAN CLAYTON HEE
SENATE COMMITTEE ON JUDICIARY AND LABOR
Bill No. SB2609
Thursday, January 30
9:30 AM, Conference Room 016

Dear Chairman Hee and Honorable Members of the Senate Committee on Judiciary and Labor,

My name is Joshua Michaels, and I am a student at the William S. Richardson School of Law. I write today to express my strong support for SB2609, a bill to raise Hawaii's minimum wage.

Hawaii has the highest cost of living in the nation. We pay more for rent. We pay more for gas. We pay more for groceries. And yet, our wages simply don't stack up. 13 states raised their minimum wage on January 1, but ours has not increased in seven years. One-fifth of our state lives in poverty. Our low minimum wage and high cost of living means low-income working families have to work three or four jobs just to feed their children, just to keep the lights on, just to stay alive.

More than 80% of minimum wage workers are over 21, and most work more than 35 hours per week. Raising the minimum wage will help lift people out of poverty. It will help take people off of government assistance and food stamps. The extra money in working families' paychecks will be spent in Hawaii and will stay in Hawaii – not just in purchases, but in tax revenue for the state. Raising the minimum wage will not hurt businesses or economic growth. According to the nonpartisan Economic Policy Institute, raising our wage last year could have added \$55 million to our state's economy.

According to Gallup, 76% of Americans support raising the minimum wage. In his State of the Union Address, President Obama stated he would raise the minimum wage for all federal contractors, and called on Congress to raise the national minimum wage to \$10.10 an hour. Hawaii has a chance to join the vanguard of states in helping to ensure that our working families don't have to live paycheck-to-paycheck. We can help grow and strengthen our economy. The people of Hawaii need a raise. I humbly ask that you support this bill and vote yes. Thank you for this opportunity to testify.

Aloha and Mahalo,

Joshua Michaels
jjmichae@hawaii.edu

January 28, 2014

TO: Chair Clayton Hee, Vice Chair Maile Shimabukuro
Members of the Senate Committee on Judiciary and Labor

FROM: Barbara Polk

SUBJECT: Qualified Support for SB 2609
JDL Hearing: 9:30 am Thursday, Jan. 30. Room 016

Thank you, Chair Hee, for sponsoring and hearing this bill. I strongly support the parts that abolish the tip credit and provide for continuing increases in minimum wage to reflect inflation.

However, I do not believe the increase proposed in this bill goes far enough. An hourly wage of \$8.20 does not come close to being a liveable wage in Hawaii, nor does the rate of \$10.10 per hour even now, let alone when it will take effect almost four years from now. An estimate of a current liveable wage for a family of two is \$15 an hour in Hawaii.

A business that pays its employees less than a liveable wage is in effect asking taxpayers to subsidize their business. I am sick of doing that. While all but the hard-hearted support the various programs that alleviate poverty, we do not normally realize that programs for the working poor also increase the profits of business by relieving them of some of the responsibility of paying their workers. Why should businesses expect the public to pay part of their workers' wages?

I ask you to amend this bill by raising the minimum wage immediately to \$10.50 an hour, with \$2 increases for each of the next three years and a cost of living increase thereafter. Let's stop shifting this part of the cost of doing business to tax payers.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: veronika.geronimo@gmail.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 9:33:53 PM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Veronika Geronimo	Individual	Support	Yes

Comments: 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 Hawai'i'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% lower³ I urge you to pass SB2609 and help working families across the state. Thank you for your consideration.

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: billx@unforgettable.com
Subject: Submitted testimony for SB2609 on Jan 30, 2014 09:30AM
Date: Tuesday, January 28, 2014 11:14:04 PM

SB2609

Submitted on: 1/28/2014

Testimony for JDL on Jan 30, 2014 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Watts	Individual	Support	No

Comments: I strongly support this bill and commend the senators who are proposing and supporting it. I have never had to work for minimum wage but I am appalled that many of our citizens who provide us with valuable service do not receive a living wage for their labor. We have a system that distributes wealth unfairly and it is the responsibility of the legislature to regulate the system. When those at the bottom receive a living wage, they will spend it, and all of us will benefit from the stronger economy that results. Thank you for doing the right thing!

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Testimony in support of Senate Bill 2609
Relating to Minimum Wage

Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
Committee on Judiciary and Labor

Hearing Date:
Thursday, January 30, 2014
9:30 AM in Room 016

Aloha Chairman Hee, Vice-Chair Shimabukuro and members of the Committee,

My name is Ian Chan Hodges and I am testifying in support increasing the minimum wage in Hawaii. On Tuesday, President Obama called on Congress to increase the minimum wage to \$10.10. A few days before Obama's State of the Union speech, more than 600 economists had signed on to a letter urging lawmakers to raise the minimum wage to \$10.10. This national group of economists, which includes seven Nobel laureates and two professors from the University of Hawaii (Sumner La Croix and Andrew Mason), outlines a rationale for increasing the minimum wage that is directly applicable to Hawaii and Senate Bill 2609.

Here's how the letter concludes:

The vast majority of employees who would benefit are adults in working families, disproportionately women, who work at least 20 hours a week and depend on these earnings to make ends meet. At a time when persistent high unemployment is putting enormous downward pressure on wages, such a minimum-wage increase would provide a much-needed boost to the earnings of low-wage workers.

In recent years there have been important developments in the academic literature on the effect of increases in the minimum wage on employment, with the weight of evidence now showing that increases in the minimum wage have had little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market. Research suggests that a minimum-wage increase could have a small stimulative effect on the economy as low-wage workers spend their additional earnings, raising demand and job growth, and providing some help on the jobs front.

Thank you for the opportunity to submit testimony.