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

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March 28, 2019

To: The Honorable Sylvia Luke, Chair,
The Honorable Ty J.K. Cullen, Vice Chair, and
Members of the House Committee on Finance

Date: Friday, March 29, 2019
Time: 3:30 p.m.
Place: Conference Room 308, State Capitol

From: Scott T. Murakami, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. No. 789 S.D. 2 H.D. 1 RELATING TO MINIMUM WAGE

I. OVERVIEW OF PROPOSED LEGISLATION

SB789 SD2HD1 amends Section 387-2, Hawaii Revised Statutes (HRS), by increasing the minimum wage in five annual increments: from \$10.10 to \$15.00 per hour beginning January 1, 2024. The measure adds a provision for a lower minimum wage rate for employees who receive health care coverage under their employer's prepaid group health care plan.

In part II, allowing lower sub-minimum wages for handicapped individuals is repealed along with the need for certification of a "qualified community rehabilitation program" which refers to the sheltered workshops where the sub-minimum wage is allowed.

DLIR supports the intent of this measure and offers comments.

II. CURRENT LAW

The current minimum wage is \$10.10 per hour as of January 1, 2018. Act 82 (SLH, 2014) incrementally increased the minimum wage from \$7.25 to \$10.10 an hour in four consecutive years (2015 – 2018). There is no provision for lower minimum wages for employees receiving health care coverage under their employer's group health care plan.

Section 393-11, HRS, provides that employees who work at least 20 hours per week for four consecutive weeks and earn at least 86.87 times the minimum hourly wage specified in Chapter 387, HRS, must be supplied prepaid health care coverage.

Section 387-9, HRS, allows both persons and clients with intellectual disabilities to be paid at subminimum rates, the latter at sheltered workshops, under special certificates issued by the Director for a period stated in the special certificates.

III. COMMENTS ON THE HOUSE BILL

DLIR supports the intent of an increase in minimum wage, but notes that the measure is unclear as to which of the two minimum wage rates is to be used to calculate the minimum earnings needed qualify for prepaid health care coverage as required by Section 393-11, HRS.

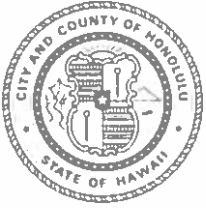
DLIR notes that the measure, as drafted, obviates the need for a special certification of a qualified community rehabilitation program since the Director would not be granting any exception to the law, so the language on page 4, lines 17 through 20 should be stricken.

The purpose section of Part I includes incentivizing the provision of health care by employers, yet the reduced rates are only for those already “required” to provide health care. If the lower minimum rates are meant to incentive providing health care than the word “not” should be included on page 3, line 4 before the word “required.”

Currently, there are six sheltered workshops with an active special certificate allowing the payment of wages lower than the statutory minimum wage to clients with intellectual disabilities. These sheltered workshops collectively employ seventy-three individuals under these special certificates.

Prior to issuing a special certificate to the sheltered workshop, DLIR reviews the employer’s time records, payroll records, and time study information to determine whether the employer is complying with wage laws and certifying the proposed wages are commensurate with the individual’s productivity. Generally, a special certificate is valid for one year and a renewal application is filed annually. The elimination of 387-9(a)(2) would also likely result in the U.S. DOL not issuing certificates for subminimum wages.

If enacted, the measure would result in more complicated investigations as well as complaints.



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WRITTEN TESTIMONY ONLY

March 29, 2019

TESTIMONY OF
COUNCIL CHAIR EMERITUS & VICE CHAIR RON MENOR
COUNCIL DISTRICT 9
CITY AND COUNTY OF HONOLULU

Senate Bill 789 SD2 HD1
RELATING TO MINIMUM WAGE

Chair Luke, Vice Chair Cullen and Members of the House Committee on Finance (FIN):

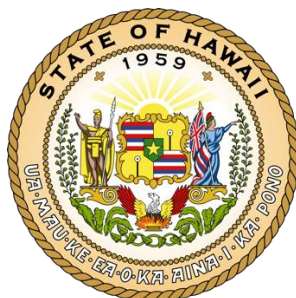
I am testifying in support of Senate Bill 789 SD2 HD1. I am submitting this testimony not on behalf of the Honolulu City Council, but as an individual Councilmember. The City Council unanimously approved Council Resolution 19-1 on January 30, 2019 requesting the Legislature move forward on increasing the minimum wage.

Hawaii's cost of living is the highest of any of the 50 states or Washington, D.C., according to the Missouri Economic Research and Information Center. Honolulu has the third highest cost of living among 268 urban areas in the United States, after only San Francisco, California and Manhattan, New York, according to the Council for Community and Economic Research's Quarter 3, 2018 Cost of Living Index Release.

The minimum income necessary for 2017 for a full-time worker to meet his or her basic needs, including food, housing, clothing, utilities, transportation, health care, and other essentials in modern society is estimated to be \$16.03 per hour, or \$33,342 annually, with the amount nearly doubling when adding a child to the household calculation. The 2018 figure for an adult on Oahu was \$16.50 per hour, or \$34,320 annually, according to the State of Hawaii Department of Business and Economic Development.

Section 387-2(a), Hawaii Revised Statutes, provides that the Hawaii minimum wage is \$10.10 per hour, or \$21,000 annually, resulting in a \$12,000-\$13,000 annual gap between the amount full-time minimum wage worker earns now and the amount a worker must earn to meet his or her basic needs. Many individuals in Honolulu must work two or more jobs to maintain a basic standard of living for themselves and their families.

Mahalo for the opportunity to testify in support of this bill.



Testimony on behalf of the
Hawai'i State Commission on the Status of Women
Khara Jabola-Carolus, Executive Director

Prepared for the House Committee on Finance

In Support of SB789 SD2 HD1, With Amendments
Friday, March 29, 2019, at 3:30 p.m. in Room 308

Dear Chair Luke, Vice Chair Cullen, and Honorable Members,

On behalf of the Hawai'i State Commission on the Status of Women, I write in support of SB789 SD2, HD1, with proposed amendments. The current draft would increase the minimum wage to \$15.00 per hour for workers without prepaid health coverage beginning January 1, 2024. The minimum wage would only increase to \$12.50 per hour for workers with prepaid healthcare.

Hawai'i should commit to reversing decades of growing inequality in the state. As an agency administratively attached to the Department of Human Services—which provides basic subsistence needs to over 300,000 Hawai'i residents—we also seek to ensure that certain employers do not continue to exploit taxpayers by subsidizing high profits and low wages with state-funded assistance programs.

At present, the wage needed for a single worker to survive in Hawai'i with no children and with employer-provided benefits such as pre-paid health insurance is \$17 per hour, or \$44,451 annually.¹ Filipinas and Native Hawaiian women have the lowest earnings in the state (\$33,000 and \$37,000). Further, a single parent needs \$33 per hour to meet basic needs. Nearly a quarter of all Hawai'i households with children are headed by a single mother (Hess et al. 2015).² Therefore, the Commission recommends \$17 per hour as starting point of any wage increase schedule.

An increase in the minimum wage is possible and already occurring, albeit evenly. The minimum wage falls below current market wages. For example, the starting pay at Target is \$13 to \$16 per hour, Starbucks is \$12.50, Moku Restaurant is \$12 to \$15, Ruth's Chris Steakhouse is \$11.50 plus tips, Zippy's is \$11.50, and McDonald's is \$11.10.

¹ Institute for Women's Policy Research, *The Status of Women in Hawaii*, p. 11, 2017.

² Institute for Women's Policy Research, *The Status of Women in Hawaii*, p. 11, 2017.

The Commission also urges the elimination of a tip credit, which allows sexual harassment to flourish. For example, restaurant servers—a group made up predominantly of women—are more likely to endure harassment and abuse from customers, since their livelihoods depend on the tips.³ In fact, the largest share of over 170,000 complaints filed to the Equal Employment Opportunity Commission (EEOC) between 1995 and 2016 were from workers in full-service restaurants.⁴

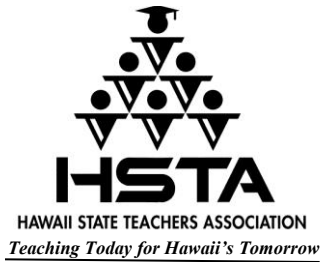
To lift women workers out of poverty, the Commission respectfully requests that the Committee pass SB789 SD2, HD1 with the requested amendments.

Mahalo,

Khara Jabola-Carolus

³ The Restaurant Opportunities Centers United, *The Glass Floor: Sexual Harassment in the Restaurant Industry*, Oct. 7, 2014, http://rocunited.org/wp-content/uploads/2014/10/REPORT_TheGlassFloor_Sexual-Harassment-in-the-Restaurant-Industry.pdf.

⁴ Vo, L.T., “ We Got Government Data on Twenty Years of Workplace Sexual Harassment Claims,” Dec. 5, 2017, <https://www.buzzfeednews.com/article/lamvo/eeoc-sexual-harassment-data#.xtkw1pwxX>.



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TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE

RE: SB 789, SD2, HD1 - RELATING TO MINIMUM WAGE

FRIDAY, MARCH 29, 2019

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association **supports SB 789, SD2, HD1 with the suggested amendments**, relating to minimum wage.

Our minimum wage workers earn only \$21,000 a year (working full time at \$10.10 per hour) while facing the highest cost of living in the nation. For example, a Hawaii minimum wage worker would have to work 109 hours per week just to pay rent for a 1-bedroom apartment.

This new draft will increase the minimum wage to \$15 by 2024. It is definitely an improvement. However, according to DBEDT, the self-sufficiency income standard for a single person with no children and employer-provided health insurance in 2016 was \$15.84 per hour, which comes out to \$17 in 2019. Thus we would ask **also to amend the language on page 2, lines 6 - 10 to allow 6 steps to reach \$17 per hour as our minimum wage in Hawaii by 2025.**

- (6) \$9.25 per hour beginning January 1, 2017; [~~and~~]
- (7) \$10.10 per hour beginning January 1, 2018[-];
- (8) \$11.75 per hour beginning January 1, 2020;
- (9) \$13.00 per hour beginning January 1, 2021;
- (10) \$14.00 per hour beginning January 1, 2022;
- (11) \$15.00 per hour beginning January 1, 2023;



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Executive Director

(12) \$16.00 per hour beginning January 1, 2024; and

(13) \$17.00 per hour beginning January 1, 2025.

Our minimum wage has been falling further behind inflation since Jan. 1, 2018, the last time the wage was increased. The minimum wage in 17 states plus DC have automatic inflation adjustments, and this bill would have Hawaii join them.

However, tipped workers in Hawaii can be paid even less than \$10.10. Seven states, including Nevada and all of the West Coast, have eliminated this sub-minimum wage for tipped workers and pay all of their workers the same minimum wage. **Hawai'i should join them, too, with an amendment to eliminate the tip credit as well.**

Research shows that higher wages are good for businesses, too. **Between 2015 and 2018, Hawai'i's minimum wage increased by 39 percent while our unemployment rate dropped and restaurants hired more servers. That's because higher wages improve worker morale, productivity and loyalty, which saves employers the costs of constantly hiring and training new people. And any extra money paid to minimum wage workers is plowed right back into local businesses, leading to positive ripple effects across our economy.**

Lastly, we applaud the language in SECTION 5. Section 387-9, Hawaii Revised Statutes, to eliminate the subminimum wage for disabled/handicapped workers.

To provide a living wage to all workers in Hawaii, the Hawaii State Teachers Association asks your committee to **support** this bill with suggested amendments.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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

The Thirtieth Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

March 29, 2019

S.B. 789, S.D. 2, H.D. 1 – RELATING TO MINIMUM WAGE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the general premise of increasing the minimum wage for all workers in Hawaii. As drafted, S.B. 789, S.D. 2, H.D. 1 increases the minimum wage rates on January 1, 2020 by bifurcating the wage increases based on receiving benefits under the Hawaii Prepaid Health Care Act and includes persons with disabilities.

We fully recognize that health care benefits are a critical component of any employee's total compensation package. Since state and county employees are exempt from the provisions of the Hawaii Prepaid Health Care Act, many of our members pay 40% of the total cost of their medical premiums regardless of how much they earn which depending on the plan and type of enrollment, can be as high as \$1,300 per month for family coverage. This is simply unaffordable and forces too many government employees to take second, and sometimes third, jobs just to get by. The wage increases outlined in S.B. 789 can positively impact much of the government workforce.

Additionally, Hawaii's minimum wage is \$10.10 per hour or \$21,000 a year for a full-time non-tipped minimum wage worker; however, our high cost of living continues to outpace wage increases. We believe increasing the minimum wage is one tool that will continue to spur Hawaii's economy. We strongly support increasing a minimum wage earner's purchasing power and thus generating much needed consumer spending.

Thank you for the opportunity to testify in support of S.B. 789, S.D. 2, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director



Friday, March 29, 2019

Senate Bill 789 SD2 HD1
Testifying in Support With Amendments

Aloha, Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance,

The Democratic Party of Hawai'i (The Party) **supports SB789 SD2 HD1 Relating to Minimum Wage and offers amendments.** The bill increases minimum wage rates annually from January 1, 2020, through January 1, 2024 and provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act. It includes persons with disabilities under generally applicable minimum wage requirements.

The Party appreciates the intent of this measure and agrees that the minimum wage needs to be increased well beyond its current \$10.10 an hour level. We are glad to see elimination of the sub-minimum wage has been included in the HD1 and hopes the committee will see fit to keep it as the bill moves forward.

Workers earning the minimum wage today are making only \$21,000 annually. This in the state with the highest cost of living and among the highest housing costs in the country. At this wage, it's no wonder we have the highest per-capita rate of homelessness in the nation. Working full-time at the current \$10.10 an hour, an individual has to work 109 hours a week to afford a one-bedroom apartment.

Despite messaging to the contrary, the minimum wage was not initially established to provide an "opening" or "training" wage for young or new workers. It was never intended as a starting wage for teenagers joining the workforce. In fact, in the wake of industrialization and the Great Depression, the federal minimum wage was established to ensure workers were being paid enough to survive.

According to DBEDT's Self-Sufficiency Income Standard¹, in 2016, an individual living in Honolulu needed to be making \$33,350 a year to be "self-sufficient." This works out to \$15.84 per hour. This works out to \$17 in 2019. It is for this reason primarily that the Party, working with the Raise Up Hawai'i Coalition, believes the State Legislature should move the minimum wage to \$17 an hour as quickly as possible, but slowly enough to allow businesses to adapt and to avoid job losses.

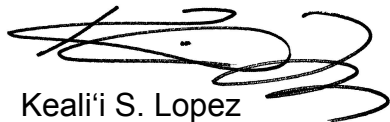
From 2014, when the last minimum wage increase was passed, to 2018 Hawai'i's unemployment rate dropped for each of the four consecutive years the minimum wage increased. Obama's Council on Economic Advisors looked at 19 state-level minimum wage increases and concluded that "the recent legislation contributed to substantial wage

increases with no discernible impact on employment levels or hours worked.”

The Party recognizes the challenges small businesses face in Hawai'i, but we do not believe those challenges should be prioritized over the needs of working people. The talking points from the Chamber of Commerce and the Restaurant Association are based on conjecture and are designed to instill fear in legislators. It is important we find a way to address the reasonable concerns of small businesses while ensuring one job is enough to make a living in Hawai'i.

For all these reasons, we urge you to pass this bill, with amendments.

Mahalo for the opportunity to testify,



Keali'i S. Lopez
Chair, Democratic Party of Hawai'i

1. http://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency_2016.pdf



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Clinical & Research Psychologist

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Brent N. Kakesako
Executive Director

Keoki Noji
Chief Operating Officer

Athena T. Esene
Bookkeeper & Office Manager

Foley Pfalzgraf
Program Specialist

Chelsie Onaga
AmeriCorps VISTA

Date: March 27, 2019
To: Representative Sylvia Luke, Chair, Representative Ty J.K. Cullen, Vice-Chair, and members of the Committee on Finance
From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)
Re: Support for SB789 SD2 HD1 with amendments

Aloha Chair Luke, Vice-Chair Cullen, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports SB789 SD2 HD1, with amendments, which increases the minimum wage annually from January 1, 2020 through January 1, 2024. We ask that the bill be improved to raise the wage to at least \$17 per hour and \$14 for those who get health insurance from their employer, restrict the health care credit to only small businesses with 25 or fewer employers, and phase out the health care credit over 5 years.

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. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. 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 facilitated 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 supports the proposed bill with amendments, that would provide an increase in the minimum wage while supporting small businesses with a tax credit to offset those increases.

Through HACBED's efforts with providing VITA services, we have heard countless stories of the importance that a stable wage provides. SB789 SD2 HD1 would increase our state's minimum wage to \$15 in 5 steps from 2020 to 2024. According to DBEDT, the self-sufficiency income standard for an individual with no keiki in 2016 was \$15.84 per hour, which comes out to \$17 in 2019. As such, we ask the Committee that this bill should be improved by continuing to raise the wage to at least \$17 per hour and \$14 for those who get health insurance from their employer, restrict the health care credit to only small businesses with 25 or fewer employers, and phase out the health care credit over 5 years.

Mahalo for this opportunity to testify,

Brent N. Kakesako
Executive Director
Hawai'i Alliance for Community-Based Economic Development



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COMMITTEE ON FINANCE

FRIDAY, 3/29/19, 3:30 PM, Room 308
SB789 SD2 HD1, RELATING TO MINIMUM WAGE

TESTIMONY

Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair LUKE, Vice-Chair CULLEN, and Committee Members:

The League of Women Voters of Hawaii **strongly supports SB789 SD2 HD1 that would increase the minimum wage**. We support and celebrate language in this draft which puts an end to exempting disabled workers from minimum wage requirements.

I call your attention to a recent article in the New York Times summarizing research into the health and social effects of even small increases in the minimum wage: <https://www.nytimes.com/interactive/2019/02/21/magazine/minimum-wage-saving-lives.html>. (Citations for all results below are in the article at this link.)

Research summarized in this article shows that:

1. Low-skilled workers reported fewer unmet medical needs in states with higher minimum-wage rates. In high-wage states, workers were better able to pay for the care they needed. In low-wage states, workers skipped medical appointments. (a 2011 national study)
2. Increases to the minimum wage are associated with decreased rates of smoking among low-income workers.
3. Raising the minimum wage by \$1 would reduce child-neglect reports by almost 10 percent. Higher wages allow parents working in the low-wage labor market to keep the lights on and the refrigerator stocked; failing to do so can court neglect charges.
4. Studies have linked higher minimum wages to decreases in low birth-weight babies, lower rates of teen alcohol consumption and declines in teen births.
5. A 2016 study published in the American Journal of Public Health found that between roughly 2,800 and 5,500 premature deaths that occurred in New York City from 2008 to 2012 could have been prevented if the city's minimum wage had been \$15 an hour during that time, instead of a little over \$7 an hour. That number represents up to one in 12 of all people who died prematurely in those five years.

The article concludes, "modest wage increases have a profound impact on people's well-being and happiness. Poverty will never be ameliorated on the cheap. But this truth should not



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prevent us from acknowledging how powerfully workers respond to relatively small income boosts.”

PROPOSED AMENDMENTS TO SB789 SD2 HD1: Revert this bill to the original intent of HB1191 by using the original dollar increase amounts, and including the original section 387-2 d, increasing the minimum wage annually by the amount of increase in the Hawaii Consumer Price Index after 2025.

Indeed, the League would prefer to see much more rapid increases in the minimum wage to give our struggling workers a living wage of \$17 an hour in 2021. By 2024, inflation will have substantially diminished the value of the wages proposed in HD1. How are our hard-working minimum wage workers to survive until 2024 without a (barely) living wage? Other jurisdictions around the country have made similar changes to minimum wage and their economies have not suffered noticeably.

Also, the tax credit for employers should be a) restricted to only small businesses and b) should be tied to actual effects of the minimum wage increase.

Thank you for the opportunity to submit testimony.

The Thirtieth Legislature
Regular Session of 2019

The House
Committee on Finance
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
State Capitol, Conference Room 308
Friday, March 29, 2019; 3:30 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 789, S.D.2, H.D.1
RELATING TO MINIMUM WAGE**

The ILWU Local 142 **supports** S.B. 789, S.D.2, H.D.1, which increases minimum wage rates annually from January 1, 2020, through January 1, 2024, provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act and includes persons with disabilities under generally applicable minimum wage requirements.

Hawaii low-income workers are struggling – in fact, any individual earning less than \$40,850 in Hawaii is considered “very low income” according to the U.S. Housing and Urban Development and unfortunately, a full-time minimum wage worker in Hawaii struggles to make \$20,000 a year or essentially half the income as a “very low income” worker in Hawaii. What this tells us is we clearly have a wage crisis and to make matters worse, the National Low Income Housing Coalition proclaims a renter in Hawaii needs to earn over \$36 an hour to simply afford a modest two-bedroom rental. Further, to add salt to the wound, Hawaii has seen a population decline for the second straight year amounting to the fifth highest population decline among all the states. The truth is, Hawaii residents simply cannot afford to live in Hawaii and raising the wage to a living wage will help keep our families together, reduce the number of homeless from our streets and inject millions of dollars into our economy that relies heavily on consumer spending.

Furthermore, we constantly hear Hawaii has the lowest tip credit in the nation which is simply untrue. Seven states – California, Washington, Oregon, Nevada, Alaska, Montana and Minnesota have no tip credit ensuring servers in those states make the exact same wage as all other minimum wage earners. And some of those states such as Nevada and California have a significantly large service sector economy with a thriving restaurant industry. The fact is, we shouldn't be punishing workers for simply trying to earn a living wage – especially in Hawaii. Ideally, we would prefer the repeal of the tip credit language to ensure all workers have the ability to earn a living wage.

The ILWU Local 142 urges the passage of S.B. 789, S.D.2, H.D.1. Thank you for the opportunity to offer testimony on this measure.

SB-789-HD-1

Submitted on: 3/27/2019 4:59:10 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Younghi Overly	AAUW of Hawaii	Support	No

Comments:

Dear Chair Luke, Vice-Chair Cullen, and members of the committee,

Thank you for this opportunity to submit a testimony in support of SB789 SD2 HD1 with a request for amendments. Our state's minimum wage is \$10.10 an hour, or only \$21,000 a year for full-time work. It's no wonder that so many Hawai'i residents are struggling with poverty and homelessness. Our cost of living is the highest in the country mainly because of our sky-high housing costs. To rent a market-rate one-bedroom apartment, you'd have to make over \$57,000 a year (or \$27.44 an hour).

While it is a great start to raise the wage to \$15 by 2024, as SB789 SD2 HD1 would do, the wage should be further increased to \$17. According to the Department of Business, Economic Development & Tourism, the self-sufficiency income (aka living wage) for a single person without children in Hawai'i was \$15.84 an hour in 2016^[1] which is, after adding inflation, \$17 an hour in 2019. the self-sufficiency income is \$17 in 2019. Accordingly, this bill should be amended to raise the wage to at least \$17 over a number of years.

There are over 88,000 minimum wage workers in Hawaii and less than 10 percent of them are teenagers. Three out of 5 (60 percent) are over the age of 25, and over a quarter (28 percent) are at least 40 years old. In other words, the vast majority of minimum wage workers in Hawai'i are NOT trainees.

In Hawaii, more than 52,000 family households are headed by women and about 17 percent of those families, or 8,799 family households, have incomes that fall below the poverty level^[3]. AAUW of Hawaii supports SB789 SD1 HD1 with amendment to raise the minimum wage to at least \$17 because increasing the minimum wage to a living wage would provide much-needed income to women whose wages sustain their households.

The American Association of University Women (AAUW) of Hawaii is a state-wide organization made up of six branches (Hilo, Honolulu, Kauai, Kona, Maui, and Windward Oahu) and includes just over 450 active members with over 1700 supporters statewide. As advocates for gender equity, AAUW of Hawaii promotes the economic, social, and physical well-being of all persons.

Thank you for your consideration.

[1] http://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency_2016.pdf

[3] <http://www.nationalpartnership.org/our-work/resources/workplace/fair-pay/4-2017-hi-wage-gap.pdf>

March 27, 2019

To: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
House Committee on Finance

From: Laura Nevitt, Director of Public Policy
Hawaii Children's Action Network

Re: **S.B. 789, SD2, HD1– Relating to Minimum Wage**
Hawaii State Capitol, Room 308, March 29, 3:30 PM

On behalf of Hawaii Children's Action Network (HCAN), I am writing in SUPPORT, with amendments of S.B. 789, SD2, HD1, which would Increase the minimum wage rates annually from January 1, 2020, through January 1, 2024. Provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act. Includes persons with disabilities under generally applicable minimum wage requirements. (SB789 HD1)

While it is a great start to raise the wage to \$12 in 2022, as SB789 would do, the wage should be further increased to \$17. According to the Department of Business, Economic Development & Tourism, the "self-sufficiency income" for a single person without children in Hawai'i was close to \$16 an hour in 2016. After adding inflation, the self-sufficiency income is \$17 in 2019. Accordingly, this bill should be amended to raise the wage to at least \$17 over a number of years.

Our state's minimum wage workers earn only \$21,008 a year (working full time at \$10.10 per hour) while facing the highest cost of living in the nation. For example, a Hawaii minimum wage worker would have to work 109 hours per week just to pay rent for a 1-bedroom apartment.

In addition, our minimum wage has been falling further behind inflation since Jan. 1, 2018, the last time the wage was increased. The minimum wage in 17 states plus DC have automatic inflation adjustments, and this bill should be amended to that effect.

Tipped workers in Hawaii can be paid even less than \$10.10. California, Nevada, Oregon, Washington, Alaska, and two other states instead pay all workers the same minimum wage. This bill should be amended to eliminate the sub-minimum wage for tipped workers in Hawaii.

A higher minimum wage would put additional money in the pockets of the people most likely to spend at their local businesses. Studies have found that higher wages also mean more productive employees and lower turnover, which reduces employers' turnover, hiring, and training costs.

For these reasons, HCAN asks that you pass S.B. 789, SD2, HD1 with amendments.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education.

SB-789-HD-1

Submitted on: 3/27/2019 6:27:10 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Doris Segal Matsunaga	Save Medicaid Hawaii	Support	No

Comments:



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
In Support of SB 789 SD2 HD1– Relating to Minimum Wage
House Committee on Finance
Friday, March 29, 2019, 3:30 PM, conference room 308

Dear Chair Luke, Vice Chair Cullen, and members of the Committee:

Mahalo for this opportunity to submit testimony in **SUPPORT** of **SB 789 SD2 HD1**, with **AMENDMENTS**.

We all hear the stories of families who are moving away from our state because they can't afford to live here. You'd think that with the lowest unemployment rate in the nation, our workers would've seen big raises over the past few years. Yet we have **the lowest average wage in the nation**,ⁱ when you adjust for our cost of living.ⁱⁱ

Something's out of balance. There's a lot of evidence that it's not just our prices, but also our low wages. We need a minimum wage that keeps up with our cost of living.

SB 789 SD2 HD1 would increase our state's minimum wage to \$15 in 5 steps from 2020 to 2024. However, employers who provide health insurance to their employees would be able to pay a lower wage, which would max out at \$12.50 per hour in 2024, or a raise of less than 50 cents a year. That is not enough.

Since our own DBEDT finds that a self-sufficiency wage for a single worker with employer-provided health insurance is \$17 per hour in 2019, **we respectfully request that the committee amend this bill to:**

- **Raise the wage levels to top out at \$17 per hour in 2024, with \$14 for those workers with employer-provided health coverage,**
- **Limit the health care credit to small businesses with 25 or fewer employees, and**
- **Phase out the health care credit.**

Who are Hawai'i's minimum wage workers? There are over 88,000 minimum wage workers in Hawai'i, making up 14 percent of our total workforce:

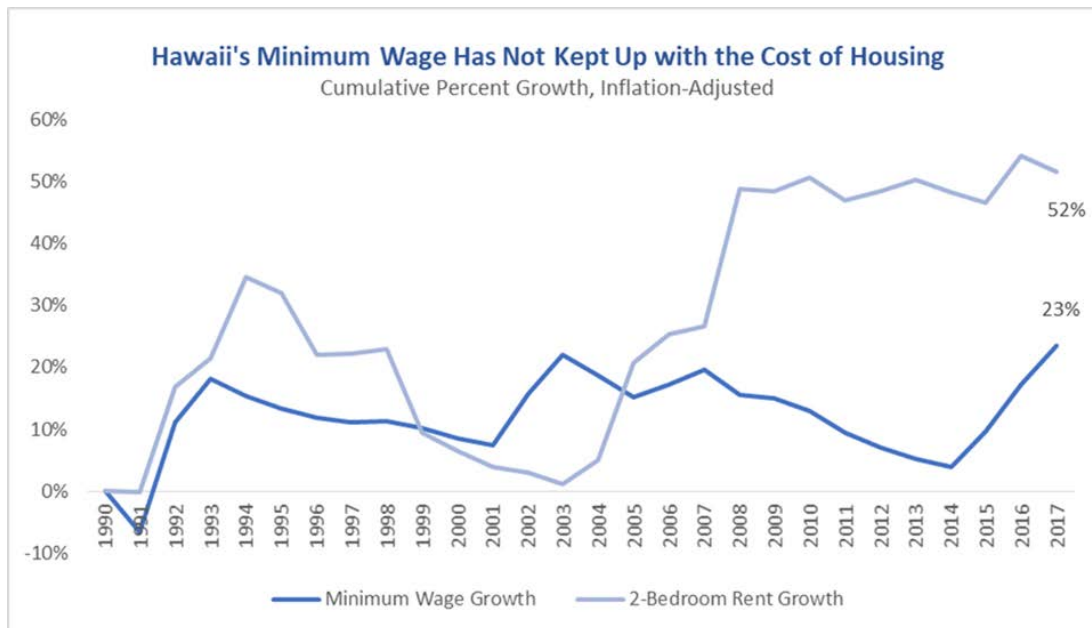
- 3 out of 5 of them are women.
- **Fewer than 1 in 10 are teenagers.** 3 out of 5 are over the age of 25, and over a quarter are at least 40 years old. In other words, the vast majority of minimum wage workers in Hawai'i are **not trainees**.
- More than 1 in 5 are parents. In fact, **1 in 6 single parents earn the minimum wage.**
- Just over 2 in 5 have a high school degree. **43% have at least some college education.**
- More than 1 in 4 work in restaurants and food service, but **fewer than 1 in 9 are tipped workers.** Another 1 in 5 work in the retail sector.

Our minimum wage workers earn only \$21,000 a year (working full time at \$10.10 per hour). At that rate, a **Hawaii minimum wage worker has to work 109 hours per week just to pay rent for a 1-bedroom apartment.** According to the Aloha United Way, 48 percent of families in our state struggle with incomes below a minimum survival budget.ⁱⁱⁱ

\$10.10 an hour is not a living wage for a single adult in Hawai‘i, much less parents raising children. As low-wage jobs become the new normal, working families are falling further and further behind even as the economy continues to grow.

How much do you need to earn to make ends meet in Hawai‘i? Here are a few answers:

- **\$17 per hour** in 2019 for a single person with no children and *with* employer-provided health insurance, according to our own state's DBEDT,^{iv}
- **\$27.44 an hour** to afford a 1-bedroom rental in Hawai‘i in 2018, according to the National Low-Income Housing Coalition,^v
- **\$24.78 an hour** in 2017 for a single person with no children in Honolulu County to have a "modest yet adequate standard of living," according to the Economic Policy Institute,^{vi}
- **\$21.52 an hour** in 2018 for a single childless worker in Hawai‘i to achieve "basic economic security," according to the Institute for Women's Policy Research.^{vii}

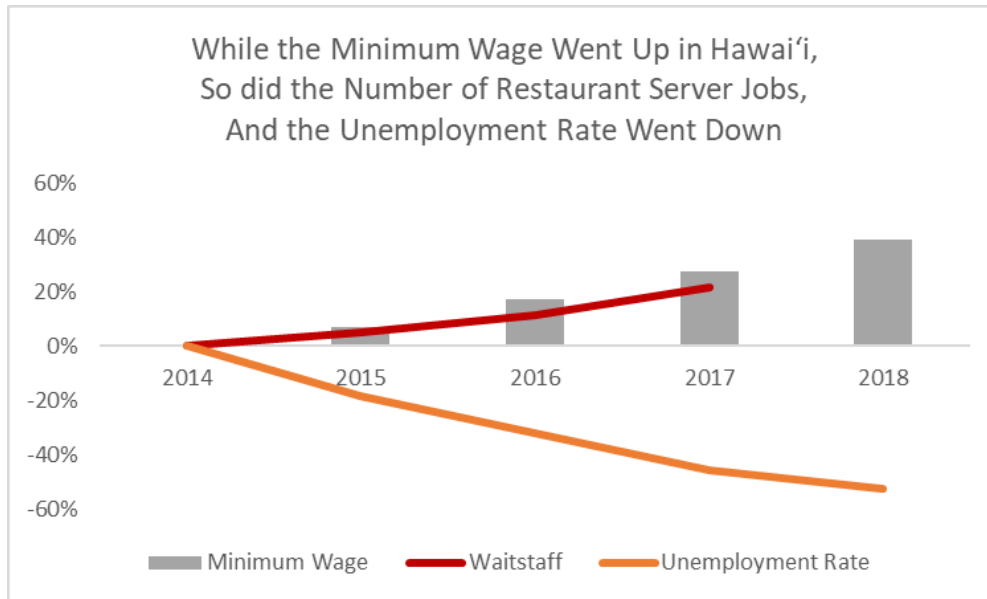


Meanwhile, **consumer spending is the largest driver the economy -- accounting for two-thirds of GDP.** When minimum wage workers earn more, they spend more. As their wages grow, so does their spending at local businesses. **A minimum wage hike promises to boost consumer demand and, in turn, our state economy’s growth.**

Moreover, study after study shows that higher wages are good for businesses’ bottom lines. **Higher wages improve employee morale, productivity, and loyalty, in turn reducing costly turnover and training.** Employees work harder because they want to keep their jobs, rather than looking for higher pay.

The Hawai‘i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai‘i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

Despite claims to the contrary, decades of research – as well as real-world evidence – have proven that raising the minimum wage does not cause businesses to shed jobs. **Between 2015 and 2018, when the minimum wage in Hawai'i rose by 39 percent, our state's unemployment rate dropped by 52 percent. And since the minimum wage started rising in 2015, there was an increase in restaurant server jobs of 22 percent.**



The latest major academic study on the minimum wage, in 2017, found that, on average, 137 minimum wage increases since 1979 reduced the number of jobs paying *less* than the new minimum while adding jobs paying *at or above* the new minimum, effectively canceling each other out, while workers earned more.^{viii}

In 2017, a University of Washington paper that claimed to find negative job effects from Seattle's minimum wage increase made a lot of headlines mainly because it contradicted the existing body of research.^{ix} Since then, major flaws in that study have been found and, as a result, some eminent economists who initially affirmed the Seattle paper have retracted their endorsements of it.^x

Please pass SB 789 SD2 HD1, with the amendments described above. Thank you for your consideration of this testimony.

ⁱhttps://data.bls.gov/cew/apps/table_maker/v4/table_maker.htm?type=0&year=2017&qtr=A&own=0&ind=10&supp=1

ⁱⁱ <https://www.bea.gov/system/files/2018-05/rpp0518.pdf>

ⁱⁱⁱ <https://www.auw.org/alice>

^{iv} http://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency_2016.pdf

^v <https://nlihc.org/oor/hawaii>

^{vi} <https://www.epi.org/resources/budget/>

^{vii} <http://www.basiceconomicsecurity.org/best/budget.aspx>

^{viii} <https://www.sole-jole.org/17722.pdf>

^{ix} <https://evans.uw.edu/sites/default/files/NBER%20Working%20Paper.pdf>

^x<https://www.washingtonpost.com/news/wonk/wp/2018/02/05/raising-the-minimum-wage-doesnt-cost-jobs-multiple-studies-suggest/>



O'ahu County Democrats
oahudemocrats.org



Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance,

RE: SB 789, SD2 HD1, Relating to the Minimum Wage

The O'ahu County Democrats write in support of Senate Bill 789, Senate Draft 2, House Draft 1. This bill provides for raises in the minimum wage and equity for workers with disabilities.

The Platform of the O'ahu County Democrats states that as *"the party of working people in Hawai'i, we work to... institute fair labor practices [including] a living wage for all workers."*¹ Research from DBEDT² and the Hawai'i Appleseed Center for Law and Economic Justice both found that our current minimum wage ought to be raised.³ Those workers making the lowest wages lag far behind the levels of income necessary to provide for basic sufficiency. This 'working poverty' robs people of housing and food security, educational attainment, and keeps families one paycheck from disaster. Multiple decision-making bodies of the Democratic Party of Hawai'i and the O'ahu County Democrats have repeatedly confirmed the priority of this issue. Given the great economic disparities of our present-day economy on O'ahu, a minimum wage raise to \$15/hour by 2024 is due.

The wage raises established in SB789 SD2 HD1, are modest, with incremental phasing to transition to \$15 per hour over five years. DBEDT found that \$17 per hour was the minimum wage necessary for self-sufficiency² This measure gets us much closer to the goal. Labor advocates including the Party have worked with the business community, agreeing to far less than we originally asked. We must all arrive together at a solution, a vibrant economy that works for all, with SB789 SD2 HD1.

For economic activity and growth, the goose that lays the golden eggs is consumer spending. Raising the minimum wage to \$15 per hour is a smart boost for consumer spending. Small business depends on more consumers, and higher spending. Economists have long demonstrated that consumer spending is highly elastic at the lower income levels, and steeply responsive to increases in discretionary income. The best way to increase discretionary income is to raise worker wages.

We urge all members of the Committee on Finance to please vote 'aye' on this measure, for the benefit of our working people. In summary, the O'ahu County Democrats support SB789 SD2 HD1.

Respectfully,

DYLAN P. ARMSTRONG, VICE CHAIR

O'AHU COUNTY COMMITTEE, O'AHU COUNTY DEMOCRATS

References

1. Labor Platform of the O'ahu County Democrats. <https://www.oahudemocrats.org/oahuplatform.htm#lab>
2. Department of Business, Economic Development and Tourism. Self Sufficiency Income Standard: Estimates for 2016. http://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency_2016.pdf
3. Hawai'i Appleseed Center for Law and Economic Justice. The State of Poverty in Hawai'i. 2016. <http://hiappleseed.org/wp-content/uploads/2016/11/State-of-Poverty-2016-Report.pdf>



AMERICANS FOR DEMOCRATIC ACTION

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March 27, 2018

TO: Honorable Chair Luke & FIN Committee Members

RE: SB 789 SD2 Relating to the Minimum Wage

Support for hearing on March 29

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support SB 789 SD2 as we would like a hike in the minimum wage. However we are disappointed at the \$12 an hour number by 2022. We would like to see a \$17 per hour minimum wage. We would prefer the hike happen sooner than later.

Workers today cannot survive on less than \$17/hour which equals \$2720 per month. This amount assumes ½ of income would go to housing, i.e. \$1360/month rent. That is not going to get you luxury but should keep you off the street. We need a living wage to reduce homelessness and welfare dependency. We also like a provision for an annual adjustment tied to CPI-W. This would bring the minimum wage to what it was a few decades ago before it fell behind due to inflation. Also evidence from Seattle indicates a higher minimum wage neither causes more unemployment nor causes inflation. Economists often point out lower wage earners spend more of their income, stimulating the local economy. This is a win-win for local businesses who enjoy increased local spending, and for minimum wage earners who will better afford basic living expenses.

Thank you for your favorable consideration.

Sincerely,

John Bickel President



TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE

RE: SB 789, SD2, HD1 - RELATING TO MINIMUM WAGE

FRIDAY, MARCH 29, 2019

MITZIE HIGA, LEGISLATIVE CHAIR
DEMOCRATIC PARTY OF HAWAII LABOR CAUCUS

Chair Luke, and Members of the Committee:

The Democratic Party of Hawaii Labor Caucus **supports SB 789, SD2, HD1 with the suggested amendments**, relating to minimum wage.

Our minimum wage workers earn only \$21,000 a year (working full time at \$10.10 per hour) while facing the highest cost of living in the nation. For example, a Hawaii minimum wage worker would have to work 109 hours per week just to pay rent for a 1-bedroom apartment.

This new draft will increase the minimum wage to \$15 by 2024. It is definitely an improvement. However, according to DBEDT, the self-sufficiency income standard for a single person with no children and employer-provided health insurance in 2016 was \$15.84 per hour, which comes out to \$17 in 2019. Thus we would ask **also to amend the language on page 2, lines 6 - 10 to allow 6 steps to reach \$17 per hour as our minimum wage in Hawaii by 2025.**

- (6) \$9.25 per hour beginning January 1, 2017; [~~and~~]
- (7) \$10.10 per hour beginning January 1, 2018[~~;~~];
- (8) \$11.75 per hour beginning January 1, 2020;
- (9) \$13.00 per hour beginning January 1, 2021;
- (10) \$14.00 per hour beginning January 1, 2022;
- (11) \$15.00 per hour beginning January 1, 2023;
- (12) \$16.00 per hour beginning January 1, 2024; and
- (13) \$17.00 per hour beginning January 1, 2025.

Our minimum wage has been falling further behind inflation since Jan. 1, 2018, the last time the wage was increased. The minimum wage in 17 states plus DC have automatic inflation adjustments, and this bill would have Hawaii join them.

However, tipped workers in Hawaii can be paid even less than \$10.10. Seven states, including Nevada and all of the West Coast, have eliminated this sub-minimum wage for tipped workers and pay all of their workers the same minimum wage. **Hawai'i should join them, too, with an amendment to eliminate the tip credit as well.**

Research shows that higher wages are good for businesses, too. **Between 2015 and 2018, Hawai'i's minimum wage increased by 39 percent while our unemployment rate dropped and restaurants hired more servers. That's because higher wages improve worker morale, productivity and loyalty, which saves employers the costs of constantly hiring and training new people. And any extra money paid to minimum wage workers is plowed right back into local businesses, leading to positive ripple effects across our economy.**

Lastly, we applaud the language in SECTION 5. Section 387-9, Hawaii Revised Statutes, to eliminate the subminimum wage for disabled/handicapped workers.

It is unacceptable, that we allow disabled individuals to be paid a subminimum wage. Many of these individuals were once special education students, who were guaranteed a free and appropriate education under the Individuals with Disabilities Education Act and promised a life filled with opportunities to realize their full potential. Yet, written in 1938, the Fair Labor Standards Act (FLSA) discriminates against people with disabilities by permitting employers to pay disabled workers less than the federal minimum wage. This provision is echoed in HRS §387-9, but is based on the mistaken idea that disabled employees are less productive than their able-bodied colleagues. Many employment programs have come about since the mid-20th Century to assist people with disabilities in acquiring and using essential job skills. Thus, we applaud this language to eliminate subminimum wage for disabled workers.

To provide a living wage to all workers in the Democratic Party of Hawaii Labor Caucus **supports SB 789, SD2, HD1 with the suggested amendments.**

SB-789-HD-1

Submitted on: 3/28/2019 12:08:00 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Midwives Alliance of Hawaii	Midwives Alliance of Hawaii	Support	Yes

Comments:

We support Raise Up Hawai'i's amendments and strongly urge legislators to adopt them.

While the intent of the health insurance credit is to incentivize employers to provide their workers with health insurance (many workers are kept part-time to avoid the cost of premiums):

- **SB 789 SD2 HD1 needs to be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.**
- **The health insurance credit should also be limited to only small employers,** since the big-box retailers and large employers can easily afford to pay for health insurance.
- Seattle currently has a similar health insurance credit, but it [quickly phases out](#). **Any such credit in Hawai'i should also phase out,** so eventually all minimum wage workers will be paid the same wage.



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

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TO: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Members of the Committee on Finance

FROM: Cynthia J. Goto, M.D., PHOCUSED Advocacy Consultant

SUBJECT: Testimony in Support of SB 789, SD2, HD1 RELATING TO
MINIMUM WAGE

Hearing: March 29, 2019 at 3:30 PM
Conference Room 308

TESTIMONY IN SUPPORT WITH AMENDMENTS

Chair Luke, Vice Chair Cullen, and members of the Committee on Finance,

Thank you for the opportunity to testify in support of Senate Bill 789, SD2, HD1. I am Dr. Cynthia Goto, Advocacy Consultant for PHOCUSED.

PHOCUSED supports SB 789, SD2, HD 1 with the amendments described below.

PHOCUSED is a nonprofit, nonpartisan organization dedicated to increasing the safety for, visibility of, and investment in the children and adults in Hawaii who are marginalized, impoverished, and under-served. Our organization has been a leading voice in advocating for our homeless populations since our formation, as the membership of PHOCUSED and our Board of Directors represent many of the major providers of human services across our state.

This bill would raise the minimum wage from the current \$10.10 an hour – or \$21,000 per year for full-time work -- in 5 annual steps, topping out at \$15 in 2024. But workers who get health insurance from their employer would get only \$12.50 in 2024 -- a raise of less than 50 cents per hour per year.

PHOCUSED is a membership and advocacy organization for health and human services in Hawaii, which works together with community stakeholders to collectively impact program and policy change for the most vulnerable in our state. Our commitment to the people is reflected in our name – Protecting Hawaii's 'Ohana, Children, Under-Served, Elderly, and Disabled. We are guided by the shared commitment of our members to protect the interests of Hawaii's people and the sector which seeks to provide them with quality programs and services.



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

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PHOCUSED, with years of history working with homeless and people with few resources, understands that the economic impact that families face in Hawaii. With our astronomical cost of living, the jobs that our most vulnerable populations are able to attain are not paying wages enough to keep them housed and sustainable. At an income of less than \$25,000 per year for full-time work, minimum wage is simply not a livable wage.

That is why we respectfully request the following amendments to this bill:

1. Increase the steps up in the minimum wage to \$17 per hour, with \$14 per hour for those who get health insurance from their employers.
2. Restrict the health care credit to only small businesses with 50 or fewer employees, as major employers have the ability to fund higher wages.
3. Phase out the health care credit over 5 years in order to eventually have all of our minimum wage workers earning the same wage.

We urge you to please pass SB 789, SD2, HD1 with the above amendments. Thank you for your consideration of our testimony.

PHOCUSED is a membership and advocacy organization for health and human services in Hawaii, which works together with community stakeholders to collectively impact program and policy change for the most vulnerable in our state. Our commitment to the people is reflected in our name – Protecting Hawaii's 'Ohana, Children, Under-Served, Elderly, and Disabled. We are guided by the shared commitment of our members to protect the interests of Hawaii's people and the sector which seeks to provide them with quality programs and services.

SB-789-HD-1

Submitted on: 3/27/2019 6:07:16 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Gilbreath	Hawaiian Community Assets	Support	No

Comments:

As a nonprofit housing counseling agency that works with thousands of low- and moderate-income households every year, our workers and working families are sorely in need of a pay raise. Our renters and homeowners report the highest housing cost burdens in the US, while having the lowest annual average pay rates of any state in the nation. **We recommend your committee to increase the minimum wage to a living wage of \$17 per hour, the minimum amount for self-sufficiency of a 1 person household as identified by DBEDT, and \$14 if an employee receives health insurance from their employer. The health insurance credit should be limited to only small employers with 25 employees or less, since the big-box retailers and large employers can easily afford to pay for health insurance. Further, we recommend the health insurance credit be phased out over time.**

By raising the minimum wage to \$17 per hour, the State Legislature will be equipping our workers and working families with the financial resources needed to afford housing in our high cost market and as a result, reduce the State's outlay in public benefits, homeless services, emergency health services, and the justice system.

Pass SB789 with recommended amendments.

SB-789-HD-1

Submitted on: 3/27/2019 11:48:19 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Pride Work HI	Pride at Work Hawaii	Support	Yes

Comments:

Aloha Representatives,

The Pride at Work Hawaii, an affiliate of Hawaii State AFL-CIO, supports the passage of SB 789 SD 2 HD 1.

We request that the bill be amended to \$17.00 by 1/1/2023 and \$14.00 for those that get their healthcare benefits from their employer and only for small businesses.

Mahalo for your consideration and for the opportunity to testify STRONG support of SB 789 SD2 HD1.

Mahalo,

Pride at Work - Hawaii



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Medicine, Native Hawaiian
Research Office

En Young, MBA
Sansei, Lanai

Date: March 28, 2019

To: Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair
Members of the Finance Committee

Re: Support for SB 789 SD2 HD1, Relating to Minimum Wage

Hrg: March 29, 2019 at 3:30pm at Conference Room 308

The Hawai'i Public Health Instituteⁱ is in **Support of SB 789** which increases the minimum wage annually from January 1, 2020 to January 1, 2024 and includes persons with disabilities.

Wages impact health and create opportunities for better health.

Increasing the minimum wage can affect health by improving income and food security, decreasing stress, improving nutrition, and more. Communities of residents with higher incomes are likely to have better recreational amenities, housing, food access, and schools, and tend to be safer – all of which impact health. Income is also associated with other factors that create the opportunity to be healthy, such as employment opportunities, reduced environmental contamination, and greater transportation options.

Health improves with increasing income, and the impacts of a rise in income are greatest for those at the lowest end of the wage scale. Research shows that those who move out of the lowest income level to the next receive the greatest percentage increase in life expectancy and health status. This means that a family living on minimum wage realizes greater health benefits from an increase in salary than a middle-class family receiving the same raise.

Wages should be distributed equally.

SB789 would provide a lower minimum wage for employees who receive employer-sponsored health benefits under the Prepaid Act. HIPHI respectfully requests that the committee restrict the health care credit to only small businesses with 25 or fewer employees and that the health care credit be phased out over 5 years in order to eventually have all of our minimum wage workers earning the same wage.

Even if a low-income family has health insurance, health care costs such as insulin and cholesterol medicines may not be affordable if they have to pay copays and deductibles. Minimum wage workers are critical to our economy but are falling further and further behind in their ability to make ends meet. Hawai'i workers need a raise to build economic opportunity and a better future for our families.

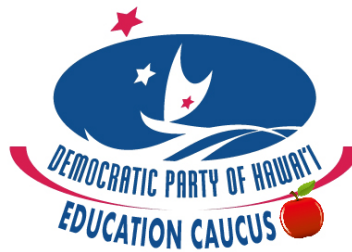
Thank you for the opportunity to provide testimony.

Mahalo,

A handwritten signature in black ink, appearing to read 'Trish'.

Trish La Chica, MPA
Policy and Advocacy Director

ⁱ Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.



SENATE BILL 789, SD 2, HD 1, RELATING TO MINIMUM WAGE

MARCH 29, 2019 · HOUSE FINANCE COMMITTEE ·
CHAIR REP. SYLVIA LUKE

POSITION: Support, with amendments.

RATIONALE: The Democratic Party of Hawai'i Education Caucus supports and suggests amendments for SB 789, SD 2, HD 1, relating to minimum wage, which increases minimum wage rates annually from January 1, 2020, through January 1, 2024; provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act; and includes persons with disabilities under generally applicable minimum wage requirements.

A living wage is a human right. According to the Department of Business, Economic Development, and Tourism, a single adult required an income of \$32,957 to achieve self-sufficiency in Hawai'i in 2016, while a single parent with one child required \$56,157. At our current statewide minimum wage rate of \$10.10 per hour, however, a full-time employee earns only \$21,008 annually. Moreover, the National Low Income Housing Coalition's Out of Reach 2018 report estimates that a minimum wage worker would have to work 109 hours per week to afford a one-bedroom rental home at fair market rent, which is the equivalent of nearly three full-time jobs.

Additionally, as the minimum wage increased to \$10.10/hour over the last four years, our local economy has also grown. People earning more income, especially at the lower end of the pay

scale, spend money on basic goods and services, thereby putting their increased earnings back into the local economy, increasing demand, raising local profits, and uplifting the Aloha State's overall economy. Over the same time span, we have experienced record low unemployment and seen the number of small businesses increase. Hawai'i will likely see the same impact under new minimum wage increases, leading to greater prosperity for all.

We hope that offering businesses a choice between paying an elevated minimum wage or a lower wage with healthcare will incentivize employers to provide full-time jobs to workers, who frequently string together multiple low-wage jobs to make ends meet, in some cases receiving no health benefits from any single employer as they are kept below the 20-hour threshold for statutorily required employer-sponsored medical insurance. That said, we urge you to **amend this measure by phasing out the lower minimum wage for workers receiving employer-sponsored healthcare contained on page 3, lines 3 through 12, of this bill over five years**, mirroring the gradual phase-in of the lower wage. Doing so will ensure that in a decade, all workers are being paid the top minimum wage rate and are more able to meet their families' basic needs. We further urge the committee to **only allow small businesses with 25 or fewer employees—so-called “mom and pop shops”—to pay workers the lower wage**. Moreover, we believe that **the minimum wage thresholds contained in the bill should be amended to \$17 for employees who do not receive employer-sponsored healthcare and \$14 for those who do**, as called for by the original draft of this proposal. A minimum wage of \$15 and, even more so, \$12.50 is simply not enough to survive as our state's cost of living continues to soar.

Finally, it is unconscionable that state and federal laws include a loophole allowing disabled individuals to be paid less than the minimum wage. Current labor laws unjustly prohibit workers with disabilities from reaching their full vocational and socioeconomic potential. Written in 1938, Section 14(c) of the Fair Labor Standards Act (FLSA) discriminates against people with disabilities by empowering the Secretary of Labor to grant Special Wage Certificates to employers, permitting them to pay disabled workers less than the federal minimum wage. This provision, mirrored in Hawai'i Revised Statutes §387-9, is based on the immoral assumption that disabled employees are less productive than their able-bodied coworkers. Successful employment models have emerged in the last seventy-five years to assist people with significant disabilities in acquiring the

job skills needed for competitive work, giving lie to the theoretical framework for paying disabled employees a subminimum wage.

The subminimum wage model is an affront to the economic contributions of disabled workers. Data shows that less than 5 percent of the 400,000 workers with disabilities in segregated subminimum wage workshops will transition into competitive integrated work. Moreover, research shows that the subminimum wage model costs more, while promoting less productivity. In fact, workers paid a subminimum wage often must unlearn the habits they acquire in such workshops in order to obtain and carry out meaningful employment, which they repeatedly prove able to do. It is poor policy to reward failed programs with wage exemptions. After more than seven decades of the abhorrent subminimum wage practice, it is time to invest in proven, effective job models for disabled workers—such as “supported” or “customized” employment—that successfully advance positive, competitive, and integrated employment outcomes for individuals once deemed to be unemployable. Disabled workers deserve to be paid what they’ve earned, not discriminated against and cast into financial hardship.

We must provide economic justice to working families. We should not forego this legislative opportunity to help our islands’ working poor, whose financial situation becomes more precarious with each passing year.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 789. SD2: Relating to Minimum Wage

TO: Representative Sylvia Luke, Chair, Representative Ty Cullen Vice Chair; and Members, Committee on Finance

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: Friday, March 29, 2019; 3:30 PM; CR 308

Chair Luke, Vice Chair Cullen, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in support of SB 789, SD2 HD1, with suggested amendments** to increase the minimum wage rate. I am Betty Lou Larson with Catholic Charities Hawaii. Increasing the minimum wage directly impacts our advocacy priority of reducing poverty in Hawaii.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 70 years. CCH has programs serving elders, children, families, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawaii.

Catholic Charities Hawaii urges your support for the following amendments:

- Increase the minimum wage to at least \$14 if an employee receives employer health insurance.
- Limit the insurance credit to small businesses/small employers.
- Phase out this credit over time. All minimum wage workers should be paid the same wage.

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 often barely able to avoid homelessness, or working several jobs to juggle the basic expenses of their families and unable to spend time raising their children. These workers are parents who try very hard to support their own families but often must also rely on some type of public or charitable assistance. Raising the minimum wage is much needed to enable workers to be self-sufficient.

This raise would also help to address future homelessness. A recent UC San Francisco study on elderly homeless found a low minimum wage that people cannot live on is a factor in the shocking trend predicted for future homelessness. **Without the ability to save for their old age, more and more elders are predicted to become homeless. The elderly homeless population is predicted by one study to nearly triple within the next 10 years.**

This is an important bill for economic justice and the prevention of homelessness. If you have any questions, please contact me at 373-0356 or bettylou.larson@catholiccharitieshawaii.org.





SIERRA CLUB OF HAWAI'I

MĀLAMA I KA HONUA. *Cherish the Earth.*

HOUSE COMMITTEE ON FINANCE

March 29, 2019 3:30 PM Room 308

In SUPPORT of SB 789 SD2 HD1: Relating to Minimum Wage

Aloha Chair Luke, Vice Chair Cullen, and members of the committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **supports SB 789 SD2 HD1 with amendments** to increase the minimum wage to \$17 per hour or \$14 per hour if health insurance is provided to employees.

Since 1968, the Sierra Club of Hawai'i has worked to help people explore, enjoy, and protect the unique natural environment of the Hawaiian Islands. We know that there is a nexus between the environment and economic justice issues and that a healthy environment depends on a healthy economic system. That is why we support raising the minimum wage to a living wage.

This bill will raise the minimum wage in Hawai'i, helping to address income inequality and create a more equitable system for all of Hawai'i's residents. The current minimum wage is vastly insufficient to cover basic needs. This forces more and more families to live paycheck-to-paycheck and make short-term decisions about their lives that usually impose a greater burden on the natural environment. Residents surviving on minimum wage salaries are more likely to live in areas with greater pollution and waste. Families struggling to make ends meet will be less empowered to seek justice when their communities are threatened, because they are too busy putting food on the table and paying rent.

The current minimum wage reinforces our income inequality and perpetuates environmental injustice. We support raising the wage to \$17 per hour because we know that with a more balanced economic system, Hawai'i's residents, our communities, and our environment as a whole will prosper. Let's give our working families a raise and increase the minimum wage.

Thank you very much for this opportunity to provide testimony in **support of SB 789.**

Mahalo,

Jodi Malinoski, Policy Advocate

Helping Hawai'i Live Well

To: Representative Sylvia Luke, Chair, Representative Ty Cullen, Vice Chair, Members, House Committee on Finance

From: Trisha Kajimura, Executive Director

Re: **TESTIMONY IN SUPPORT OF SB 789 SD2 HD1 Relating to Minimum Wage**
Hearing: **March 29, 2019, 3:30 pm, CR 308**

Mental Health America of Hawaii is a 501(c)3 organization founded in Hawai'i 77 years ago, that serves the community by promoting mental health through advocacy, education and service. **We support increasing the minimum wage to the level of a living wage, currently accepted as \$17/hour.** Please see below our opinion piece published by the Star-Advertiser.



EDITORIAL | ISLAND VOICES

Column: A living wage supports mental health

By Trisha Kajimura

Posted February 17, 2019

February 17, 2019

Updated February 16, 2019 7:02pm

A very wise mental health professional once told me that mental health is the ability to tolerate one's own existence. That made an impression because of its simplicity. What does make one's own existence tolerable? The answers are endless, but I am confident that it includes the ability to provide for one's own basic needs while having time and emotional capacity left for things that we enjoy like family, friendships and recreation. Mental health is not just the absence of mental illness but also living without the toxic levels of stress caused by factors such as poverty, abuse and unpaid family caregiving.

If all of our waking hours are consumed by working for low wages, caring for others and going from family crisis to family crisis, we have little time for sleep, no time for health care and no time to figure out how to improve our situation. We are operating in survival mode and will not be participating in social services that can help us or spending quality time with our children.

In this financial scenario, it takes very little for families to go from financial hardship to disaster. A prolonged illness, an expensive car break-down, a rent increase — any of these things can tip an individual or family earning less than a living wage into homelessness. Trying to achieve self-sufficiency with an income that falls short of what is needed to pay for the basics of food and shelter is virtually impossible.

It explains why nearly half of Hawaii's population is either in poverty or teetering close to it. And once homeless, pulling oneself out of those desperate circumstances is much more difficult and resource-intensive. Inevitably, it affects mental health and well-being.

With all of the attention and resources being directed into helping people out of homelessness, we cannot lose sight of the opportunity to prevent homelessness. Affordable rental housing is crucial, but so are fair economic policies that allow people the dignity of earning a living wage.

A living wage means having the time and resources to go to the doctor. It means being able to keep the lights on, get medication when it is needed, making sure the car registration fee is paid. It means being able to keep up with the rent and maybe even have the ability to pay for school excursions and participate in office potlucks without blowing our food budget.

With our high cost of living, a living wage will not allow for luxuries but it will help to keep people from going over the cliff. It will give people that bit of additional bandwidth that will allow them to plan ahead and work toward a better future.

A living wage is an investment that pays off.

Being able to cover our basic physiological and security needs is the basis for mental health. From that foundation, we can then invest in the variables that make life worth living — relationships, interests and engaging with the community. To enact a living wage is to invest in the mental and physical well-being of those who work hard to keep our economy going. It is an investment in the health of the community to which we all belong. It is also an expression of our responsibility to look out for each other.

Lawmakers can, with this one act, do so much to address the toll of poverty on individuals and the community. Paying people better will pay off for businesses who will reap the benefits of having consumers with a little more income to buy their goods and services. It will pay off for all of us as taxpayers. It will pay off for the state agencies that have to deal with the effects of homelessness on our streets. Yes, for all our sakes, let's enact a living wage.

SB-789-HD-1

Submitted on: 3/28/2019 1:43:57 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Bilyk	Breastfeeding Hawaii	Support	Yes

Comments:

BREASTFEEDING HAWAII

PO BOX 4270

KANEOHE, HI 96844

TO: Representative Sylvia Luke, Chair and Representative Ty Cullen, Vice Chair

Members of House Finance Committee

FROM: Patricia L. Bilyk, APRN, MPH, MSN, IBCLC

Maternal Infant Clinical Nurse Specialist (retired)

Breastfeeding Hawaii Board Member

RE: SB 789 SD2 HD1 Minimum Wage

DATE: Friday, March 29, 2019 3:30 PM Room 308

Thank you Representative Luke, Representative Cullen and Committee Members of the House Finance Committee for the opportunity to provide testimony.

BREASTFEEDING HAWAII IS IN STRONG SUPPORT of SB 789 SD 2 HD 1 and encourage this Committee to fund this bill.



SB 789, SD 2, HD 1, RELATING TO MINIMUM WAGE

MARCH 29, 2019 · HOUSE FINANCE COMMITTEE ·
CHAIR REP. SYLVIA LUKE

POSITION: Support, with suggested amendments.

RATIONALE: IMUAlliance supports and suggests amendments for SB 789, HD 2, SD 1, relating to minimum wage, which increases minimum wage rates annually from January 1, 2020, through January 1, 2024; provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act; and includes persons with disabilities under generally applicable minimum wage requirements.

A living wage is a human right. According to the Department of Business, Economic Development, and Tourism, a single adult required an income of \$32,957 to achieve self-sufficiency in Hawai'i in 2016, while a single parent with one child required \$56,157. At our current statewide minimum wage rate of \$10.10 per hour, however, a full-time employee earns only \$21,008 annually. Moreover, the National Low Income Housing Coalition's Out of Reach 2018 report estimates that a minimum wage worker would have to work 109 hours per week to afford a one-bedroom rental home at fair market rent, which is the equivalent of nearly three full-time jobs.

Additionally, as the minimum wage increased to \$10.10/hour over the last four years, our local economy has also grown. People earning more income, especially at the lower end of the pay scale, spend money on basic goods and services, thereby putting their increased earnings back into the local economy, increasing demand, raising local profits, and uplifting the Aloha State's overall economy. Over the same time span, we have experienced record low unemployment and

seen the number of small businesses increase. Hawai'i will likely see the same impact under new minimum wage increases, leading to greater prosperity for all.

We appreciate that this measure links future minimum wage increases to the Hawai'i consumer price index for all urban consumers for the twelve months prior to September 1 of each year as calculated by the United States Department of Labor. Furthermore, we hope that offering businesses a choice between paying an elevated minimum wage or a lower wage with healthcare will incentivize employers to provide full-time jobs to workers, who frequently string together multiple low-wage jobs to make ends meet, in some cases receiving no health benefits from any single employer as they are kept below the 20-hour threshold for statutorily required employer-sponsored medical insurance.

That said, we urge you to **amend this measure by phasing out the lower minimum wage for workers receiving employer-sponsored healthcare contained on page 3, lines 3 through 12, of this bill over five years**, mirroring the gradual phase-in of the lower wage. Doing so will ensure that in a decade, all workers are being paid the top minimum wage rate and are more able to meet their families' basic needs. We further urge the committee to **only allow small businesses with 25 or fewer employees—so-called “mom and pop shops”—to pay workers the lower wage**. Moreover, we believe that **the minimum wage thresholds contained in the bill should be amended to \$17 for employees who do not receive employer-sponsored healthcare and \$14 for those who do**, as called for by the original draft of this proposal. A minimum wage of \$15 and, even more so, \$12.50 is simply not enough to survive as our state's cost of living continues to soar.

Finally, it is unconscionable that state and federal laws include a loophole allowing disabled individuals to be paid less than the minimum wage. Current labor laws unjustly prohibit workers with disabilities from reaching their full vocational and socioeconomic potential. Written in 1938, Section 14(c) of the Fair Labor Standards Act (FLSA) discriminates against people with disabilities by empowering the Secretary of Labor to grant Special Wage Certificates to employers, permitting them to pay disabled workers less than the federal minimum wage. This provision, mirrored in Hawai'i Revised Statutes §387-9, is based on the immoral assumption that disabled employees are less productive than their able-bodied coworkers. Successful employment models have

emerged in the last seventy-five years to assist people with significant disabilities in acquiring the job skills needed for competitive work, giving lie to the theoretical framework for paying disabled employees a subminimum wage.

The subminimum wage model is an affront to the economic contributions of disabled workers. Data shows that less than 5 percent of the 400,000 workers with disabilities in segregated subminimum wage workshops will transition into competitive integrated work. Moreover, research shows that the subminimum wage model costs more, while promoting less productivity. In fact, workers paid a subminimum wage often must unlearn the habits they acquire in such workshops in order to obtain and carry out meaningful employment, which they repeatedly prove able to do. It is poor policy to reward failed programs with wage exemptions. After more than seven decades of the abhorrent subminimum wage practice, it is time to invest in proven, effective job models for disabled workers—such as “supported” or “customized” employment—that successfully advance positive, competitive, and integrated employment outcomes for individuals once deemed to be unemployable. Disabled workers deserve to be paid what they’ve earned, not discriminated against and cast into financial hardship.

We must provide economic justice to working families. We should not forego this legislative opportunity to help our islands’ working poor, whose financial situation becomes more precarious with each passing year.

SB-789-HD-1

Submitted on: 3/28/2019 2:44:17 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Hawaii Women's Coalition	Support	No

Comments:

IRON WORKERS STABILIZATION FUND

March 29, 2019
3:30 pm

Committee on Finance
House
Conference Room 308
State Capitol
Honolulu, Hawai'i 96813

Re: SB789 SD2 HD1 – Relating to Minimum Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the House Committee on Finance:

We **SUPPORT THE INTENT** of SB789 SD2 HD1. We ask that the committee consider raising the amount of the minimum wage to **\$17 per hour** and also ensure to ensure that there is appropriate **small business support**. We believe that increasing the minimum wage will increase economic activity at our state and local levels, reduce poverty, reduce government welfare spending, reduce income inequality, and increase worker productivity and reduce employee turnover. Currently our workers making minimum wage that are providers in their families have trouble affording essentials and home ownership is out-of-reach. With more money in their pockets, our neighbors on minimum wage living pay-check to pay-check would be better able to provide for themselves and their families including being able to avoid homelessness if a Health emergency or other life crisis occurs.

While we believe minimum wage needs to increase, we also believe that we ought to support our businesses in this effort as well, particularly our small business community.

Please support a minimum wage increase with small business support to restore dignity to some of our neighbors and support our job creators.

Mahalo for your time and consideration.

Managing Director T. George Paris

SB-789-HD-1

Submitted on: 3/28/2019 2:59:24 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Karyn Nolan	Pacific GPS	Support	No

Comments:

As a business owner, I support raising the minimum wage to be a living wage along with benefits. It is important to support all the people of Hawaii.

SB-789-HD-1

Submitted on: 3/27/2019 11:35:56 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

Aloha Representatives,

The LGBT Caucus of the Democratic Party of Hawaii supports the passage of SB 789 SD2 HD 1.

One of the causes of homelessness in Hawaii is our fellow residents being unable to pay their rent on their salary. This bill help the most vulnerable in our society and help lift people out of extreme poverty.

We request that the bill be amended to \$17.00 by 1/1/2023 and \$14.00 by 1/1/2030 for those that get their health care benefits from their employer and that be for small businesses only.

Mahalo for your consideration and for the opportunity to testify STRONG support of SB 789 SD2 HD 1.

Mahalo,

Michael Golojuch, Jr.
Chair
LGBT Caucus of the Democratic Party of Hawaii

SB-789-HD-1

Submitted on: 3/28/2019 3:28:20 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Mulinix	Our Revolution Hawaii	Support	No

Comments:

TO: Chair Luke; Vice Chair Cullen; and Committee

FROM: David Hong, Chairman of the Board of Island Plastic Bags, Inc.

RE: SB 789 SD2 HD 1 RELATING TO MINIMUM WAGE

POSITION: OPPOSE

Thank you for the opportunity to submit testimony in opposition of SB 789 SD2 HD1. My name is David Hong and I am the Chairman of the Board of Island Plastic Bags Inc., a second-generation, family business in Halawa Valley that manufactures plastic trash liners and food grade bags. If passed SB 789 SD2 HD1 would create significant hardship for small businesses.

I am not against a living wage but the benefits of a minimum wage increase must be measured against the costs of driving local, small businesses to sell or close shop. Already national and international businesses are buying up locally owned businesses and squeezing out the competition. For example, Hopaco was purchased by Office Max who subsequently was purchased by Office Depot, headquartered out of Orlando. Sysco purchased HFM. There are a lot more examples I can provide. You further handicap small businesses against these large corporations with a higher minimum wage because small businesses cannot spread the increased overhead costs across a large, national company.

Another consideration is that we have to compete with imports from Asia. For example, in Guangdong Providence/Pearl Delta, China has the highest minimum wage in China at 15.85 RMB or \$2.32/hr. Also in Vietnam the minimum wage is approximately \$1.13/hour. This is based on information pulled from Google searches. We have Hawaii companies importing products from China, Vietnam, Cambodia, etc. right now. These businesses expect us to match these import prices and a high minimum wage will only make the situation more difficult. With a \$15 minimum wage and benefits, you are paying employees around \$17/hour in overall compensation.

The last thing to consider is that unskilled workers will lose out to automation. Skilled workers will be able to command \$15/hr. because their skills make them more productive. But unskilled workers under a higher minimum wage will become more costly to businesses than automating certain tasks or even certain functions. The more expensive the state makes labor, the more cost effective labor saving equipment becomes (ex. semi-automated box assembly machines; pallet wrap machines; semi-automated sorting and picking systems).

There are other ways to make Hawaii more affordable (ex. expand affordable housing). All that I am asking is that we let the market decide what an employee should be paid. A skilled worker in today's market will easily earn more than the current minimum wage and unskilled workers can now work towards building those skills because the minimum wage is lower. To meet a higher minimum wage, businesses might cut benefits, overtime, or automate certain functions. Thank you again for the opportunity to testify. Should you have any questions or comments about my testimony you can contact me by email at dhong@islandplasticbags.com or by phone at 808-484-4046.

Sincerely,

David Hong

SB-789-HD-1

Submitted on: 3/27/2019 2:55:36 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Devin Wolery	PCG Enterprises LLC	Oppose	No

Comments:

I own a small business in Hawaii for the last 11 years. Increasing my employee count over the years to a max of 7.

Over the last few years of increasing min wage. we have had to raise our prices and then still make less money. As the taxes, we have to pay on the higher wages also eat at us as well.

Raising min wage does not make minimum wage workers any better off. them getting a better education or trade school's will get them more money. If they have no skills they should not be guaranteed money. All this does is hurt small business more, and increase inflation.

I STRONGLY OPPOSE THIS BILL

SB-789-HD-1

Submitted on: 3/27/2019 1:14:47 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kausuke Kuroda	Hakuyosha International, Inc.	Oppose	Yes

Comments:

Hakuyosha International, Inc. and Dust-Tex Honolulu, Inc. strongly oppose SB789 SD2, which proposes to increase the minimum wage to \$12 per hour on January 1, 2020, and \$15 per hour on January 1, 2023.

The total increase of 39% in the minimum wage since 2015 has made a direct impact on our business. Nearly 90% of our employees are paid minimum wage. The minimum wage increases over the years have impacted our cost of doing business. Like many small businesses in Hawaii, we were forced to absorb a high percentage of the labor increase and it has been difficult to rebound as quickly as we had envisioned.

We have seen our business customers, many of them restaurants; close their doors because the cost of doing business in Hawaii has become so difficult. The increase in the minimum wage will directly affect the cost of goods and services which will result in higher prices in the marketplace.

Hakuyosha and Dust-Tex have been operating at a loss since the minimum wage began to increase and one of our largest competitors, Young Laundry stopped operations recently. If SB789 SD2 is enacted, it will be a challenge for Hakuyosha and Dust-Tex to continue to operate. The increase in labor costs will directly affect our prices and will force us to reduce operations which will reduce labor.

In February 2020, we plan to celebrate Hakuyosha International, Inc.'s 50th anniversary in Hawaii. I am hoping we will be able to fulfill our dream to continue to serve our customers for many years to come. We are asking for your help and consideration.

Respectfully submitted,

Kausuke "Ko" Kuroda

Director

Hakuyosha International, Inc.

Dust-Tex Honolulu, Inc.

SB-789-HD-1

Submitted on: 3/27/2019 4:29:54 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Skyler Yamada	Tanaka of Tokyo Restaurants	Oppose	No

Comments:

To whom it may concern,

I would like to bring to your attention, a few reasons of why this bill should not be passed as written.

Tourism is one of Hawaii's biggest industries that contributes to our economic growth. In the hospitality and restaurant industries, many of the employees receive tips to supplement their hourly wages. While the minimum wage is currently \$10.10 (\$9.35 with tip credit), this does not factor in the tips that the employees make. I have worked for several companies in the restaurant and hospitality industry, and can confidently state from experience, that tipped employees actually take home \$22.00 to \$32.00 an hour on average, when factoring in their nightly tips. This is just the average, and many of the employees make much more on weekends, holidays, and busy seasons. This is true only for tipped employees, which is why the USDOL implemented tip credit exists. However, the tip credit in Hawaii is only \$0.75, which is well below the \$4.83 national average. The second lowest tip credit in the nation is \$2.90, almost four times the Hawaii tip credit, putting Hawaii legislation far behind the rest of the nation. This makes it very difficult for economic growth, as companies struggle to stay in business, and do not have the resources to expand. This limits our economic and job growth in our biggest industry, an industry that Hawaii cannot afford to fall behind in.

Hawaii restaurants operate in a two to three percent profit margin (as documented in Pacific Business News in their December 2018 article), which is already below the national average of three to five percent. Due to these extremely low profit margins, Hawaii restaurants have already been forced to minimize costs effectively, just to stay in business. With the high costs of good being shipped into the islands, there is very little room for further cost decreases in products. In the current version of the bill, wage expenses will increase by 50%, an amount that Hawaii restaurants will be unable to absorb. As business will be unable to effectively cut back on the cost of goods, they will be forced to further reduce their labor costs. If the bill is passed, employees will see a rise in their hourly pay, but at the risk of seeing less income on their paychecks. This will be due to businesses being forced to reduce their labor hours, which the employees will feel the impacts of.

In addition to reducing labor hours, positions will also need to be eliminated, and unemployment will rise. In order to run a business competitively, we must always be competitively priced and properly staffed to provide an excellent guest experience, or risk losing our guest's repeat business. This will be a difficult decision for many small-businesses to make, and many will be forced to shut down, further contributing to the state's unemployment rate.

In the current, low-unemployment economy, employees currently have the advantage of selecting careers at businesses of their choice. Each business currently faces the everyday task of searching for employees, and are already being competitive to retain loyal personnel.

A solution to this predicament is increasing the Hawaii tip credit accordingly, in an amount greater than the increase in the minimum wage. This will help Hawaii become equal with the rest of the nation, and ensure healthy job growth in our economy. At the minimum, this bill should be re-written to include this important addition, in order to protect our most valued industry.

We have already seen too many of Hawaii's "landmark" restaurants close due to increased business costs, and will lose many more if this bill passes as written. Our keiki will already miss out on the opportunity to eat at iconic restaurants that we experienced, such as Wailana Coffee House, Kenny's Restaurant, and Willows Restaurant, just to name a few. It would be tragic for more of these long-term, community-focused businesses to have to close due to increased wage expenses.

Thank you for your consideration,

Skyler Yamada



To: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Members of the Committee on Finance

From: Michael Miller, Tiki's Grill & Bar
Subject: **SB 789, SD2, HD1** Relating to Minimum Wage
Date: March 27, 2019

We, at Tiki's Grill & Bar, hereby oppose House bill **SB 789, SD2, HD1**.

BUT if you must pass something, please consider **ADDING/changing the tip credit language in any and all Minimum Wage legislation to be calculated at 25% of the tips**. This will allow restaurateurs to continue to provide valuable "Living Wage" positions to its Servers and continue to provide discretionary increases to their "Back Of The House" employees, reducing the disparity in wage inequality that the current legislation promotes.

All of our staff who are paid minimum wage actually bring home between \$15 and \$30 per hour because they earn gratuities by giving excellent service and working hard with each other.

2022 is only a few years away and we have no idea what the economy will look like. Let market determine what companies that are still in business can afford to pay.

The implementation of this bill is not free, which at its basic level, reduces the ability of restaurants to provide opportunities by reducing the number of new hires, decreasing the amount that can be spent on current employees.

We will need to raise our prices to stay in business. Our bloodline is our economy, which is based heavily on tourism. If we keep raising our prices, Hawaii will lose visitors to other locales that offer more value to visitors.

Employees have job advancement choices: to move to higher positions within the company or leave for other opportunities. An example of growth within would be to move from a host to waiter or from a dishwasher to a prep-cook. Or an employee leaves us for better opportunities because s/he has learned new skills on the job and has the drive to grow outside the company. Our General Manager started as a busboy and worked his way up. Our Sous Chef worked his way up from a dishwasher to his current position.

We urge you NOT to pass this bill out of committee and say, "Mahalo," for considering our point of view.

Mahalo, Michael Miller / Director of Operations / michaelm@tikisgrill.com



Tea Chest Hawaii

PO Box 1324
Honolulu, Hawaii
96807-1324

Telephone
Tel: 808-591-9400

www.teachest.com

March 12, 2019

Representative Luke, Chair
Members of the Committee on Finance

Aloha Ka Kou,

RE: OPPOSED TO \$15 MINIMUM WAGE - SB789 SD2 HD1

I've been following the social impact of a \$15 minimum wage (mw) in Seattle and San Francisco. Many residents have been displaced because of rising cost of living. Business can't absorb the wage increase and must charge more for services and products. Small businesses have been forced to shut down because a lack of entry level workers that have left the city because rents and daily living expenses have increased after \$15 mw was enacted.

Geographically, people in these cities can move to neighboring counties states. Not so in Hawaii. The exodus of talented people leaving Hawaii and the closure of established small businesses will be amplified and hastened. We don't have these economic and geographic buffers like these cities and the negative impacts of \$15 mw will be even greater on Hawaii residents who are not high wage earners and local small business employers.

As a small manufacturer of 24 years, our entry level pay has been historically higher than minimum wage to compete against larger employers that offer benefits that we do not like paid sick leave, vacation time and pension plans. Mandated \$15 mw will automatically force us into a less competitive position globally and some customers automatically will not accept higher prices to offset the increase. Instead, they will opt to buy cheaper imported substitutes made in China or on the mainland. We work with local growers, local retailers, local restaurateurs and local distributors so the impact ripples through the state.

I urge lawmakers to focus on other factors that play more significant roles in the affordability quotient of our state rather than increasing expenses for employers. Please provide solutions for more affordable housing, lower energy costs and raise the education level of our citizens so as a people, Hawai'i is competitive in the global economy and better stewards of our resources and finances. Higher pay does not guarantee better stewardship.

\$15 mw is not the panacea to make Hawaii more affordable.

Me ka 'oia'i'o ha'aha'a - With sincere humility,

Byron Goo
Tea Chest Hawaii
Fine Teas Since 1995

80 Sand Island Access Road #203
Honolulu, HI 96819
Office: 808-591-9400



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Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 29, 2019

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 789, SD2, HD1
RELATING TO MINIMUM WAGE

Room 308
3:30 PM

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

Hawaii Farm Bureau **opposes SB 789, SD2, HD1**, which increases minimum wage rates annually from January 1, 2020, through January 1, 2024. Provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act.

Hawaii Farm Bureau Policy states:

"State tax and monetary policies should be designed to encourage private initiative to help stabilize farm economics in the State of Hawaii, to promote employment and economic growth and to distribute the tax burden equitably. Further such policy should be used by the state, when appropriate, to encourage agricultural growth and expansion."

Hawaii's minimum wage is above Federal standards. In addition, the actual compensation to the worker includes many benefits, easily multiplying the actual monetary wage.

Rural areas, where many of our farms and ranches are located, face significant challenges due to their distance from population centers. Distance to markets, input transportation costs, access to labor are the many issues facing our members. Small agriculture businesses are especially vulnerable to any increase in costs, especially those who operate on low margins. Increasing the minimum wage may force many small farmers to offset higher costs through fewer work hours, less pay raises, and decreased discretionary benefits, or planting less labor-intensive crops.

Unlike other industries, farms and ranches are price takers as opposed to price setters, which means they are largely dependent on trade markets when it comes to return on product. With the difficulty in raising prices, Hawaii's farmers will have to look to cut costs elsewhere. This measure could drive up prices of locally produced food and products utilizing locally grown agricultural products.

Thank you for this opportunity to testify on this important subject.



March 29, 2019

3:30 p.m.

Hawaii State Capitol

Conference Room 309

To: House Committee on Finance

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

From: Grassroot Institute of Hawaii

Joe Kent, Executive Vice President

Re: SB789 — RELATING TO MINIMUM WAGE

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on Senate Bill 789, which would increase Hawaii's mandatory minimum wage to \$15 an hour by 2024.

The Grassroot Institute of Hawaii is concerned about the possible effect of this legislation on the state's businesses and economy — especially in the case of restaurants, which are already notorious for their razor-thin profit margins.

Moreover, there is evidence to indicate that this bill, if enacted, would fail in its intent to help lift the state's working families out of poverty. Recent years have seen a glut of research demonstrating that far from helping low-wage employees, minimum wage hikes are more likely to increase their economic burden as businesses cut hours, turn to technology or even cut jobs in order to mitigate the higher costs.

In August 2018, a University of Washington study [found](#) that increasing Seattle's minimum wage from \$11 to \$13 an hour resulted in both the loss of about 5,000 jobs and an average cut in pay for the remaining employees of about \$125 a month, thanks to a cut in their job hours of more than 9 percent.¹

Proponents of a minimum-wage hike often point to a few highly limited surveys that suggest raising the minimum wage can be economically neutral, but the vast majority of research shows the opposite is

¹ Ekaterina Jardim, et al., "Minimum Wage Increases, Wages, and Low-Wage Employment: Evidence from Seattle," NBER Working Paper 23532, National Bureau of Economic Research, Cambridge, Mass., May 2018, <https://www.nber.org/papers/w23532>

true. Study after study shows that when a municipality drastically raises its legal minimum wage, low-wage employees suffer.

In 2010, researchers from the National Bureau of Economic Research and the Federal Reserve Board compiled the results of 53 scholarly studies into a book, "[Minimum Wages](#)," and concluded there is "no compelling evidence that minimum wages on net help poor or low-income families, and some evidence that minimum wages adversely affect these families, and increase poverty."²

Examining the idea that higher minimum wages will reduce poverty, those same researchers found that the opposite was true. While some low-wage workers do make more money, the gains are offset by loss of employment or hours for other workers. The researchers [found](#) that a minimum-wage hike increases the proportion of poor families by 0.5 to 1 percent.³

The minimum-wage debate is often framed as a fight between businesses and employees. In truth, raising the legal minimum wage can hurt both. Employment declines as businesses find ways to cope with the increased cost. Some stop hiring, some turn to automation, and some demand more work from the employees that stay.

For businesses that already have to contend with low margins and high risks, even a moderate increase in the minimum wage can be sufficient to drive them out of business.

In 2017, Dara Lee Luca of Mathematica Policy Research and Michael Luca of Harvard Business School [looked at](#) restaurant closings in San Francisco after the minimum wage was raised to \$13 an hour. The pair found that the higher minimum wage led to the death of many mid-range restaurants, as well as fewer new restaurant openings. For every dollar that the San Francisco minimum wage went up, there was a 4 to 10 percent increase in the likelihood of restaurant closings.⁴

The bill makes an effort to offset these effects by setting a different wage rate for businesses that are required to provide health care coverage. That is commendable, but also functions as an acknowledgement that the wage increase may be more than many businesses can bear.

The Grassroot Institute of Hawaii prefers policies that would strengthen our state's economy and benefit both businesses and employees. Hawaii's business community has made it clear that this bill would not only be a burden, but also have a negative effect on employment in general. Not only would companies in Hawaii be forced to lay off workers or cut hours or benefits in order to afford increased wages, they also likely would slow or even stop new hiring.

² David Neumark and William L. Wascher, "Minimum Wages," The MIT Press, Cambridge, Mass., August 2010, <https://mitpress.mit.edu/books/minimum-wages>.

³ "Minimum Wages Redistribute Income Among Low-Income Families," National Bureau of Economic Research, Cambridge, Mass., Jan. 30, 2019, <https://www.nber.org/digest/jan98/w6127.html>

⁴ Dara Lee Luca and Michael Luca, "Survival of the Fittest: The Impact of the Minimum Wage on Firm Exit," Harvard Business School NOM Unit Working Paper No. 17-088, April 2017 (revised August 2018), <https://www.hbs.edu/faculty/Pages/item.aspx?num=52552>.

If we want to establish our state as a desirable place to do business, we cannot continue to treat company profits as an endless funding source for the state’s social initiatives. It is not fair to assume that Hawaii’s employers are intentionally underpaying their employees or to assume that the government is more capable of addressing the payroll limitations of a business than the business owner is.

In order to help Hawaii’s workers make more money, the state should pursue policies that will make the state more prosperous as a whole. A combination of tax relief and a reduction in the obstacles that the state places in the way of business and entrepreneurship is the best way to move forward, to improve both our economy and the situation of low-wage workers — not a minimum wage bill that would more likely hurt than help Hawaii’s businesses and low-income working families.

Thank you for the opportunity to submit our testimony.

Sincerely,

Joe Kent
Executive Vice President
Grassroot Institute of Hawaii



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Friday, March 29, 2019 at 3:30 P.M.
Conference Room 308, State Capitol**

RE: SB 789 SD2 HD1 RELATING TO MINIMUM WAGE

Chair Luke, Vice Chair Cullen and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **does not support** SB 789 SD2 HD1, which increases the minimum wage rates annually beginning January 1, 2020. This bill would also provide a lower rate for employees who receive employer-sponsored benefits under the Hawaii Prepaid Health Care Act and includes persons with disabilities under generally applicable minimum wage requirements.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ 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 members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

National data has differed on their opinion of the effects that an increase in the minimum wage could have on employers and their businesses. However, should this bill pass, it will no doubt harm local businesses, the state economy, job creation and, potentially, the very employees it is trying to help.

A Minimum Wage Increase is not a One-Size Fits All Fix

The number of small businesses across the state of Hawaii vary from the size of the business, to the number of employees or even the products and goods that they sell. A rise of the minimum wage will have an impact that will be felt throughout the small business community. We have heard from many members regarding what would happen to their businesses if the minimum wage were to be increased. Some of our members have said that their businesses would be able to absorb the additional costs of an increase in minimum wage. However, we have heard from other members who have raised concerns on what sort of impact these new increases will have on their businesses.

One of the business owners that we have heard from, someone who has owned a restaurant for over 30 years and employs around 25 workers has indicated that even the smallest increase being considered for a minimum wage increase will cost them nearly \$45,000 more on hourly wages in the first year. This owner has also indicated that most likely they will need to raise prices, cut back on the premium health care that their business currently offers, and most likely also cut hours. This is also an owner that has used his business to help



Chamber of Commerce HAWAII

The Voice of Business

contribute millions of dollars to charitable causes in Hawaii through fundraisers, donations and other efforts throughout the years.

In the first year of the proposed enactment of this measure, wages for each employee who works 19 hours a week, and therefore would be subject to an \$11 per hour minimum wage, would increase by \$889.20. By the time the proposed full \$15 minimum wage comes into effect in 2024, wages for the same employee working 19 hours a week would increase by \$4841.20. If an employer has 10 minimum wage employees, they would incur additional labor costs of \$8,892 in 2020 and \$48,412 in 2024. These totals don't include wage compression or other mandates that the employer is required to pay, such as taxes. Wages for a full-time equivalent employee receiving health care benefits would increase by \$832 in 2020 and \$4,992 in 2024 in payroll alone, again excluding other mandatory expenses. The same 10 employee business would incur an increased labor cost of \$8,320 in 2020 and \$49,920 in 2024. This increase could equal or overtake the profit margins of some of our members.

We hope that lawmakers will take this into account when considering the impact that a minimum wage would have on small businesses across the state.

Minimum Wage vs. Living Wage

Recently, when considering a minimum wage increase, proponents have tied it to the argument that workers need to be making a livable wage. The Chamber understands and empathizes with working families and the challenges that they face with the high cost of living in Hawaii. That is why we believe we need to look at the whole picture of factors that are affecting workers here in Hawaii. A minimum wage increase is not going to be the silver bullet that will fix all of Hawaii's cost of living problems. Living wage is a complex, multifaceted issue and we need to take a hard look at solving issues such as lack of available and affordable housing, and reliance on imported goods and energy when considering a living wage.

Other Important Factors for Consideration

Increasing the minimum wage will also greatly affect job opportunities, especially for new, unskilled workers. In addition to traditional adult workers changing industries, young adult workers also often receive their initial work experience by starting at unskilled jobs. As mentioned previously in our testimony, business owners are telling us that raising the minimum wage will result in some businesses having to cut salaries and positions and raise prices on their products. Raising wages does put more money into circulation of the economy; however, it also can lead to fewer jobs, fewer hours worked for employees, and in some cases, the loss of the business entirely.

According to figures from the Department of Labor and Industrial Relations and the Hawaii State Data Book, minimum wage increases led to a rise in teen unemployment. 2018



Chamber of Commerce HAWAII

The Voice of Business

data show that while the state's overall unemployment rate was at 2.4 percent, the unemployment level for workers aged 16-19 was at 11.4, a nearly four percent increase from 7.8 percent the previous year. The Employment Policies Institute found that for each 10 percent increase to the minimum wage, teen unemployment increased by as much as 3.6 percent. Many businesses hire teen employees to help them gain important skills and experience for the workforce, but as the data shows, these increases are costing this demographic an opportunity to build the foundations of their careers.

In a March 21, 2019 University of Hawaii Economic Research Organization (UHERO) post, its executive director explained how hard it is to accurately predict the effects of a minimum wage increase. He stated, "all existing studies of the minimum wage suffer from data and methodology shortcomings, so there remains a great deal of uncertainty about the employment effects of a \$15 or higher minimum wage." Additionally, the post also states, "[a \$15 minimum wage] is well outside the range that has been studied extensively for US minimum wage changes over the past 25 years. This, along with the changing Hawaii economic landscape with rising unemployment, falling employment, and dramatically slowing job growth all suggest that a cautious and possibly more gradual approach may be called for." This is in response to the minimum wage alone and does not consider other mandates as mentioned in our testimony.

There is also a misconception that business owners here in Hawaii are uncaring—an accusation that many of our members have been confronted by throughout this debate. This could not be further from the truth. The business owners that we've had the opportunity to hear from have all said that their employees are like family – they spend many hours, days, months, and even years working together to help serve our communities. We've also heard from business owners who have cut into their profits in order to provide their employees with better benefits, free meals during employees' shift, opportunities to earn bonuses, and the availability of premium healthcare coverage.

While our economy at this time is healthy, we note that the minimum wage has never been decreased when the economy enters a recession. The Council on Revenues recently lowered the state's forecasted revenue growth because of a projected slowdown. Hawaii is also just one year removed from the last incremental increase of the minimum wage that began in 2015 to raise the minimum wage to the current \$10.10 per hour level. We are still trying to determine the impact this raise had on our local businesses, so we encourage the committee to take this into consideration.

The Chamber appreciates that this bill tries to address some of these burdens by enacting different minimum wage tiers for employees who receive health care benefits. However, for the above reasons, we must still respectfully ask that this bill be held. Thank you for the opportunity to express our views and concerns.



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Barry Taniguchi, KTA Superstores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*

TO:
Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 29, 2019
TIME: 3:30pm
PLACE: Conference Room 308

RE: SB789 SD2 HD1 Relating to Minimum Wage

Position: Oppose

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.

HFIA opposes this measure to increase the minimum wage over the next five years to \$15 an hour or \$12.50 an hour for employees who receive health coverage from their employer. This measure is not the right choice for our state.

Locally owned businesses will be the hardest hit by this mandate, as they cannot aggregate the profitability and viability of their business across other states that are more business friendly. We would hate to see even more locally owned businesses forced to sell or close by market pressure.

It is worth nothing that currently, the market is working to pay individuals well above the minimum wage. We don't need a mandate to make this happen. Wages are increasing without government mandates.

The minimum wage is a training wage. Employers pay unskilled employees lower wages while also providing them with skills, training, and experience, and preparing them to advance their careers. Mandating another dramatic increase in the minimum wage will make it harder for

employers to provide important entry-level positions to people like high school students and others who are just entering the work force.

It is important to understand that under this bill a high school student in an entry level position, with no experience and training, who has health insurance through their parents, would be paid \$15 an hour from the moment they start work, regardless of the quality of work they provide to their employer or their customers.

When employers can no longer afford to employ people in low skill entry-level positions they will be forced to mechanize these roles, eliminate jobs, reduce other benefits, increase prices, sell their business or close their doors.

If this measure passes many businesses will have no choice but to switch to things like touch pads and self serve kiosks to fill roles that are currently jobs for people. Retailers in high minimum wage areas across the country are already making changes due to the pressure of increased wages. A recent survey of New York City restaurants found that after a mandate increased wages to \$15/hr, over 75% of restaurants reduced employee hours, and over a third eliminated jobs.¹

In Hawaii it is likely that there would be similar negative consequences from an extreme wage increase. In a blog post from March 21 the University of Hawaii Economic Research Organization² (UHERO) look at the impacts of this bill and noted, “Based on this research, we argue that there is good reason to proceed with caution. While much of the new research continues to find that minimum wage increases to the \$10-\$15 range may have very small negative employment effects, some studies provide tentative evidence of much larger negative impacts that warrant additional careful analysis.”

The report also mentioned that when analyzing the impacts of Seattle’s recent minimum wage increase researchers found that, “the increase in Seattle’s minimum wage from \$9.47 to \$11 in 2015 led to reductions in employment or hours that approximately offset the impact of the higher minimum wage on total worker earnings. And, the subsequent increase to \$13 led to large reductions in hours for low wage workers of 6-7% that completely offset a 3% rise in the average hourly wages in such jobs.” These are not the outcomes we want for Hawaii workers.

Businesses in Hawaii face a range of challenges and Hawaii is consistently ranked as one of the most difficult states for doing business. This is the only state in the country where employers are required to provide healthcare for employees working anything over 20 hours a week. It costs thousands of dollars a year beyond just salary for a business to employ a person in Hawaii. This bill will make it even more expensive for businesses in our state to be the employers and job creators that our economy depends on.

Food retailers will be especially hard hit by a measure like this, which will dramatically increase the cost of doing business. Grocery stores generally operate at a profit margin of around 1 or 2

¹ <https://www.usnews.com/news/national-news/articles/2019-01-16/survey-new-york-city-restaurants-cut-employees-close-after-mandatory-wage-increases>

² <https://www.uhero.hawaii.edu/news/view/348>

percent. In addition to potentially eliminating jobs, many businesses will be forced to raise prices in order to compensate for a new higher wage scale. This could drive up prices of food and other necessities here, where we already have the highest cost of living in the country.

A correlation between prices and minimum wage increases has been documented. A report from William Blair, a global investment banking and management firm, concluded that when San Francisco's minimum wage increased 14% from \$10.74 to \$12.25 per hour³ (May 1, 2015), prices at Chipotle increased proportionately. According to the report: All of the Chipotles in the area saw an "across-the-board" price increase. The hike included the chicken, pork, tofu and vegetarian prices, all of which increased 10 percent. The cost of steak and barbacoa rose 14 percent.

Increasing the price of food in our state is something we should be working to avoid. Hawaii's minimum wage has increased by over 20% in the past several years; the price of another substantial increase is going to be fewer Hawaii jobs, higher prices for Hawaii consumers, and doors closing on Hawaii businesses. This measure is not the right choice for our state. We ask that this measure be held.

A far better to make Hawaii a more affordable place to live for people of lower income levels would be to remove taxes from food.

Food is a significant expense for Hawaii families. In 2014, the average annual food expenditure for a two-person household was \$9,978 in Maui County, \$9,901 in Kauai County, \$9,467 in Honolulu County, and \$7,676 in Hawaii County. An average two-person household would save more than \$400 each year if food were exempt from the general excise tax, which is significantly more than the existing food income tax credit for low-income families. Larger households would enjoy even more significant savings.

Thirty-two states plus the District of Columbia exempt groceries from their sales taxes. Another six states tax groceries at lower rates than other goods. It is time for Hawaii to join this majority. Hawaii's high cost of living is a constant topic of conversation and each year we see several bills that try to address one aspect of this problem or another. Exempting groceries from the GET is a solution that would effectively make it less expensive to live in Hawaii.

Saving 4.712% on their grocery bill would mean that Hawaii families can put that money towards healthier eating, saving for retirement, and investing in their communities. Keeping the money in the local economy and in the hands of people that need it benefits everyone. This exemption would favor lower-income households the most. Lower-income families spend a significantly higher percentage of their income on food.

Thank you for the opportunity to provide this testimony.

³ City & County of San Francisco Office of Labor Standards Enforcement. *Minimum Wage Ordinance*. San Francisco, CA, 2015. <http://sfgsa.org/index.aspx?page=411> (accessed Oct. 9, 2015).



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
FRIDAY, MARCH 29, 2019 AT 3:30 P.M.**

To The Honorable Sylvia Luke, Chair;
The Honorable Ty J.K. Cullen, Vice Chair; and
Members of the Committee on Finance,

TESTIMONY IN STRONG OPPOSITION TO SB 789 HD1 RELATING TO MINIMUM WAGE

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce with approximately 650 members. I am writing share our strong opposition to SB 789 HD1.

While it is unclear from the bill to what degree the financial impacts on small businesses were analyzed in proposing this bill, **we find it will be detrimental to micro and small businesses throughout Hawaii, even with this proposed healthcare offset. Please see our analysis attached.** Our analysis does not and cannot account for the additional negative impacts caused by a wage compression that would result and be different for each business, further inflating costs for all businesses. Additionally, this bill does not account for businesses with full and part time positions, where only full time workers get healthcare, or businesses with employees who deny healthcare coverage because of coverage from a spouse or other employer. This would cause a wage disparity between employees doing the same work within the same company. Therefore, while we support efforts to help employees achieve a living wage and obtain housing and a good quality of life, this bill is not the way to go.

Increases to the minimum wage creates a wage compression. While many of our Chamber members pay more than the minimum wage, if the minimum wage is increased, new employees are automatically paid more. Then, longstanding employees expect a similar raise, which increases labor costs across the board. Often businesses increase the cost of goods and services to offset the costs of the minimum wage increase, which further increases the cost of living. However, many businesses are locked into annual or multi-year contracts and cannot pass this cost off, which equates to a loss on net profits, and businesses increasing their costs to account for the rising minimum wage only makes the cost of goods and, therefore, the cost of living higher.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

Testimony on SB789
Page 2.

We all support a living wage and helping employees earn a living wage. The State has continuously tried to address the living wage/high cost of living issue by increasing the minimum wage. Yet, things have not changed. Increasing the minimum wage is not the answer to reducing poverty. Instead, it is important to look at new ways to address the issue versus arbitrarily raising the minimum wage year after year, which is detrimental to local businesses. We suggest research and creating public, private and nonprofit partnerships to explore how we can bring down Hawaii's high cost of living and create needed affordable housing and rentals.

For more information on how a minimum wage increase will affect Maui businesses, please see the attached quotes.

Additionally, the impacts of the previous minimum wage increase, which took businesses to \$10.10 per hour in January 2018, are not understood. Before proposing additional increases, we urge the State to conduct an analysis on how minimum wage increases have impacted businesses and what the trickle down effects have been.

Mahalo for the opportunity to testify on this matter. We ask that this bill be deferred.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



Cost of Minimum Wage Increase Each Year (From Current To Projected) On Micro-Small Businesses

(Without Any Change In Productivity, Efficiency Or Revenue To Offset The Burden Imposed By The State and Without Accounting For The Wage Compression That Would Occur For All Businesses, But Is Different For Each One)

Highlights

WAGE INCREASE PER EMPLOYEE

	2020	2021	2022	2023	2024	5 Yr. Change
From 2019 of \$21,008 w/ no health coverage	\$ 22,880.00	\$ 24,960.00	\$ 27,040.00	\$ 29,120.00	\$ 31,200.00	\$ 10,192.00
From 2019 of \$21,008 w/ health coverage	\$ 21,840.00	\$ 22,880.00	\$ 23,920.00	\$ 24,960.00	\$ 26,000.00	\$ 4,992.00

RAISES OVERTIME COSTS

Overtime Increase from \$15.15 in 2019 to:	2020	2021	2022	2023	2024	5 Yr. Change
	\$16.50/OT Hr.	\$18/OT Hr.	\$19.50/OT Hr.	\$21/OT Hr.	\$22.50/OT Hr.	\$7.35/OT Hr.

PERCENTAGE INCREASE - Regardless of Performance

Hourly Increase from 2019 to 2024*: **48.51%** Huge 5 year increase. Annual ranges for avg. to top performance often in 5-8% range, equating to 25%-40% in 5 yrs.

Without Employer Provided Health Care Coverage

ANNUAL WAGE INCREASES PROPOSED BY YEAR & NUMBER OF EMPLOYEES

Year	Micro Business	Micro Business	Micro Business	Micro Business	Small Business	Small Business
2019 - \$10.10/Hr.	1	5	10	25	50	100
	\$ 21,008.00	\$ 105,040.00	\$ 210,080.00	\$ 525,200.00	\$ 1,050,400.00	\$ 2,100,800.00
2020 - \$11.00/Hr.	\$ 22,880.00	\$ 114,400.00	\$ 228,800.00	\$ 572,000.00	\$ 1,144,000.00	\$ 2,288,000.00
2021 - \$12.00/Hr.	\$ 24,960.00	\$ 124,800.00	\$ 249,600.00	\$ 624,000.00	\$ 1,248,000.00	\$ 2,496,000.00
2022 - \$13.00/Hr.	\$ 27,040.00	\$ 135,200.00	\$ 270,400.00	\$ 676,000.00	\$ 1,352,000.00	\$ 2,704,000.00
2023 - \$14.00/Hr.	\$ 29,120.00	\$ 145,600.00	\$ 291,200.00	\$ 728,000.00	\$ 1,456,000.00	\$ 2,912,000.00
2024 - \$15.00/Hr.	\$ 31,200.00	\$ 156,000.00	\$ 312,000.00	\$ 780,000.00	\$ 1,560,000.00	\$ 3,120,000.00
5 YR Inc. By Employees from 2019 to 2024	\$ 10,192.00	\$ 50,960.00	\$ 101,920.00	\$ 254,800.00	\$ 509,600.00	\$ 1,019,200.00

There is no language on what occurs after 2024.

With Employer Provided Group Health Care Coverage (EPGHCC)

ANNUAL WAGE INCREASES PROPOSED BY YEAR & NUMBER OF EMPLOYEES

Year	Micro Business	Micro Business	Micro Business	Micro Business	Small Business	Small Business
2019 - \$10.10/Hr.	1	5	10	25	50	100
	\$ 21,008.00	\$ 105,040.00	\$ 210,080.00	\$ 525,200.00	\$ 1,050,400.00	\$ 2,100,800.00
2020 - \$10.50/Hr.	\$ 21,840.00	\$ 109,200.00	\$ 218,400.00	\$ 546,000.00	\$ 1,092,000.00	\$ 2,184,000.00
2021 - \$11.00/Hr.	\$ 22,880.00	\$ 114,400.00	\$ 228,800.00	\$ 572,000.00	\$ 1,144,000.00	\$ 2,288,000.00
2022 - \$11.50/Hr.	\$ 23,920.00	\$ 119,600.00	\$ 239,200.00	\$ 598,000.00	\$ 1,196,000.00	\$ 2,392,000.00
2023 - \$12.00/Hr.	\$ 24,960.00	\$ 124,800.00	\$ 249,600.00	\$ 624,000.00	\$ 1,248,000.00	\$ 2,496,000.00
2024 - \$12.50/Hr.	\$ 26,000.00	\$ 130,000.00	\$ 260,000.00	\$ 650,000.00	\$ 1,300,000.00	\$ 2,600,000.00
5 YR Inc. By Employees from 2019 to 2024	\$ 4,992.00	\$ 24,960.00	\$ 49,920.00	\$ 124,800.00	\$ 249,600.00	\$ 499,200.00



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

“On SB789 proposed minimum wage increases:

- The proposal is coming on the heels of the last minimum wage increase of \$7.25 to \$10.10, which represents nearly a 40% increase. A further increase now is too soon to digest.
- The proposal of \$15.00 is nearly a 50% increase. If the payroll of minimum wage employees is \$100,000 a month, it will go up \$50,000 a month. We currently charge \$1.50 per glazed donut, I will have to charge close to \$2.25 with the proposed increase. A plate lunch selling for \$12.00 will have to go to \$18.00.
- Please research what a \$15.00 minimum wage is doing to small businesses in Seattle and San Francisco.
- I currently pay \$10.10 minimum wage plus an estimated \$1.00 for taxes and benefits. Medical insurance is \$500.00 per employee. On a 176 hour work month, it comes out to another \$2.84 an hour. This comes out to \$13.84 per hour. So, I will be paying \$18.84 per hour at \$15.00.
- Delay the increase by 3 years to assimilate the nearly 50% increase we just had.
- Small businesses account for a large percentage of businesses in Hawaii. Consider an exclusion of the minimum wage for companies with 100 employees or less.
- I will need to lay off some employees to offset the wage increases.”

-Jeremy Kozuki, Home Maid Bakery

“As a small business owner, I always struggle to make the ends meet and keep the doors open. I am very concerned with this drastic increase every year in the proposed minimum wage bill. It’s hard as it is to get people to buy products at set prices, but to now have to raise prices to offset the increase minimum wage is going to crush my business. Raising the minimum wage by 50% over just 5 years is extreme!”

-Anonymous Maui Retail Small Business

“I currently have two full-time staff at \$20/hour who want \$25/hour. My other three staff are part-time and they are paid \$13-\$15 per hour. If I raise their pay, then I have to raise the higher paid staff and this is a new business for me and my revenues can’t support that yet. Please provide exemptions for small businesses of fewer than 25 employees. Remember, at least 60% of our revenues go back into the local economy versus big businesses.”

-Mary Albitz, Island Art Party



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

“I am writing on behalf of a small, outer island start-up company that has beaten the failure odds and is now in its fifth year in business. We are still standing, but we are still struggling to be profitable. We have grown our revenues and they have tripled since we started, however, in year five of being in business, we still have not been a profitable business. As the owner, I still substitute teach and work side jobs to cover my bills. There are additional costs of running a small business in a remote location that has many added barriers that mainland companies do not have. We have to pay the high cost of shipping products to an outer island and much of the supplies we need are not readily available. The cost is then passed onto the local customer and tourists who would like to order our product to be shipped to them. In the midst of our small business growing pains, we have hired and outsourced our HR to a HR company. We already pay 30% in HR fees and benefits on top of the salary and hourly wages being paid. Also, the food industry has a high turnover. We do give small raises as we can afford to. We try to meet with our staff once a quarter to check in, evaluate and give a small raise, if we can. We will not survive a minimum wage raise. To continue our business growth, we would need to look at co-packing options on the mainland, where the costs of goods and labor is lower or just close our business all together.”

-Anonymous Maui Manufacturer

“I provide home medical equipment to people in their homes and this keeps them out of the hospital and out of nursing homes. It’s the most cost effective way to provide help to people. Within that though are some market based differences. I have four masters: one is the federal government, one is the state government, one is the marketplace itself, and the final one is the internet. When you say you are just going to raise the cost to an employer and they can just pass it along, that doesn’t work in my world. I have existing contracts that the federal government requires that I do things for a certain amount of money. The state totally supports those. Then if I tried to pass the costs through, I can only go so high and pass it through to private costs because the internet restricts what I can do. Finally, it’s the marketplace itself. We are dealing with a 2% unemployment rate here on the island and it is really difficult to find anyone already. In other words, us employers are already paying as much as we can for people.”

-Paul Gammie, Gammie Homecare

“Once upon a time, we were paying \$12 per hour, above the current minimum wage. We began paying \$15 per hour over 2 years ago and continue to start people at that level. However, if the minimum wage goes up to \$15 per hour, that will cause a significant increase in our company as all employees will expect to be equally bumped up and we are under landscape maintenance contracts (some for multiple years). Such an increase would not be able to be passed through and equate to a reduction in our already slim profit margins and be detrimental to the company.”

-Brian Kashima, Island Landscape



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

“As a small business that has benefited from the services of the Maui ohana since the inception of our business, we just want to share that even though we are now in a position to pay higher wages to our employees than the current minimum wage in Hawaii, and even \$15 per hour if we must, we never would have been able to start our business if the minimum wage was already at \$15 per hour in the year we started our business. As our business has developed over the years, our labor needs have shifted from low or no-skill labor to job positions that require more and more skills. The implications for us as a more mature business, is that the \$15 minimum wage will prevent bootstrapped startups from entering the market to compete with us, which is a good thing for us, but not necessarily good for our economy. We believe the legislature should consider exploring other measures such as rent control or rent regulation, rather than further hampering Hawaii's small businesses with \$15 minimum wage.”

-Anonymous Maui Manufacturer

“The minimum wage increase in Seattle has failed miserably, has cost a lot of jobs and frankly, we already have a kiosk in McDonalds in Lahaina and I would imagine that we will be seeing much, much more of that as higher minimum wages become the norm. The other aspect is the minimum wage was never intended to be a career path. It was intended to be a path to a career.”

-Tim Means, Lahaina Divers

“I am all for people making more money. However, I don't like to be guided with a guideline on what I have to do. The reason being, it is not just a minimum wage that gets increased. It is the cost of doing business and the cost of labor also. We had a couple of instances where we were trying to hire a couple of new people and they weren't willing to work for the \$10.25 that we always start our people at and therefore, we chose not to hire anybody and just do with the employees we already have. We like to start our guys and gals at a certain wage level and then we train them and they move up the pay schedule very fast. So if they start at \$10.25, chances are if they catch on and learn the way we do things, they will be making \$15-\$20 per hour within the first year. So it [minimum wage increase] does put a strain on us in what direction we will go and I hope we have some choices in that area.”

-Debbie Finkiewicz, The Maui Closet Company



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

Minimum Wage Position Statements

A Minimum Wage Is A Starting Wage

Hawaii residents face a high cost of living which can lead some to recommend increasing the Minimum Wage. However, the Minimum Wage is a starting wage for unskilled labor. It is very different from and should not be confused with a living wage which is paid to skilled workers with knowledge and experience that improves performance and adds value to the organization.

The Maui Chamber of Commerce finds that a majority of its members pay employees above the minimum wage for their skilled workforce. We support internships and training programs that help our youth and workers increase their skills to increase their income to a living wage and beyond.

Comparing Hawaii to Other States with Respect To A Minimum Wage Increase Dismisses Distinct Differences

Hawaii businesses face one of the highest costs of doing business in the nation. This includes higher labor costs, fuel and electric rates, health insurance and more. National models of \$15 per hour are being proposed that exceed the previous White House recommendation of \$10.10 per hour (with the Obama Administration) or the higher number being discussed of \$12/hour; however, Hawaii is now at \$10.10 per hour as of January, 2018. While this increase passed, it came with great controversy during the legislative session given national and global financial uncertainty and no economic analysis to predict the impact on businesses.

A Minimum Wage also creates what is known as a wage compression, meaning a compression between wages paid to unskilled labor and skilled labor that results in a wage inflation. Even employers who currently pay more than the minimum wage well understand that other employees will also expect a wage increase when new employees are automatically paid more, which raises wage costs across the board.

When considering Minimum Wage increases, the Maui Chamber of Commerce supports State analysis on the impacts to businesses, the economy and residents before passing a Minimum Wage increase as businesses will be hit with higher costs that do not equate to higher skill levels or improved productivity and those costs will be passed on to consumers. Studies show that rising consumer prices disproportionately hit those who can least afford to pay for it. Floating incomplete legislation comes at a tremendous cost to the taxpayers. Therefore, financial, economic and business studies should be conducted, understood and communicated to the public before any further Minimum Wage increases are enacted.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

Small Businesses Don't Have The Same Economies of Scale

Our County and State are made up of many small businesses who cannot take advantage of economies of scale that larger companies can without increasing costs.

While many of our Chamber members pay more than the current minimum wage and are willing to consider reasonable Minimum Wage increases, the Maui Chamber was unified with Chambers of Commerce across the state that even the \$10.10 per hour minimum wage increase (which went into effect January, 2018) would create a hardship for many businesses, particularly small businesses.

Close to 90% of our members are small businesses with 25 or fewer employees. While the economy is picking up, many are still operating with fewer employees than before, less financial resources, more difficulty in borrowing needed capital, and are struggling to keep up with rising costs that are beyond their control, especially rising health care costs. They need an environment where they can stabilize their business, then grow and thrive.

Unless government can prove how raising the Minimum Wage to beyond \$10.10 per hour will allow them to grow their business and create jobs (instead of eliminating internships and lower level positions and passing on higher costs to consumers) then the Maui Chamber of Commerce opposes any further increase and encourages a small business exemption.

We Support Focus On A Living Wage

A Minimum Wage increase is not the answer to reducing poverty. Of the 1.8 million people earning the minimum wage, only 20.8% of them are the head of their household. The rest are students or young adults. Many of those are part of households well above the poverty line. Reports show that we are talking 4% of the population.

The minimum wage was never meant to be living wage. It is an entry level, training wage. Employers pay more for skilled labor, which incentivizes employees to gain additional skills. Many workers, particularly youths, need the experience of having a job, learning the discipline of holding a job, developing a strong work ethic, gaining people skills (courtesy, being helpful), etc. These skills are important. Studies show that youths that started to work early in their lives were much better suited for the workforce as adults. With less opportunities available to them, they will be at a disadvantage when seeking a career.

Many elderly employees are retired, receiving social security, have spouses who receive a pension, etc. and are working to receive medical coverage. With a higher minimum wage increase, many of them will be lose their jobs and medical coverage when companies must cut expenses to survive.

Instead of arbitrarily increasing the Minimum Wage, the Maui Chamber of Commerce supports further investment in education and programs to increase skill levels as capable employees have more and better opportunities to make a Living Wage.



To: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Members of the Committee on Finance

From: Byron Robert Graper
As an individual

Subj: SB 789, SD2, HD1 Relating to Minimum Wage

Date: March 27, 2019

I, Mattson C. Davis OPPOSE SB 789, SD2, HD1 Relating to Minimum Wage.

State and Federal governments have identified employees that customarily and regularly receive tips and written into law that they must declare those tips (wages) and pay income taxes on them.

Currently the Hawaii minimum wage is \$10.10 per hour and if an employee receives at least \$7.00 per hour in tips then the employer may take a tip credit of \$.75 per hour, thus paying a minimum wage of \$9.35 per hour, in which case, the employee is earning at least \$16.35 per hour (\$9.35 plus \$7.00 or more in tipped wages). That means one of the goals of this legislation is to increase the wages of many employees who are currently making more than \$16.34 per hour.

To compensate for the increased labor costs, restaurants will raise menu prices, find more ways to reduce employee hours and hope customer demand doesn't fall. For some, they will go out of business. For the others they will have successfully passed the cost on to the consumer and/or reduced employee hours. But wait a minute, the minimum wage tipped employee currently earning more than \$16.34 per hour gets an additional wage benefit. The tips they receive will also go up because of the increased menu prices. If: "The legislature finds that Hawaii has some of the highest costs of living in the country." why would we legislate an unnecessary increase the cost of living in Hawaii.

Full-service restaurant credit card receipts demonstrate average tips are around 17.5% of the bill. The reason they are not closer to the 20% standard is some customers believe there is a benefit to the server if they leave a cash tip. The next time you are out for a restaurant meal, you do the math. Multiply the tip you give by the 4 to 5 tables your server is taking care of. How much are they really earning?

If we are going to pass this Bill, it should increase the current 75-cent tip credit by whatever the minimum wage increase is. Because of the new menu price increases these employees earning more than \$16.34 per hour are going to automatically be provided with tipped wage increases. By doing it this way, we are not legislating an unnecessary high consumer dining out price and unnecessarily increasing the cost of living in Hawaii. Hawaii's \$4.6 billion a year restaurant sector, which provides 66,000+ jobs (many of which are tipped service employees) isn't an insignificant sector of the minimum wage job category.

Thank you for your consideration.



Mattson C. Davis
Proprietor

Magics Beach Grill
77-6452 Ali'i Dr,
Kailua-Kona, HI 96740
o. (808) 6Magics
c. (808) 937-0466



Testimony of Jim Yates,
President of the Hawaii Petroleum Marketers Association

**IN OPPOSITION TO SENATE BILL 789, SENATE DRAFT 2, HOUSE DRAFT 1,
RELATING TO MINIMUM WAGE**

House Committee on Finance
The Honorable Sylvia Luke, Chair
The Honorable Ty Cullen, Vice Chair

Friday, March 29, 2019 at 3:30 p.m.
Hawaii State Capitol, Conference Room 308

Chair Luke, Vice Chair Cullen and members of the Committee,

I am Jim Yates, president of the Hawaii Petroleum Marketers Association (“HPMA”). HPMA is a non-profit trade association comprised of members who directly market liquid motor fuel products across the Hawaiian Islands. Our membership includes individuals and companies who operate as independent marketers, jobbers or distributors of petroleum products and who buy liquid motor fuel products at the wholesale level and sell or distribute products to retail customers, other wholesalers, and other bulk consumers. HPMA’s primary purpose is to protect and advance its members’ legislative and regulatory interests in Hawaii and Washington, DC.

Senate Bill 789, Senate Draft 2, House Draft 1 increases minimum wage rates annually from January 1, 2020, through January 1, 2024; provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act; and includes persons with disabilities under generally applicable minimum wage requirements.

HPMA respectfully opposes this bill.

Any change in the State minimum wage will have a cascading effect on increasing costs in benefits as well as wages across all employee positions, not just those in frontline retail positions.

HPMA members strive to pay above the minimum wage to attract experienced candidates for hire in convenience stores. An increase of even a dollar per hour in the minimum wage exerts pressure on a company to raise other employees’ hourly, salary and managerial pay and benefits, so that the company can remain competitive in a tight job market.

Testimony of the Hawaii Petroleum Marketers Association
In Opposition to S.B. 789, S.D. 2, H.D. 1, Relating to Minimum Wage
House Committee on Finance
Hawaii State Capitol, Room 308
Friday, March 29, 2019 at 3:30 p.m.
Page 2

Even more concerning is the notion of equating the minimum wage to a “living wage.” The job market needs entry-level pay for entry-level jobs. The current situation HPMA faces in paying more than the minimum wage to attract workers is already forcing our members to limit store hours, reduce staffing, automate functions, or implement a combination of all three options.

As it was stated in a recent *Pacific Business News* editorial, if establishing a higher minimum wage makes employing 10 people cost as much as employing 15 people, then guess what happens to the five people?

We therefore ask the Legislature to reconsider mandating such steep increases at this time. Thank you for allowing HPMA the opportunity to submit written testimony on this bill.

SB-789-HD-1

Submitted on: 3/28/2019 8:13:09 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Loren Tsugawa	Isemoto Contracting Co., Ltd.	Oppose	No

Comments:

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii.

Not only do minimum wage workers receive an increase, but all workers in the \$10.10 to \$15.00 range will also have to get an increase to maintain pay seniority. Minimum wage workers will also make closer to their supervisors, so supervisors pay will need to increase too.

I also fear unionized workers will want some kind of pay increase, since minimum wage workers are getting an increase for no merit or job related reason, which will increase our cost.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Therefore, I OPPOSE **SB789 SD2 HD1**



To: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Members of the House Committee on Finance

From: Lane Muraoka, President/Owner Big City Restaurants, Inc.

Subject: SB 789, SD2, HD1 Relating to Minimum Wage

Date: March 27, 2019

Big City Diner is opposing SB 789, SD2, HD1 because will have a major negative impact on our operations and our customers.

With six restaurants on Oahu, all of which employ more than thirty employees each, we will be directly impacted by the measure. We are a local company that relies on local suppliers for our products and services. This measure will not only increase our base payroll, but also increase our product and service cost. All the local companies will be forced to increase pricing to help cover the increase in labor cost.

These increases will come at a time when the restaurant industry as whole is facing a decrease in traffic. We are also, as with all Hawaii residents, facing increased rents due to the increase property values and increased mandated cost such as pre-paid health care. Please keep in mind that increased payroll values will also increase worker's comp and TDI costs. These costs are all based on payroll values.

Due to the wide spread negative impact on our operations and our customers, we urge you to not pass this bill out of committee. Thank you for the opportunity to share our comments on SB 789, SD2, HD1.

Mahalo,

Lane Muraoka
President/Owner Big City Restaurant, Inc



To: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Members of the Committee on Finance

From: Samantha O'Neill, FISH Honolulu
Subject: SB 789, SD2, HD1 Relating to Minimum Wage
Date: March 28, 2019

We, at FISH Honolulu, hereby oppose House bill SB 789, SD2, HD1.

Please instead consider ADDING/changing the tip credit language in any and all Minimum Wage legislation to be calculated at 25% of the tips. This will allow restaurateurs to continue to provide valuable "Living Wage" positions to its Servers and continue to provide discretionary increases to their "Back Of The House" employees, reducing the disparity in wage inequality that the current legislation promotes.

All of our staff who are paid minimum wage actually bring home between \$15 and \$30 per hour because they earn gratuities by giving excellent service and working hard with each other.

2022 is only a few years away and we have no idea what the economy will look like but we do know that as a small business we depend on every dollar of our cash flow and an increase in minimum wage will only decrease that equation for us. We at FISH Honolulu in particular, thrive on being a small, casual, approachable restaurant for our guests. If the minimum wage is increased, our prices will need to increase and then unfortunately our complete business model will be out the window and we will have to close our doors. Let the market determine what companies can afford to pay; those that are still in business.

Currently, employees have job advancement choices: to move to higher positions within the company or leave for other or better opportunities. An example of growth within would be to move from a host to a server or from a dishwasher to a prep-cook. Or an employee leaves for better opportunities because s/he has learned new skills on the job and has the drive to grow outside the company. I, myself as the General Manager, started as a host and worked my way up as I had the drive to exceed, further my career, and advance my own pay. I personally have watched countless employees with no job experience start as either a host, busser, or dishwasher and move up into management or move on to something else all together with life experiences that are invaluable.

We urge you NOT to pass this bill out of committee and just want to say, "Mahalo," for considering our point of view as a small business.

Mahalo, Samantha O'Neill / FISH Honolulu / sammi@fishhonolulu.com



Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee,

I'm a small business owner who respectfully opposes SB 789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a big part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, I believe that we will be forced to pass on our cost increase to our customers just to stay afloat. We provide an important product that is used and needed by the local consumers and visitors on a daily basis. The increase in cost will create yet another domino effect that will do greater harm than good. I can almost assure you that we may be forced to reduce employee hours or initiate layoffs just to stay afloat. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Osaki".

Kurt Osaki, President

Kauai Ice Distributors
1000 Bishop Street #609
Honolulu HI 96813

TESTIMONY IN STRONG OPPOSITION TO
SB789, SD2, HD1
BEING HEARD BY THE
HOUSE COMMITTEE ON FINANCE
on Friday, March 29, 2019 at 3:30p.m. in Room 308

Aloha Chair Luke, Vice Chair Cullen, and members of the Committee:

My name is Lloyd Nishina and I am the Financial Controller at Charley's Taxi, a Hawaii small business that has been providing transportation services in Hawaii since 1938. Charley's Taxi is a third generation, woman-owned business and we are proud to be Hawaii's premier transportation provider. One of the reasons we have been able to obtain this success is because of our employees. Our employees are part of the Charley's Taxi's family and are treated with respect. Thus, we understand the importance of providing employees with a fair wage.

However, we strongly oppose raising the minimum wage at this time. The minimum wage was just raised to \$10.10 or by 20% last year and now this bill is proposing to increase it to \$12.00 in 2020 and \$15.00 in 2023. This would be a close to a 20% increase in 2 years and 25% increase 3 years later, respectively. This increase is too excessive, especially for small businesses. Also, this does not take into account that the majority of these employees who work 20 hours or more will also receive prepaid health coverage from their employers. Also, employers in Hawaii must pay for each employee: workers' compensation premiums, social security tax, Medicare tax, Temporary Disability Insurance, and Unemployment tax. Each of these mandated benefits and taxes increase as the employee's wage increases. Combined with the mandatory prepaid health coverage, all these mandated benefits and taxes cost the employer \$3.45-\$7.06 an hour for each employee.

The minimum wage is not intended to be a living wage. Rather it is a training wage. At Charley's instead of hiring interns at no pay, we hire employees at a minimum wage as we make an investment in these employees to teach them about our business. As they learn more about our business and gain experience, they are promoted and given a higher hourly wage or salary.

Raising the minimum wage will only result in businesses needing to charge more to customers or result in many businesses either closing their doors, cutting back hours, reduce employee benefits or limit hiring. Thus, raising the minimum wage may actually

harm the people this bill purports to help. (Please see the attached article on how waging the minimum wage causes a recession in New York.) The real issue in Hawaii is not the minimum wage, but the cost of living, specifically the cost of housing.

At Charley's Taxi we always want to be part of the solution for making Hawaii better, but we respectfully do not believe that raising the minimum wage is the silver bullet, thus, we strongly oppose SB789, SD2, HD 1.

Thank you very much for consideration of my Testimony.

Sincerely,

A handwritten signature in cursive script that reads "Lloyd Nishina".

Lloyd Nishina
Financial Controller

EDITORIALS

\$15 Minimum Wage Sparks A Jobs Recession In New York



Licensing

2/20/2019

Economics 101: When Amazon pulled out of New York, the loss of 25,000 future jobs made headlines. What isn't making headlines are the thousands of jobs being destroyed right now thanks to the city's new \$15 minimum wage.

Over the past four years, the minimum wage for New York City restaurants that employ more than 10 workers went from \$10.50 an hour to \$15. That's a whopping 43% increase. Next year, every restaurant, big and small, will have to pay their workers at least \$15 an hour.

A big victory for workers, right? That's how it's depicted by the "Fight for \$15" crowd. And, yes, if you held a full-time minimum-wage job over those years, your gross income would have gone up by \$9,360.

But those massive wage hikes come at a painful cost that backers refuse to acknowledge. They kill jobs. Just like they're doing right now in New York City.

In just the last three months of last year, 4,000 workers lost jobs at full-service restaurants, Bureau of Labor Statistics data show. By the end of last year, there were *fewer* restaurant workers in the city than in

November 2016. Even though overall employment *climbed* by more than 163,000.

Job Losses Coming

There will be more job losses this year.

A **New York City Hospitality Alliance** survey found that 47% of full-service restaurants expect to cut jobs this year to cope with the latest wage hike. Last year, 36% said they'd eliminated jobs. The picture is worse at limited-service restaurants. The survey found half reported cutting jobs last year. And 53% say they'll do so this year.

"It usually takes an economic recession to cause year-over-year job losses at NYC's full-service restaurants," notes **economist Mark Perry**, "so it's likely that this is a 'restaurant recession' tied to the annual series of minimum-wage hikes that brought the city's minimum wage to \$15 an hour at the end of last year."

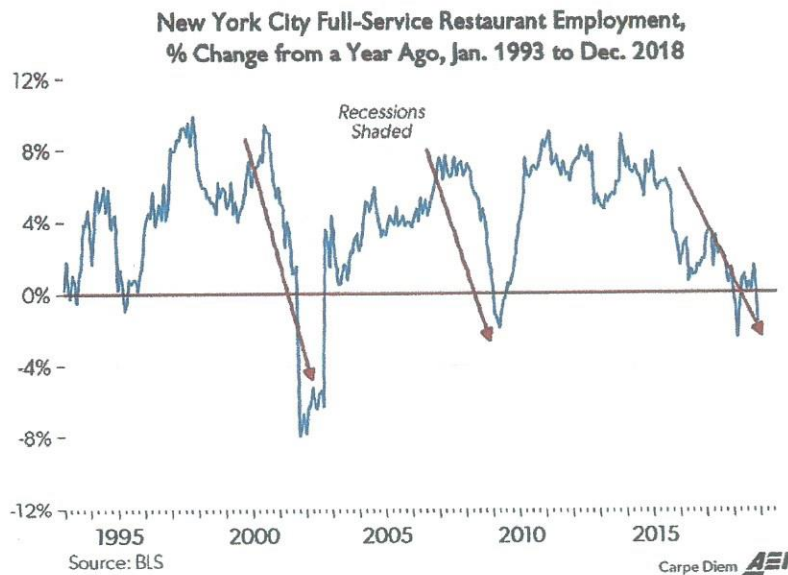


Chart courtesy of Mark Perry

Perry compiled the nearby chart, which shows the recent year-over-year declines since New York started hiking its minimum wage.

Even during the Great Recession, restaurant workers didn't suffer as much as they are now. In fact, over the course of the recession, which lasted from December 2007 to June 2009, the number of restaurant jobs in the city actually *increased* by 1,800.

It's getting so bad that fast-food workers now want the city to protect them from getting fired without "just cause."

Those who keep their jobs aren't necessarily better off, either.

The Hospitality Alliance survey found that more than three quarters of New York restaurants cut worker hours in 2018 to offset that year's wage hike. Seventy-five percent say they want to cut hours this year.

"Though the new regulations are intended to benefit employees, some restaurateurs and staffers say that take-home pay *ends up being less* due to fewer hours — or that employees face more work because there are fewer staffers per shift," notes Tara Crowl in an article in **New York Eater**.

This is all in keeping with numerous economic studies that have documented the ill effects of mandatory wage hikes.

University of Washington economists found that the average low-wage worker in Seattle saw their earnings *drop \$125 a month* because of the city's wage hikes, which had gone from \$9.47 in 2014 to \$13 in 2016.

Illinois Makes Same Mistake

A study by the American Action Forum concluded that minimum-wage hikes that went into effect in cities and states around the country this year will **kill 261,000 jobs right away**, and 1.7 million jobs over the long term.

Yet advocates for a \$15 minimum wage press on. This week, in fact, Illinois Gov. J.B. Pritzker signed a bill to raise that state's minimum wage to \$15 over the next six years.

"Today is a victory for the cause of economic justice," Pritzker said.

Pritzker should go to New York. And then try to explain the wonders of "economic justice" to the thousands of people who lost their jobs because of it.

<https://www.investors.com/politics/editorials/minimum-wage-new-york-jobs-recession/>



**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
March 29, 2019**

Re: SB 789 SD2 HD1 RELATING TO MINIMUM WAGE

Good afternoon Chairperson Luke and members of the House Committee on Finance. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

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

The Retail Merchants of Hawaii strongly opposes SB 789 SD2 HD 1 Relating to Minimum Wage. This measure increases minimum wage rates annually from January 1, 2020, through January 1, 2024. Provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act. Includes persons with disabilities under generally applicable minimum wage requirements.

While we appreciate income tax credit, the most harmful consequence of this minimum wage increase will be on our smaller retailers which face constant and intense competition, not only from other retailers, but also from internet sellers.

The impact of a minimum wage increase is exponential, causing a compression of wages between newly hired/inexperienced workers and the veteran/experienced employees. Mandating scheduled adjustments at the lowest tier of the employment scale causes a tremendous and prohibitive increase in overall employment costs. Furthermore, an increase in payroll costs also leads to increases in benefit costs that are based on wages, including unemployment insurance, Social Security and Medicare, workers' compensation premiums, and vacation and holiday pay. We must also factor in that Hawaii mandates healthcare coverage for workers. This is also another benefit that is a cost to employers that we are having to make adjustments for by restructuring our business plans and budget to accommodate the rising cost of healthcare and other mandated expenses.

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

We respectfully ask that you hold this measure. Mahalo again for this opportunity to testify.

SB-789-HD-1

Submitted on: 3/28/2019 5:55:34 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Janice Nguyen	Ha Long Pho Noodle House	Oppose	No

Comments:

HB 1191 HD1 SD1

TESTIMONY AGAINST

1. my name is Janice T. Nguyen, President and owner of independently operated Ha Long Pho Noodle House located in Kalihi, and we respectfully oppose this bill. We have been in business for more than 10 plus years and we thrive on our employees and our community contribution. Our employees play an integral role in achieving the mission and goals of our organization. We have built a culture based upon performance. All entry level positions, which means that someone with no experience, and most times in the restaurant business that is an immigrant who speaks no or very limited amount of English. After a training and probation program, they get evaluated, and if expectations are met or exceeded, we reward employees an increase in pay. Employees get the minimum wage, and then get evaluated based upon performance in 5 key areas of our business. If this bill gets approved and the minimum wage increases to 15.15, it will have a huge impact on our business. That would mean that we would push some of the cost onto our consumers, but mostly, it will eat into our margins, and we will have to change the way we do business, or give up and close down our business, because it is our mission to increase shareholder value (or make money). Doing business in Hawaii has been very difficult; it has not been business friendly in our experience. Everything from mandates to health insurance, permits, tip credits, and hourly wage has affected how we do business and how we choose to grow and invest in our business. The restaurant business is tough as it is with slim margins, having wages increase to 15.15 will have a huge negative domino effect for all small businesses in Hawaii. Please consider our testimony and remember the simple economics theory of supply and demand. When there are regulations like this it creates a huge shortage, and in this case will have all small business owners looking elsewhere to make up the shortage. It could mean investing in technology and taking away from hiring employees, it could mean eliminating entry level positions all together, it could mean moving to another state to do business where the environment is much more business friendly, it could mean losing that long time employees who has been rewarded based on performance and so forth.



1928 Republican Street Honolulu, HI 96819 Phone: (808) 845-9868 Fax: (808) 848-7848

Testimony to the House Committee on Finance
Friday March 28, 2019 Conference Room 308, State Capitol
Re: SB789 SD2 HD1 Relating to Minimum Wage

Aloha Chair Luke, Vice Chair Cullen and Members of the Committee,

My name is Jimmy Chan and I started the Hawaiian Chip Company nineteen years ago to make and sell sweet potato and taro chips throughout the state of Hawaii. I am opposed to SB 789 SD2 HD1 because it will hurt both the employees it is designed to help and businesses that are already struggling with the last minimum wage increase. The previous increase to \$10.10 an hour compressed the gap between most of my hard-working employees earnings and the minimum wage. It also forced me to raise prices along with many other businesses which added to inflation and did not allow for those raises to offset living expenses. The lower rate for providing medical coverage does not come close to offsetting that burden. It would be better for my business to stay small and employ less people rather than hiring entry level and undisciplined employees at a higher minimum wage.

Raising prices to afford for another minimum wage increase will make it even tougher for the Hawaiian Chip Company to compete against sweet potato chips from Asia and the mainland that sell for half the price. I buy 99.9% of my sweet potatoes from local farmers on the Big Island, Maui, Oahu, and Molokai. However, I'm paying up to \$1 per pound because of increased labor costs farms are enduring here. On the mainland, comparable sweet potatoes can be sourced for \$.30 per pound. I can get them shipped to Honolulu for less than the cost of local sweet potatoes. I am already losing significant sales to companies making chips outside of Hawaii from cheaper sweet potatoes and I have diminishing export capacity as increases continue. In addition to pricing my products out of markets outside of Hawaii, a raise in the minimum wage will force me to stop buying local agriculture to survive.

Where is the evidence that the last increase helped anyone? Did the last round of increases make people less dependent on public housing, welfare, and EBT cards? Advocates for an increase claim it's because the increase was negated by inflation. Considering that the last minimum wage increase is was what added to inflation, demonstrates that there is a flaw in the logic here. Perhaps a study to research and examine how the last increase helped the local economy is something that should be considered before causing further damage to our economy. Employers and employees suffer from our high cost of land. Solutions for that problem will help both. It would free up revenue for businesses to pay higher wages and increase purchase power for employees who will be able to afford more because prices would not have to drastically increase as well. This would lead to better opportunities for all.

Thank you for the opportunity to testify.

SB-789-HD-1

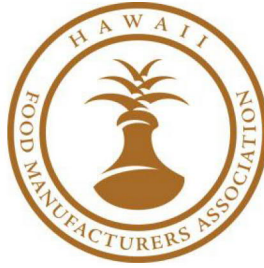
Submitted on: 3/28/2019 12:24:46 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Neil Ishida	ABC Stores	Oppose	No

Comments:

ABC Stores is in opposition of SB 789 SD2, HD1. The impact of a minimum wage increase is exponential, causing a compression of wages between newly hired/inexperienced workers and the veteran/experienced employees. Mandating scheduled adjustments at the lowest tier of the employee scale causes a tremendous and prohibitive increase in overall employment costs. Furthermore, an increase in payroll costs also leads to increases in benefit costs that are based on wages, including, unemployment insurance, Social Security and Medicare, workers' compensation premiums, and vacation and holiday pay. We must also factor in that Hawaii mandates healthcare coverage for workers. We urge you to hold this measure. Mahalo for this opportunity to testify.



Testimony to the House Committee on Finance
Friday, March 29, 2019 at 3:30 PM
Conference Room 308, State Capitol

RE: SENATE BILL 789 SD2 HD1, RELATING TO MINIMUM WAGE

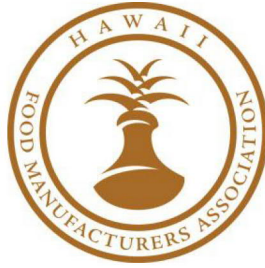
Aloha Chair Luke, Vice Chair Cullen and Members of the Committee,

The Hawaii Food Manufacturer's Association (HFMA) strongly opposes any increase to Hawaii's minimum wage because it will hurt your middle-class constituents, while failing to help those the mandate is trying to help. HFMA is a non-profit organization of approximately 150 members that has been promoting Hawaiian grown or manufactured products since 1977. HFMA works to increase the understanding and appreciation of the unique flavors, quality, and care that go into the production of Hawaii's fine foods and beverages represented by our membership.

Raising the minimum wage violates the law of supply and demand and there is little evidence to support successful results from the last mandatory increase. There is ample evidence supporting that cost of goods has increased because of the last hike to the minimum wage. The minimum wage is an entry level wage and should not be confused with a living wage. Most of us know an increase will not help and won't acknowledge the real problem which is the high cost of land, which will take some bold thinking and creative strategies to solve but can be solved using the same basic principles of supply and demand.

The minimum wage is an entry level wage which allows businesses to hire employees lacking skills or abilities while providing them opportunity to move up in pay through merit. Paying more to the lowest producers in a company leaves less room in a budget to pay those who deserve more and make up our middle class. It will also force businesses to eliminate jobs that would give unskilled workers, like high school students, a chance at employment. After the last round of minimum wage increases, the poverty level has not miraculously gotten better because price of goods have only inflated as a reaction to the minimum wage increase. Many small businesses that are unable to sustain profitable margins, while trying to implement increases, have failed. The increases also price goods produced in Hawaii out of market for export contention. This is why only a select few large companies are able to grow revenue through export, while others struggle to scale due to labor costs.

The increase has good intention but displays little in terms of practical economic sense. Socialism simply does not work and is evidenced by failing economies like Greece,



Venezuela, North Korea and even the demise of the USSR. Trying to force an increase in wages sounds good in the absence of an alternative solution but will continue to weaken Hawaii's economy. As the middle-class wages drop more, the best and the brightest will continue to leave for better opportunities elsewhere. This will allow large national conglomerates to take over as they can absorb the deficiencies of an entitled workforce where small businesses can't. Most businesses in Hawaii are small on a national and global scale.

Please work on finding a solution to the high costs of space to live and operate businesses. Perhaps leasing state lands at bargain prices to public/private partnerships so we can build affordable housing, not just for low income but anyone who doesn't mind dormitory style living units, to save for an upgrade later is an option. Same can be done for businesses creating shared work spaces – with cheap leases on land and sensible construction these residential and commercial units could be rented out at lower costs than available at current market prices.

These solutions would help both employers and employees instead of continuing to repeat a model that does not work, resulting in the following undesirable consequences:

- Entry level wages are designed for high school students, summer hires and unskilled labor with no previous experience
- Doesn't leave room for businesses to offer wage increases for employees that make up our middle class
- Business are less likely to hire
- Hawaii economy becomes a more service based industry
- Loss of Hawaii manufacturers
- Less startups due to labor cost barrier
- Foreign market sales decrease due to even higher priced products
- Businesses will have more incentive to automate and eliminate jobs
- All goods at supermarkets, restaurants and stores will increase in price due to labor costs in all these establishments. Within a short time \$15, \$17 or \$20 will no longer be a "livable wage" as seen in the last minimum wage increase
- The real problem is the cost of housing for Hawaii's residents and the cost of rent for businesses

Thank you for the opportunity to testify.



MOILIILI
COMMUNITY
CENTER

Moiliili Community Center (MCC) is not taking a position for or against the proposed minimum wage increase legislation; however, I would like to offer the following comments concerning the impact that the proposed increases would have upon our programs:

Unlike for-profit businesses such as restaurants and other retailers, it would be very difficult for a non-profit such as MCC to increase our program fees to meet the increase in the minimum wage for our employees, and we would probably have to cut back our staff, which would mean a decline in our participants.

Looking back at the previous minimum wage increase, our Children & Families A-Plus After-School program struggled. Although we had to pay our staff a higher minimum wage, the fees for the After-School program remained the same for the participants. There was a lag in the fee increase which is regulated by the Board of Education.

To make-up for the loss in revenue, we increased our fees over the past year and experienced a decline in participants in both our After-School program and our popular Summer Smiles program.

Our Senior Center program serves 300 - 500 Kupuna each day, and it would be very difficult for us to continue to serve our current number of participants if the cost for the staff of these programs increases. The majority of the seniors, many of whom are in their 90s, credit MCC for helping to keep them thriving and strong.

In summary, in as much as I wish I could pay my staff more for what they do each day, to have a minimum wage jump from \$10.10 to \$15.00 in 2024, would be difficult to manage for our Center. We have already worked through the last increases which went from \$7.25 in 2014 to \$10.10 in 2018, a four-year span. Grants are becoming more difficult to secure and the cost of a lot of our daily supplies, water, sewer, electricity and health insurance all continue to increase. MCC has been in the community for more than 117 years and we would like to remain here for another 100+ years.

I, along with everyone associated with MCC, would appreciate it very much if our legislative leaders would take all of my aforementioned into consideration when it comes to the decision making process.

Thank you very much for your time and consideration.

Respectfully,

Nadine N. Nishioka
Executive Director



SB-789-HD-1

Submitted on: 3/28/2019 1:25:56 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jean-Paul Gedeon	JPG Hawaii Inc.	Oppose	No

Comments:

Operating a business in Hawaii is tough enough as it is. The many taxes on businesses and cost of doing business in our great State of Hawaii is not easy. It would see a number of people who need benefits such as Medical etc. to not qulaity as more businesses will need to reduce full time staff.

SB-789-HD-1

Submitted on: 3/28/2019 9:48:28 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

I support SB789 with these amendments:

- **SB 789 SD2 HD1 needs to be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.**
- **The health insurance credit should also be limited to only small employers,** since the big-box retailers and large employers can easily afford to pay for health insurance.
- Seattle currently has a similar health insurance credit, but it [quickly phases out](#). **Any such credit in Hawai'i should also phase out,** so eventually all minimum wage workers will be paid the same wage.

Mahalo!

Shay Chan Hodges

Haiku, Maui

SB-789-HD-1

Submitted on: 3/28/2019 12:49:57 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jacob Noa	Individual	Support	Yes

Comments:

Thank you to the House Finance Committee for the opportunity to present testimony. I am a full-time student at UH Mānoa, as well as a food service worker. I would like to express my support of SB 789 regarding a raise in the minimum wage, with the proposed amendments that would increase the minimum wage to \$17 per hour by 2024 and no less than \$14 per hour for employees that receive health care from their employers.

Through years spent in the food service industry, I have met many different people from a variety of backgrounds. Many of whom are not just teens or students at their first jobs, but older folks; parents and grandparents. This demographic is largely known, but rarely discussed; they're often tucked away in hot kitchens doing 60-80 hour work weeks for around the same wage as myself. Those who know the food service industry understand that it largely operates on the backs of these older generations of workers, many of which are recent immigrants that must simultaneously adjust to the shock of living in a different place with a different culture. I have worked with grandmothers who had frequently logged well over a hundred hours in a two-week pay period. One of whom was forced to bring along her granddaughter in the kitchen nearly every shift, as the mother was also working full-time and she just had no other options. This is a common struggle for immigrant families in Hawai'i; multiple generations under a single household, all forced to work long hours and multiple jobs in order to provide for their children.

Given difficult situations such as these, the conversation must shift from discussions of a minimum wage to discussions of a living wage. For food service workers, low-wage and no benefit employment is the standard. And here in Honolulu, Hawai'i, where the cost of living is the highest in the nation, the current increases under this bill simply do not translate to an actual living wage.

Therefore, I urge you to consider the proposed increases to \$17 per hour and \$14 per hour as a meaningful step in addressing the rising cost of living that continues to create unsustainable working conditions for so many in our communities. Thank you for your time and consideration.

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair
Rep. Ty Cullen, Vice Chair

Date: Friday, March 29, 2019
Time: 3:30 p.m.
Place: Conference room 308

Testimony of Bart Dame
bedame@gmail.com

SB789, SD 1, HD1, RELATING TO MINIMUM WAGE

In SUPPORT, with Amendments

My name is Bart Dame and I am testifying as an individual today.

It looks like the two chambers are advancing two contrasting approaches on how to raise the minimum wage. There are features I like in each approach. I support the intent in the House version which would recognize the value of employer-provided healthcare and would incentivize employers to provide health insurance to all their employees or to pay their part-time workers a higher minimum wage to reflect the fact they do not receive health insurance.

For a longtime, I have felt it has been wrong for policy makers to not fix the problem created by the employer healthcare mandate that pressured employers to hire workers at below 20 hours. This bill is an attempt to fix that problem. And hiking the minimum wage to \$15 an hour for part-time workers will help raise their standard of living.

But for fulltime minimum wage workers, this bill will only hike their wage to \$12.50. And take five years to do so in tiny steps. We know from the DBEDT's study that a \$12.50 minimum wage falls way below the "sustainability wage" they have pegged at \$17 an hour. Does anyone think the DBEDT figure overly generous?

I wonder if some legislators have at least subconsciously accepted as reality the myths being promoted by the Chamber of Commerce that would have us believe the typical minimum wage worker is a teenager, living at home with his or her parents. That may have been true at one point, but the shape of the economy and the reality of growing economic inequality, has changed things. A growing number of older workers earn the minimum wage or close enough to it that they would get a raise if the minimum wage were to go up. This is an important reality in a changing labor market. The notion that the minimum wage is a "training wage" is also a myth.

In 2014, the minimum wage in Hawaii started a series of hikes, finishing at \$10.10. I invite anyone to go back and read the testimony of the business owners from that time, warning how a hike in the wage would lead to large-scale layoffs, particularly for new and unskilled workers, among the young. We now have six years of experience and can see those doom and gloom predictions have not come true. The wage rose 39% over four years, or about 10% a year. Unemployment has declined during that period. Employment in restaurants and other low-wage industries has gone up, rather than seen layoffs. We can look at those intervening six years as having been a test of the impact of a higher minimum wage.

Just as there are employers who oppose any hike in the minimum wage, there have been advocates who have wanted the minimum wage hiked rapidly, as though the level of the minimum wage can be set arbitrarily, without significant negative impacts.

I think the challenge is to find the “sweet spot.” At what rate can we raise the minimum wage without causing too much disruption to employers, increasing the purchasing power of workers, but without leading to a net loss of jobs. That is the challenge.

I suggest the recent history supports continuing to raise the minimum wage at about the same rate. So an increase in the wage from \$10.10 to \$15.00 an hour by 2024 is an increase of 48.51% over five years, almost exactly the same 10% a year hike we just went through without negative consequences.

I think we should view the minimum wage as a tool, only one, but an important tool, in helping ensure workers make a decent standard of living, able to sustain themselves without having to rely upon financial assistance from the state and federal governments. It requires economic growth to be able to finance rising wages. But wages have NOT kept up with increases in productivity, with a growing economy. Raising the wage too quickly will threaten economic growth. But raising it too slowly, will also inhibit economic growth by reducing discretionary spending by employees.

If you want to a lower minimum wage for workers whose employer provides health insurance, I suggest raising the minimum wage to \$17, the rate suggested by DBEDT, but allow employers providing health insurance to pay a lower rate of \$15.

I urge this bill be amended to raise the minimum wage in two steps, the first going in effect January 1, 2020, raising it to \$11.25, and a second step hiking it to \$12.50 on January 1, 2021. That will still be significantly lower than a “living wage,” but it will help restore some of the value in the minimum wage which has been lost over several decades. Meanwhile, other bills with more steps can be considered as well.

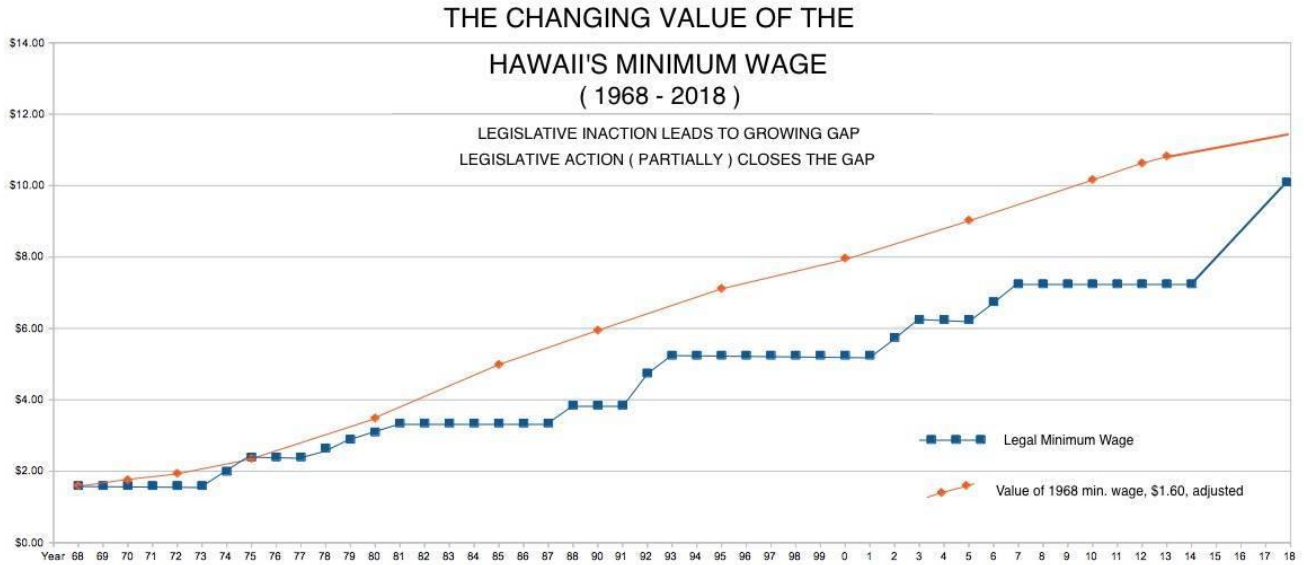
Thank you for the opportunity to testify.

ATTACHMENTS: I have attached a couple of charts.

I used the CPI Inflation Calculator from the Bureau of Labor Statistics to calculate the value of the minimum wage I received in 1968 to see how much a worker today would have to be paid in order to have the same purchasing power as I did as a 15 year-old kid. Using THAT standard, the minimum wage should be \$11.79 TODAY. By the time any hike passed this year can go into effect, that figure will be over \$12 an hour.

NOTE at the top of the chart the \$17 wage DBEDT has identified as the wage needed to sustain a single worker in Hawaii in 2019.

DBEDT's \$17 wage estimate → X



Here is a chart from the Economic Policy Institute, showing the historical tendency for wages in the US to rise parallel with increases in productivity. That connection was severed in the early 70s and most of the benefits of economic growth have gone to the wealthiest segment of the population, increasing the growing economic inequality that plagues US society, including Hawaii.

The gap between productivity and a typical worker's compensation has increased dramatically since 1973

Productivity growth and hourly compensation growth, 1948–2017

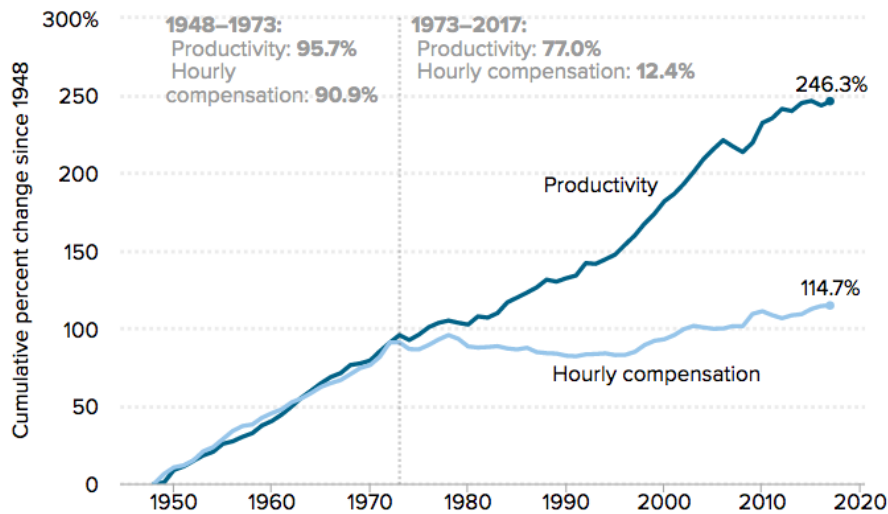


Chart Data

Notes: Data are for compensation (wages and benefits) of production/nonsupervisory workers in the private sector and net productivity of the total economy. "Net productivity" is the growth of output of goods and services less depreciation per hour worked.

Source: EPI analysis of unpublished Total Economy Productivity data from Bureau of Labor Statistics (BLS) Labor Productivity and Costs program, wage data from the BLS Current Employment Statistics, BLS Employment Cost Trends, BLS Consumer Price Index, and Bureau of Economic Analysis National Income and Product Accounts

Updated from Figure A in *Raising America's Pay: Why It's Our Central Economic Policy Challenge* (Bivens et al. 2014)

Pay Tracker

Change 1973–2017:

Productivity

+77.0%

Hourly pay

+12.4%

Productivity has grown 6.2x more than pay

SB-789-HD-1

Submitted on: 3/28/2019 2:50:25 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Soo San Schake	Individual	Support	No

Comments:

Dear Committee Members,

I strongly support this bill because increasing Hawaii's minimum wage gradually is fair and equitable for all involved. The exorbitant costs of living in Hawaii as well as inflation continue to rise every year. Many other states already have a current minimum wage much higher than our current wage, although the cost of living in Hawaii is much higher than most states. By not requiring companies to pay their workers a reasonable living wage, it is costing taxpayers the burden of having to subsidize their income. Please pass this bill and support an increased quality of life and economic prosperity for all of Hawaii's residents.

SB-789-HD-1

Submitted on: 3/28/2019 1:52:55 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicole Chatterson	Individual	Support	No

Comments:

It is tough to live in Hawai'i at \$60,000/year. I cannot imagine those who are stuck living on minimum wage. Many of these jobs are the foundation of our economy. Corporate executives to give up some of the exorbitant profit and trickle some down to the folks whose backs they stand on to create their empires.

March 28, 2019

SUPPORT with Comments for SB789 SD2 HD1 Minimum Wage
Scheduled to be heard by FIN on Friday, 03-29-19 3:30PM in Conference Room 308.

TO: Chair Sylvia Luke, Vice Chair Ty Cullen and
Members of the House Committee on Finance

FROM: Barbara Polk

While I strongly support increasing the minimum wage, this bill still leaves Hawaii behind other high cost cities nationwide. I urge increasing the minimum to \$17, the amount found to be a living wage for a single person.

I also want to point out that the tax credit offset for small businesses, *does not require that the business have any minimum wage employees!* I'm sure this is an error, but the cost to the state of this tax credit for all small businesses, simply for making wage increases for non-minimum wage workers would be enormous!

I further recommend that the tax credit only be offered to businesses that are based in Hawaii and that the definition of "small business" be returned to the previous definition of one employing 50 persons or fewer.

Thank you for hearing this bill and considering these amendments.

SB-789-HD-1

Submitted on: 3/28/2019 11:51:07 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Claire Gearen	Individual	Support	Yes

Comments:

Aloha Chair Sylvia Luke, Vice-chair Ty J.K. Cullen, and members of the House Committee on Finance:

My name is Claire Gearen, and I write in support of the intent of SB789 SD2 HD 1 relating to minimum wage.

I understand the importance of incentivizing full time employment of workers who will enjoy employer paid health care; however, I am concerned about the subminimum wage the bill creates. \$17 an hour is needed for self-sufficiency of a single person with no child, and \$12.50 an hour in five years will fall far short of that. Please consider raising the amount to \$14 an hour in 2024 or striking this portion of the bill altogether.

The February 2019 issue of Hawai'i Business Magazine offers compelling reasons to create positive change in our economy. This testimony is informed by editor Steve Petranik's "change report." In 2015 in Hawai'i, 31% of jobs pay wages between \$10 and \$15 an hour. It is not surprising, then, that 48% of households are ALICE or below.

According to Hawai'i Business Magazine, what ALICE households most want is more time with family. Housing is especially difficult for many households. Appleaseed Center reports that in 2015, one in four workers was not adequately housed. And according to Feeding America (as cited in Civil Beat on March 25, 2019), 1 in 8 Hawai'i residents experience hunger, with an even higher proportion of children—1 in 6—going hungry.

Ultimately, a living minimum wage would correct for an equity issue. The economic recovery since 2008 has occurred on the backs of low income workers. 19% more households lived in poverty in 2015 as compared to 2007. The percentage of jobs earning less than \$10 an hour doubled. While low skilled jobs are in the highest demand nationwide, these incomes have lost more to inflation since the recession than all higher wage earners. I am concerned that a subminimum wage of \$12.50 an hour will inadvertently incentivize further growth of the lowest wage work in our state.

Raising the minimum wage to a living wage would enable businesses to take care of their workers without sacrificing a business advantage, since all businesses would incur the cost.

Respected business leaders Peter Ho and Duane Kurisu have argued that addressing the needs of low income workers is important for the health of our social fabric and state economy both. We do not want a repeat of the 1990s, when we lost more residents per capita than any other state according to the U.S. Census. I urge you to pass a living minimum wage bill this session!

With Regards,
Claire Gearen

This is personal testimony of Dennis B Miller, as a small business owner and a concerned citizen.

Dear Representatives,

Low wages cause poverty.

Poverty costs society far more than is spent on a living wage.

Less money is spent on a living wage than on dealing with the many costs of poverty.

A living wage eliminates poverty.

Poverty costs more in total social costs than the temporary burden of forcing businesses to adjust their business model.

The benefit to the state budget, the city budget, and to the personal lives of everyone who will benefit vastly outweigh the initial adjustment within the business community.

To assist businesses with an immediate bump of the minimum wage to \$18 dollars per hour, you can lower the cost of business in various ways.

1. lower the cost of health insurance premiums in Hawaii by 30% within 6 months by getting Governor Ige to change his mind and support letting the Hawaii Health Authority design its All Payer Healthcare System. This design period can be completed in four months, at which time the legislature has an opportunity to review the design, and then either approve it or decline it.
2. The HHA's All Payer system will also lower the cost of Workers Compensation premiums by 70%
3. Enforce labor law regarding abuse of independent contractor status by 95% of the massage, nail, beauty salon industry, as well as by a large portion of the contractor industry. simply by sending out letters informing those business owners of the IRS's 20 point test for approving independent contractor status and the risk of a five year audit for unpaid payroll taxes will create voluntary compliance. This will accomplish two things. First, the state will collect more payroll tax. Second, those businesses who currently comply with labor law will be competing against fewer competitors who ignore labor law.

4. Apply similar educational efforts aimed at reducing the cash economy. Btw, one main driver of the cash economy is the catch 22 of current health insurance. Many employers can't afford to pay it, so they pay their staff out partially by cash, so the staff can then qualify for Medicaid. Medicaid is the insurance provider of choice for the independent contractor who doesn't report all of their income. This isn't in the interest of the tax payer or the state. The HHA will eliminate this motivation to live on the cash economy.

Once again, do the math. Paying poverty wages causes poverty. The tax payer subsidizes poverty, or pays the social consequences via homelessness, etc. We pay our police to shuffle homeless from one park to the next. By shifting how money flows, we could pay a living wage, eliminate the unnecessary social and economic costs of poverty, help businesses by reducing unnecessary costs on the 'cost of business,' and the result will be a society that will be much more appealing for residents and for tourists.

The homeless situation in our world renowned tourist areas are now an international disgrace, which is harming arrival numbers. If Hawaii took bold steps to eliminate homelessness, our international image would skyrocket, our actual quality of life would dramatically improve, and our tourism industry would see increased arrivals.

What is holding you back from passing a living wage, now, today, that takes effect asap?

If you are heeding the testimony of those large business organizations who are testifying against raising the minimum wage, please notice that nearly all of them cite the high cost of healthcare as one reason for why they cannot accept a raise in the minimum wage.

This is a compelling reason to get Governor Ige to cease his unreasonable opposition to letting the Hawaii Health Authority reduce Pharma/HMSA's bundled donations to both members of this committee and to the governor...oops, pardon, me I misspoke. I meant to say, this is a clear reason to support letting the Hawaii Health Authority perform its streamlining of health policy payment systems so that our insurance premiums can be reduced by 30% and we can afford to cover the honest gap group who work too many part time jobs to qualify for Medicaid.

Thank you,

Dennis B Miller

singlepayerhawaii@gmail.com

2215 Aloha Drive Apt 5J

Honolulu, HI 96815

SB-789-HD-1

Submitted on: 3/28/2019 9:16:38 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicole	Individual	Oppose	No

Comments:

Submit testimony on SB 789 SD 2 HD1 Relating to the Minimum Wage

To: Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

Members of the Committee on Finance

From: Nicole Lueker, Manager Owner Teapresso IL Gelato LLC

Subj: SB 789, SD2, HD1 Relating to Minimum Wage

Date: March 27, 2019

Aloha Chair, Vice Chair and the members of the Committee,

My name is Nicole Lueker and I am the owner and manager of Teapresso IL Gelato LLC.

I respectfully oppose HB789 as I am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses in Hawaii. Our employees are a big part of what makes our business a success and we do everything we can to retain them through both wages and benefits.

We run a small Boba Tea and Gelato Business at Pearl Highland Center in Pearl City and mostly hire students and entry-level employees with no skills or experience. We invest a lot of time and money to train them. With increases in minimum wage all operating cost and costs of living in Hawaii will go up and will make it difficult to run a business and to live in Hawaii.

We are currently not making any money but work hard and try to survive. Rents and operating costs are very high. We are mostly concerned that with increasing minimum wage all cost will go up further - not just direct labor cost- and that we cannot pass those costs on to the consumer. As a consequence we may have to close our retail store and find other employment ourselves.

We like to ask the legislators to protect Hawaii's small businesses and provide a pro-business climate. Otherwise only large national chains, which can leverage their cost throughout the nation will survive and Hawaii's unique restaurant industry will be gone.

We recently have been made aware of an opinion issued by one of the mostly respected Economists in Hawaii Professor and Director of HERO Carl Bonham, Ph.D.. Dr. Bonham published a blog on the proposed minimum wage increases and warns for high and fast increases. Please read and try to understand the complexity of the issue and carefully consider that opinion.

Please see his blog below at

<https://www.uhero.hawaii.edu/news/view/348>

Based on his review on current research by others, he concluded that a significant increase in minimum wage may have unintended adverse effects on Hawaii's economy and he recommends to proceed with caution.

We suggest postponing the measure to next year and in the meanwhile studying the matter more carefully before making a drastic change in minimum wages and possibly impacting Hawaii's unique economy and market place.

Thank you for your time and consideration of my concerns.

SB-789-HD-1

Submitted on: 3/28/2019 9:14:37 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dirk Koeppenkastrop	Individual	Oppose	No

Comments:

Submit testimony on SB 789 HD1 Relating to the Minimum Wage

To: Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

Members of the Committee on Finance

From: Dirk Koeppenkastrop, Ph.D., IL Gelato Hawaii

Subj: SB 789, SD2, HD1 Relating to Minimum Wage

Date: March 27, 2019

Aloha Chair, Vice Chair and the members of the Committee,

My name is Dirk Koeppenkastrop and I am the owner of IL Gelato Hawaii.

I respectfully oppose SB789 as we are very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses in Hawaii.

As we have seen very little testimony by researchers and economist in this matter to date, I approached UH Professor Carl Bonham regarding potential impacts on the proposed minimum wage on Hawaii's economy. Carl Bonham is the founder and Director of UHERO at the University of Hawaii and the leading State economist. He published a blog with one of his PH.D students, which he made available to all Hawaii's legislators.

Please see his blog below at

<https://www.uhero.hawaii.edu/news/view/348>

Based on his review on current research by others, he concluded that a significant increase in minimum wage may have unintended adverse effects on Hawaii's economy and he recommends to proceed with caution.

In order to show what effect's minimum wages increases have on small businesses we'd like to share some details of our own business. My wife and I run a small gelato business at three locations on Oahu and mostly hire students and entry-level employees with no skills or experience. We are proud of both our business and our employees. Our employees are a big part of what makes our business a success and we do everything we can to retain them through both wages and benefits. We invest into training them. Increasing minimum wages from \$7.25 to \$10.10 over the last few years has been hurting our business. Rents increased, insurance cost increased and food cost increased and our profit margins were dropping year by year so we are now suffering. Our payroll/revenue ratio has gone up from 30%, which is where it suppose to be to 40%. This does not allow for any margins to keep the business profitable.

Recently we had no other option to increase our scoop prices from \$3.75 to \$4.25 with the result that our sales have gone down! We simply have less people buying gelato from us, as the prices are perceived to be too high. This is proof that not all cost can be passed on through to the consumer.

With further increases in minimum wages all operating and costs of living in Hawaii will go up. As minimum wages will go up all other wages and salaries will as well. The increased minimum wage will not compensate for the increase in cost of living and further minimum wage increases will be required spiraling cost and not accomplishing the original intent.

Legislators also need to consider that some small business will choose to have employees work "under the table" to avoid higher costs of wage hikes, payroll

taxes and medical and other benefit cost. Business like ours who do not do that will be at a disadvantage.

Furthermore, we need to consider although tax incentives are good idea to support small businesses, the small businesses first need to make profits and survive before becoming eligible for a tax break.

IL Gelato Hawaii alone may have to close 3 retail stores if the minimum wage goes up to \$15.00 per hour. We will than no longer be able to provide 30 to 40 entry-level jobs to those students. We further will no longer be generating GET and income taxes.

We would like to ask our legislators to protect Hawaii's businesses and provide a pro-business climate to avoid loosing small businesses to prevailing large national chains.

As an alternative we suggest to postpone any decision on increasing minimum wages this year and to study the matter further. It looks like increasing minimum wages in smaller increments and longer time periods may be a more prudent approach. Drastically increasing minimum wages may impact Hawaii's small businesses and economy too harshly. Please consider the consequences it will have on businesses and our economy.

Thank you for your time and consideration of our concerns.

SB-789-HD-1

Submitted on: 3/28/2019 8:57:26 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Miyahira	Individual	Oppose	No

Comments:

The effect of increasing the minimum wage is primarily inflationary. As minimum wages rise, employers will probably increase the wages of others in the organization in order to keep parity. Increases in overhead expenses will need to be accommodated in some manner and one of the ways is to increase prices for goods and services. Another strategy is to also attempt to try to become more efficient and productive. This sometimes translates into reducing the number of people employed, or at the very least, minimize the number of new jobs that the organization might have otherwise created in the near future.

We will always have minimum wage earners in our work force. This was an issue fifty years ago and it's still an issue today. As we raise the minimum wage, we indirectly raise the cost of living. I would expect that a few years from now, that this will still be an issue.

What we need to do is to determine what we can do, as a community, to help those at the minimum wage level, to better themselves so that they are able to qualify for better paying jobs.

I just got off the phone with a general contractor and they continue to have problems finding people for both blue collar as well as managerial positions. So the demand is there. But there aren't enough qualified people to fill them.

Perhaps the emphasis should be on providing tuition assistance at the community college level so that minimum wage earners have a more affordable access to improving their job skills and qualifications.

So I'm opposed to increasing the minimum wage.

SB-789-HD-1

Submitted on: 3/28/2019 11:28:12 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Hanlon	Individual	Support	No

Comments:

I strongly support SB789 SD2 HD1. Hawai`i needs a minimum wage bill that is fair, just, and not diltued, compromised, or qualified by prejudicial conditions.

SB-789-HD-1

Submitted on: 3/28/2019 12:08:46 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Minton	Individual	Support	Yes

Comments:

I strongly support SB789 and urge legislators to adopt the following amendments:

While the intent of the health insurance credit is to incentivize employers to provide their workers with health insurance (many workers are kept part-time to avoid the cost of premiums):

- **SB 789 SD2 HD1 needs to be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.**
- **The health insurance credit should also be limited to only small employers,** since the big-box retailers and large employers can easily afford to pay for health insurance.
- Seattle currently has a similar health insurance credit, but it [quickly phases out](#). **Any such credit in Hawai'i should also phase out,** so eventually all minimum wage workers will be paid the same wage.

SB-789-HD-1

Submitted on: 3/27/2019 11:24:12 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

SB-789-HD-1

Submitted on: 3/27/2019 11:13:43 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Graham	Individual	Support	No

Comments:

Subject: Pass SB789 with amendments to a reaching a truly living wage earlier.

Aloha members of the Committee,

Mahalo for working on getting all workers in Hawaii to a living wage. I will support any bill that increases the minimum wage. However, many groups in Hawaii such as the Pono Hawaii Initiative and Living Wage Hawaii recommend \$17.00 as a living wage either by changing the wages in the schedule or adding another increase after 2023.

Please do your best to pass legislation that will have the greatest impact on our residents most in need, while making it possible for businesses to implement. I ask that you make the wage as high for next year as you possibly can and create a schedule that reaches \$17 by 2025 at the latest.

Thank you for considering this testimony.

Best, Janet

SB-789-HD-1

Submitted on: 3/28/2019 8:47:53 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
L.M. Holmes	Individual	Support	Yes

Comments:

As a retired person, I want to live in a society where everyone has the opportunity to make a decent living, with a roof over their heads and food on the table, by working not more than 40 hours a week. Raising the minimum wage is part of that goal, and I do support the amendment to making it \$17/hour. But small businesses cannot be expected to solve the cost of living problem simply by raising wages--they cannot afford to raise them THAT much. We must view this as only one component of the solution, of which making housing truly affordable must be the major part.

Chair Luke
Vice Chair Cullen
House Committee on Finance

Friday, March 29, 2019
3:30 PM

**TESTIMONY IN SUPPORT WITH AMENDMENTS OF SB789 SD2 HD1 RELATING
TO MINIMUM WAGE**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, Members of the Senate Committee on Ways & Means,

My name is Jun Shin. I am a freshman at the University of Hawai'i at Mānoa. I currently serve as an executive committee member of the Young Progressives Demanding Action (YPDA), and a supporter of the Raise Up Hawai'i coalition. I am **testifying as an individual in support with amendments of SB789 SD2 HD1 relating to minimum wage.**

I support SB 789 SD2 HD1, but I ask the House Finance Committee to insert **the following amendments:**

-While it is a great start to raise the wage to \$15 by 2023, as this bill would do, I urge the committee to amend it to raise the wage further to \$17. Why \$17 an hour? According to the Department of Business, Economic Development & Tourism, the "self-sufficiency income" for a single person without children in Hawai'i was close to \$16 an hour in 2016. After adding inflation, the self-sufficiency income is \$17 in 2019.

-Considering employers who provide health insurance, raising the wage to \$14/hr for employees who receive health insurance from their employers. However, this credit should only apply to small employers. The big guys such as big-box retailers and large employers are able to easily afford paying for health insurance.

-The health insurance credit should eventually be phased out so eventually, all minimum wage workers will be paid the same wage. Health insurance definitely lifts some of the burden off of workers. However, you as a worker and your family still continue to face different expenses that need to be taken care of that are not just factored out because you have health insurance.

Currently, our state's minimum wage workers earn only \$21,000 a year (working full time at \$10.10 per hour) while facing the highest cost of living in the nation. We all know that's not enough to survive on here in Hawaii and our young people continue to move while our neighbors seek the streets for refuge. As an environmentalist, I am constantly concerned about climate change, and the the need for mitigation efforts. I also understand that with the high cost of living and the constant worries of living paycheck to paycheck, many people do not have the opportunity and/or the bandwidth to live sustainable lives and make sustainable choices.

A higher minimum wage would put additional money in the pockets of the people and some economic breathing space, giving them spending power to spend at their local business/buy locally, and have more time and energy to actively make conscious efforts to do things like recycle, drive less, or spend time doing beach clean ups with their kids. Actions which would not only be good for the environment, but in the case of the beach clean ups, you get to spend time with your kids and get to watch them grow.

I am also very passionate about this issue as a member of Generation Z. I want my generation and myself to be able to have a future here in these islands that we call home, to continue to progress as a society and have each generation that follows have a better living standard than the one before. I want Generation Z to be able to dream big, succeed and be able to afford living here, maybe even raise families. Raising the minimum wage to a living wage I believe is a big reform that will go a long way in helping us accomplish these things and more.

If we invest in the people, they will in turn invest in society and the economy. Please, for the benefit of present and future generations, please **support SB789 SD2 HD1 with the proposed amendments.**

Thank you for the opportunity to testify,

Jun Shin
1561 Kanunu St.
Cell: 808-255-6663
Email: junshinbusiness729@gmail.com

SB-789-HD-1

Submitted on: 3/27/2019 10:20:11 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Morais Webster Ph.D.	Individual	Support	Yes

Comments:

Thank you for ending wage discrimination for people with disabilities in this bill. But there is more that needs to be done to get us closer to treating low income workers with the dignity and justice they deserve, If businesses are going to be given a tax credit for providing healthcare, let's limit that credit to small businesses for the short term. Let's not undermine what has been a long standing benefit in Hawaii by extending a tax credit to larger employers who have long understood that HI does a better job than most states of addressing the healthcare needs of its people.

This bill also needs to be amended to \$17 for those not receiving healthcare from their employers and at least \$14 for those who do. Anything less would fall far short of approaching a living wage. The minimum wage is supposed to provide for a "decent living." The houseless encampments on our streets are an indecency that must be addressed if we do not wish to place in peril Hawaii's reputation as the aloha state. We have to demonstrate that we can take care of our people even as we try to attract tourists to come visit "paradise." THANK YOU FOR MAKING A TRUE LIVING WAGE A REALITY THIS YEAR.

SB-789-HD-1

Submitted on: 3/27/2019 5:41:06 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
chelsea pang	Individual	Support	No

Comments:

SB-789-HD-1

Submitted on: 3/27/2019 4:53:41 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

Please amend SB789 SD2 HD1 as follows:

The bill needs to be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.

The health insurance credit should also be limited to only small employers, since the big-box retailers and large employers can easily afford to pay for health insurance.

This credit should also phase out, so eventually all minimum wage workers will be paid the same wage. That's what they're doing in Seattle, which has a similar credit.

Then vote YES for, and support the enactment of the amended and improved bill. It's another way to reduce homelessness in Hawai'i.

One job should be enough!

Mahalo,

Greg and Pat Farstrup

Pauoa, O'ahu

SB-789-HD-1

Submitted on: 3/27/2019 2:26:48 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
William Caron	Individual	Support	No

Comments:

Aloha Chair Luke,

The minimum wage was established by President Franklin Roosevelt in order to keep full-time workers out of poverty. It was not then, and has never been, meant to be a "training" or "entry level" wage. Such talk as this is simply an excuse to pay workers less than they deserve and less than they need, and uses the fact that some workers are still dependents as camouflage to disguise what it really is: greed. There is no such thing as "training" or "entry level" expenses; landlords will not accept "entry level" rent; the grocery store will not sell food at a discounted "entry level" rate to those who make below the cost of living in Hawai'i.

The bottom line is that people need to be able to cover their basic needs, and the Department of Business, Economic Development and Tourism has calculated that number, at the most conservative estimate, to be \$17 an hour, including employer-provided health insurance. Anything less than that is simple insufficient, and the community at large, including small businesses, will suffer as a result of a stagnating economy.

Amend the bill so that full-time employees with health insurance are paid \$17, not \$12.50, and move up the time table to 2023. Include an automatic cost-of-living adjustment to the wage so that no worker that puts in 40 hours a week will ever live in poverty in Hawai'i again.

We are headed right for another recession, but we have the power to determine, right now, how severe that downturn will be. Recessions in a consumer-based economy can only be mitigated by ensuring that consumers have enough money in their pockets to continue spending, and to keep the economy moving, even during hard times. If consumers do not have this extra money to dispose of into the economy, it will not matter how much or how little businesses have raised their prices: with zero extra money to spend on consumerism, customers will no longer patronize small businesses; they will be forced to rely increasingly on government assistance, costing the government more money; and they will contribute less in taxes as a result. This will create a severe strain on revenue from both ends, and--if anything--could force many small businesses to close down, something we all want to avoid.

The shortsighted nature of the Chamber of Commerce's opposition to a living wage of \$17 is based on logical fallacies, misinformation and fear. I know that small businesses sometimes operate on thin profit margins, and I know it can be anxiety-inducing to imagine increased costs as a result of wages going up. But, as policy makers, elected officials are charged with seeing the big picture. And the big picture is that raising the wage will help businesses, not harm them.

The Raise Up Hawai'i Coalition has provided numerous citations for research showing that this policy is good for business and the economy, even if it may seem counter-intuitive to business owners. If the business community has credible data, not unattributed and vague anecdotes to offer, then why doesn't it? Because it does not exist. Studies saying wage increases result in higher unemployment, or significantly reduced hours have all been debunked with significant methodology flaws or willful bias in order to score political points. Meta data and peer-reviewed research all supports the idea that this policy is a necessary and successful one.

Anytime government has, rightly, mandated regulations to improve either safety, health, the dignity and rights of workers, or to protect the environment, business has come out claiming that such regulations will destroy the economy, cause investors to flee, and cause unemployment rates to spike. They said it when seatbelts were mandated; when warning labels were put on cigarette boxes, when the right to unionize was granted, when zoning codes and resource management laws were established, whenever proposals to tax business to pay its fair share are discussed, and every single time the minimum wage has been raised. They said it in 2014, and they're saying it again now, despite the fact that not one single thing they claimed would happen came true. Unemployment dropped every single year we raised the minimum wage. There are more small businesses around today than in 2014; there are 25% more servers working in restaurants today than in 2014. Price increases over the past four years have been high enough for businesses to continue to do well, and modest enough for customers to have barely even noticed as the increased wage has put more money into consumer pockets and the economy.

The policy is a triple win for government, business and the people. We must pay people what they deserve, which is at least enough to survive on. Please amend SB789 SD2 HD1 to increase the wage rate to \$17 an hour

SB-789-HD-1

Submitted on: 3/27/2019 5:47:22 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dante K. Carpenter	Individual	Support	No

Comments:

The Honorable Chair, Rep. Luke, VC Rep. Cullen, and Members of the Finance Committee:

My name is Dante Caronter and I am in full support of SB 789 SD1 HD1. I am in support of the elements requiring amending HRS Chapter 235 and Sections 389-2 thru 387-9, as well as other sections, sub-sections and/or chapters, as appropriate, to accomplish the modified wage increases anticipated through the future years commencing in 2020.

I fully support SB 789 SD1 HD1, as amended to become effective immediately!

Respectfully submitted,

Dante Carpenter

SB-789-HD-1

Submitted on: 3/27/2019 4:53:44 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Hiroshi Lamansky	Individual	Oppose	Yes

Comments:

Tanaka of Tokyo currently operates three restaurants in Honolulu and employs over 150 employees. We have been serving local families and tourists from around the world since 1978.

The majority of employees in the restaurant industry receives and relies on tips as a source of income. 80 percent of our staff falls in the category of “tipped employees”. Based on our payroll records, our servers on average earns \$30 per hour, our busboys earn \$18 per hour, our bartenders \$32 per hour, and our chefs \$27 per hour. As you can see from these figures, which are comparable to the majority of full service restaurants, staff who receive tips are not the same as “minimum wage” earners and cannot be categorized as such. Any increase in the minimum wage without an equal increase in the tip credit will negatively affect all restaurants. In an effort to make up for the additional labor costs due to an increase in the minimum wage without an equal increase in the tip credit, restaurants will be forced to raise menu prices, cut labor hours, and unfortunately, jobs will be lost as restaurants reduce payroll expenses just to stay in business. We have already cut our labor force and reduced labor hours by 15% over the past 5 years due to the previous annual minimum wage increases.

Full service restaurants are one of the largest employers in Hawaii as our state heavily relies on tourism. Whether it’s students working part time to pay their way through school or those who simply enjoy their careers in the restaurant industry, it is our hope and goal that we will be able to continue to assist the state by providing jobs which we will only be able to do if the tip credit, at the very least is equal to the proposed increase in the minimum wage spread out over time.

SB-789-HD-1

Submitted on: 3/27/2019 3:49:30 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

To Finance Committee

To the Honorable Chair Sylvia Luke and Honorable Vice Chair Ty Cullen and committee members,

Aloha,

I support SB789 SD2 HD1, but with amendments. On the two-tier wage approach, I support a higher rate of \$14 an hour if medical insurance is provided and not the \$12.50 as proposed. I would also support the wage rate going up to \$17 an hour instead of \$15 an hour because of Hawaii's high cost living.

The State of Hawaii's 2016 report from the DBED&T has said that a single self-supporting worker needs at least \$17 an hour to survive and that for a family of 4 on Kauai, with one child in preschool and the other of regular school age, both working parents need at least \$18.40 an hour each to sustain their family. I also support the bill's new amendment paying disabled workers the same wage rate as everyone else. Discrimination in the workplace must end.

Mahalo,

Raymond Catania 4215 Kole Place, Puhi may11nineteen71@gmail.com (808) 631-6748

To: COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Members of the Committee on Finance

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

Subj: In Opposition to SB789 SD2 HD1 Relating to Minimum Wage

Date: March 27, 2019

Gyotaku Japanese Restaurants which employs 175 local residents oppose SB789 SD2 HD1 that will increase our state's minimum wage starting at \$12 per hour on January 1, 2020 and increasing to \$15 per hour in January 1, 2023. These steep increases of \$2 and \$3 will take a heavy toll on our restaurant's ability to provide full time jobs, discretionary benefits, continue to provide full service to our guests which will result in the probable loss of many "Living Wage" tip income positions.

Hawaii's economy is tough on everyone; employees, customers AND business owners. As a restaurateur, I am proud to have created so many living wage jobs at our three restaurants. We want to pay our Back Of The House Employee higher wages and need your help to do that.

TIP CREDIT – employees earning 2 -3 times a LIVING WAGE in TIPS do not need minimum wage protection.

- Change the Tip Credit to 25% of Hourly Tip Income claimed by the employee. Its easy for employers to calculate. Its fair to all parties and different types of businesses. See Attached:
- Mandating Minimum Wage increases to Tipped Employees hinders the employers ability to pay non-tipped employees higher discretionary wages.
- Tipped employees get pay increases when menu prices increase. This is an automatic COLA.
- Continued wage increases for Tipped Employees will eventually result in the elimination of these very important positions to society. What other jobs can restaurant servers do that will pay them \$60K to \$70 K per year? Single moms, students, professionals in need of part time income need these jobs. Our society needs these jobs.

THE BUSINESS CAN PASS THE WAGE INCREASE COST ALONG TO THE CONSUMER - False

- The past 4 years of successive Minimum Wage Increases comes to and increase of 39%.
- As a result our restaurant saw a 24% increase in our overall average hourly rate for all employees.
- In spite of frequent menu price increases our average customer spend has only increased 14%.
- Price increases also have resulted in lower overall customer visits.
- There is a limit to what customers can pay for meals.
- Overall sales have not increase enough to compensate for the wage increases.
- The result has significantly reduced our bottom line. Additional increases without Tip Credit relief will certainly jeopardize our ability to stay in business.

TAX DEDUCTION – Not Practical

- In order to exercise the Tax Deduction, restaurants need to make a profit and then wait 15 months from the start of the increased minimum wage to recoup by filling a tax return for a 20% refund.
- The proposed increase in the minimum wage will certainly reduce the very small amount of profit we are left with now after 4 years of successive minimum wage increases and no Tip Credit relief.

Please hold this bill and also consider changing the tip credit language in any and all Minimum Wage legislation to be calculated at “25% of the hourly tips claimed by the employee” . This will allow restaurateurs to continue to provide valuable “Living Wage” positions to its Servers and continue to provide discretionary increases to their “Back Of The House” employees, reducing the disparity in wage inequality that the current legislation promotes.

Suggested Increase In The Tip Credit

SECTION 1. Section 387-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The hourly wage of a tipped employee may be deemed to be increased on account of tips if the employee is paid [not]:

(1) Not less than:

~~[(4)]~~ (A) 25 cents;

~~[(2)]~~ (B) 50 cents per hour beginning January 1, 2015; and

~~[(3)]~~ (C) 75 cents per hour beginning January 1, 2016,

not less than 25% of the hourly tip income claimed as income by the employee below the applicable minimum wage paid by the employee's employer and the combined amount the employee receives from the employee's employer and in tips is at least \$7.00 more than the applicable minimum wage; and not less than \$7.25; and

SECTION 1. Section 387-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The hourly wage of a tipped employee may be deemed to be increased on account of tips if the employee is paid [not]:

(1) Not less than:

~~[(4)]~~ (A) 25 cents;

~~[(2)]~~ (B) 50 cents per hour beginning January 1, 2015; and

~~[(3)]~~ (C) 75 cents per hour beginning January 1, 2016,

not less than 25% of the hourly tip income claimed as income by the employee below the applicable minimum wage paid by the employee's employer and the combined amount the employee receives from the employee's employer and in tips is at least \$7.00 more than the applicable minimum wage; and not less than \$7.25 ~~provided that beginning January 1, 2015, the combined amount the employee receives from the employee's employer and in tips is at least \$7.00 more than the applicable minimum wage~~; and

Additional increases in the Minimum Wage at this time are more than many businesses can adjust to. I urge our Senators and Representatives to work diligently on making Hawaii a more affordable place to live. Simply relying on Minimum Wage increases to solve our cost of living problems is inflationary.

Thank you for giving us an opportunity to share our concerns.

SB-789-HD-1

Submitted on: 3/27/2019 4:45:48 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

Aloha House Finance Committee Members,

Please vote YES on **SB 789 SD2 HD1** which increases minimum wage rates annually from January 1, 2020, through January 1, 2024.

Thank you for taking on this important discussion about bringing Hawaii's minimum wage closer to a living wage. **SB 789 SD2 HD1** is a move in the right direction but it does not do enough to ensure Hawaii employers are paying their employees enough to pay for basic necessities such as market rent, sufficient meals, and transportation. **SB 789 SD2 HD1 needs to be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.** Additionally, the health insurance credit should also be limited to only small employers, since the big-box retailers and large employers can easily afford to pay for health insurance.

Comparing this policy to other cities, Seattle currently has a similar health insurance credit, but it [quickly phases out](#). **Any such credit in Hawai'i should also phase out**, so eventually all minimum wage workers will be paid the same wage.

Please vote in support of SB789 SD2 HD1 with the amendment that minimum wage be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.

Thank you for considering my testimony.

Justine Espiritu

SB-789-HD-1

Submitted on: 3/27/2019 5:01:24 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Ching	Individual	Support	No

Comments:

Chair Luke, Vice Chair Cullen and members of the committee,

I support SB789 SD2 HD1. It's time to provide a living wage for all workers. And removing the sub-minimum wage is a great start. Please keep that as part of the bill.

Here are some changes to the bill that would make it even better:

SB 789 SD2 HD1 needs to be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.

The health insurance credit should also be limited to only small employers, since the big-box retailers and large employers can easily afford to pay for health insurance.

Seattle currently has a similar health insurance credit, but it [quickly phases out](#). **Any such credit in Hawai'i should also phase out**, so eventually all minimum wage workers will be paid the same wage.

Please pass SB789. Mahalo for your consideration.

Randy Ching (Honolulu)

SB-789-HD-1

Submitted on: 3/27/2019 4:47:29 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Boyne	Individual	Support	No

Comments:

SB 789 SD2 HD1 needs to be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.

The health insurance credit should also be limited to only small employers, since the big-box retailers and large employers can easily afford to pay for health insurance.

Seattle currently has a similar health insurance credit, but it [quickly phases out](#). **Any such credit in Hawai'i should also phase out**, so eventually all minimum wage workers will be paid the same wage.

To: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Members of the Committee on Finance

From: Byron Robert Graper
As an individual

Subj: SB 789, SD2, HD1 Relating to Minimum Wage

Date: March 27, 2019

Is the goal of this legislation to increase the wages of the employees who are currently making more than \$16.34 per hour? That is what this legislation will do for many minimum wage employees.

State and Federal governments have identified employees that customarily and regularly receive tips and written into law that they must declare those tips (wages) and pay income taxes on them.

Currently the Hawaii minimum wage is \$10.10 per hour and if an employee receives at least \$7.00 per hour in tips then the employer may take a tip credit of \$.75 per hour, thus paying a minimum wage of \$9.35 per hour, in which case, the employee is earning at least \$16.35 per hour (\$9.35 plus \$7.00 or more in tipped wages). That means one of the goals of this legislation is to increase the wages of many employees who are currently making more than \$16.34 per hour.

To compensate for the increased labor costs, restaurants will raise menu prices, find more ways to reduce employee hours and hope customer demand doesn't fall. For some, they will go out of business. For the others they will have successfully passed the cost on to the consumer and/or reduced employee hours. But wait a minute, the minimum wage tipped employee currently earning more than \$16.34 per hour gets an additional wage benefit. The tips they receive will also go up because of the increased menu prices. If: "The legislature finds that Hawaii has some of the highest costs of living in the country." why would we legislate an unnecessary increase the cost of living in Hawaii.

Full-service restaurant credit card receipts demonstrate average tips are around 17.5% of the bill. The reason they are not closer to the 20% standard is some customers believe there is a benefit to the server if they leave a cash tip. The next time you are out for a restaurant meal, you do the math. Multiply the tip you give by the 4 to 5 tables your server is taking care of. How much are they really earning?

If we are going to pass this Bill, it should increase the current 75-cent tip credit by whatever the minimum wage increase is. Because of the new menu price increases these employees earning more than \$16.34 per hour are going to automatically be provided with tipped wage increases. By doing it this way, we are not legislating an unnecessary high consumer dining out price and unnecessarily increasing the cost of living in Hawaii.

Hawaii's \$4.6 billion a year restaurant sector, which provides 66,000+ jobs (many of which are tipped service employees) isn't an insignificant sector of the minimum wage job category.

Thank you for your consideration.

SB-789-HD-1

Submitted on: 3/28/2019 3:29:50 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John Webster	Individual	Support	No

Comments:

Dear Committee Chairman and Memebrrs - please pass SB789 with a \$17 minimum wage (reduced to \$14 if employee is being paid for health insurance by small employers)

I have watched this debate since the beginning of the session and remain unconvinced by many of the arguments of those in opposition. Yes, some businesses will incur higher costs, which is the justification for a tax credit for small businesses. For most firms, the playing field will be leveled as the increased wages are applied state-wide. Most small businesses will adjust, as is normally the case, and the economy will adjust as the wages almost immediately find their way back into the economy, But most important is the simple fact that one cannot live with a sense of dignity and sel-worth when employed at current minimum rates. Now is the time to do something about it.

Thank you,

FIN-Jo

From: Randall Francisco <zgjxjoikghmntqa@ujoin.co>
Sent: Wednesday, March 27, 2019 4:08 PM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: francisorandall@yahoo.com <Randall Francisco>

Message:

Many of the small business I talk already pay above the minimum. Mahalo.

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Randall Francisco

finance1 - Sean

From: Bernard A Balsis Jr <laxujvctlsfccf@ujoin.co>
Sent: Thursday, March 28, 2019 8:42 AM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: bbalsisjr@yahoo.com <Bernard A Balsis Jr>

Message:

As a Senior Business Advisor with the Small Business Development Center on the Big Island, our office assists many small businesses start up and grow and thrive. However, in this socio-economic climate, sometimes survival is the best we can expect. One recent case is the start up of a business by a person very seasoned in the industry in which they are starting something new. When putting the numbers together, they work very well, as expected. But when we redid the numbers using the proposed new minimum wage, things do not work as they should. The price of end product will have to jump, limiting the customers of this new enterprise. And that begs the question if this limited number of customers will provide the necessary income needed to make this new venture just survive. I OPPOSE ANY MANDATORY INCREASE IN THE MINIMUM WAGE AS IT WILL HAVE A DIRECT EFFECT ON THE SURVIVAL OF SMALL BUSINESS WHICH IS THE MAINSTAY OF THIS GREAT STATE OF HAWAII.

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Bernard A Balsis Jr

Senior Business Advisor

Hilo

Hawaii

finance1 - Sean

From: Rhea Lee Moku <tdpsspyekouvouq@ujoin.co>
Sent: Thursday, March 28, 2019 8:47 AM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: leerhea1@gmail.com <Rhea Lee Moku>

Message:

Raising the minimum wage is not the answer for Hawaii's high cost of living. Please consider other measures that look at the high cost of living from all aspects such as government regulation that increases cost of construction, shipping costs of materials and goods to Hawaii, etc., instead of simply raising the minimum wage. Without considering all aspects of the high cost of living in Hawaii, it is as though the Legislature is simply plugging one hole in a sieve. Thank you for your time and consideration of my concerns.

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Rhea Lee Moku

finance1 - Sean

From: Remi Tanouye <ksatzfujyhaygdc@ujoin.co>
Sent: Thursday, March 28, 2019 9:24 AM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: remiwada@yahoo.com <Remi Tanouye>

Message:

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Remi Tanouye

finance1 - Sean

From: Teralynda Dalinoc <dmdylwdwbdffpej@ujoin.co>
Sent: Wednesday, March 27, 2019 8:24 PM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: teralynda@yahoo.com <Teralynda Dalinoc >

Message:

I am a small business employer for 16 years on Oahu. If pay is raised, I may close my business. It's too difficult to run a business in Hawaii.

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Teralynda Dalinoc

From: Austin Easley <kahelekona@gmail.com>
Sent: Thursday, March 28, 2019 1:40 PM
To: FINtestimony
Subject: Testimony in Opposition, SB789, FIN 3/39

Dear Finance Testimony,

This would cause businesses to increase prices and cut hours to employees.

Chair Luke, Vice Chair Cullen, and members of the Committee,

Thank you for the opportunity to testify. I am in opposition to this measure.

Businesses in Hawaii already face a wide range of challenges and financial burdens. We operate under a substantial regulatory and tax burden, and businesses in our state must provide health coverage for employees who work as little as half-time.

This bill would increase the minimum wage by almost 50% and shift the whole wage scale. In order to adjust to such a dramatic increase in the cost of labor, businesses like mine will have to make some difficult choices. This bill will likely mean having to cut hours, cut jobs, eliminate benefits, or raise prices. Some Hawaii businesses will not survive this increase and will have to close their doors.

I am not the only one who is concerned with serious negative impacts from this measure. In a blog post from last week looking at data related to this bill and other minimum wage increases the University of Hawaii Economic Reporting Office noted that, "Based on this research, we argue that there is good reason to proceed with caution. While much of the new research continues to find that minimum wage increases to the \$10-\$15 range may have very small negative employment effects, some studies provide tentative evidence of much larger negative impacts that warrant additional careful analysis."

Because of the low unemployment rates in our state, many businesses already start employees well above minimum wage. For many businesses like mine the entry-level wage, whether it's minimum wage or higher, is used as a training wage. Employees earn lower wages while they are training and learning valuable skills, and getting ready to advance in their careers. As people learn more skills, gain experience, and get more education they move up in their careers and command higher wages.

Increasing the minimum wage makes it harder for business to offer the types of jobs that allow people entry into the work force. Hiring young inexperienced employees is always a risk. A lot of businesses won't be able to afford to take that risk if the minimum wage is increased to unaffordable levels. This will mean fewer jobs and opportunities for people in Hawaii looking to break into the work force.

Businesses like mine will also need to find other ways to make up for such an extreme increase in the cost of labor. I value my employees, they are what make my business a success every day, and I don't want to be forced to cut their hours, reduce benefits, and I especially want to avoid cutting jobs. Of course I also deeply value my customers, and I hate the idea of raising prices, especially for Hawaii families that struggle with our state's high cost of living. This bill will force countless Hawaii businesses like mine to have to make these kinds of decisions.

This bill has too many down sides and is not the right choice for our state, and I ask that you do not let it pass. Thank you for the opportunity to testify.

Sincerely,

Austin Easley
PO Box 879
Kailua Kona, HI 96745
kahelekona@gmail.com

From: Austin Easley <kahelekona@gmail.com>
Sent: Thursday, March 28, 2019 1:40 PM
To: FINtestimony
Subject: Testimony in Opposition, SB789, FIN 3/39

Dear Finance Testimony,

This would cause businesses to increase prices and cut hours to employees.

Chair Luke, Vice Chair Cullen, and members of the Committee,

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Businesses like mine will also need to find other ways to make up for such an extreme increase in the cost of labor. I value my employees, they are what make my business a success every day, and I don't want to be forced to cut their hours, reduce benefits, and I especially want to avoid cutting jobs. Of course I also deeply value my customers, and I hate the idea of raising prices, especially for Hawaii families that struggle with our state's high cost of living. This bill will force countless Hawaii businesses like mine to have to make these kinds of decisions.

This bill has too many down sides and is not the right choice for our state, and I ask that you do not let it pass. Thank you for the opportunity to testify.

Sincerely,

Austin Easley
PO Box 879
Kailua Kona, HI 96745
kahelekona@gmail.com

From: Laura Ramirez <noreply@jotform.com>
Sent: Thursday, March 28, 2019 2:28 PM
To: FINtestimony
Subject: Re: Testimony in Support of SB789 - Laura Ramirez



Testimony in Support of SB789

Name	Laura Ramirez
Email	lauraramirez87@hotmail.com
Address	Neighborhood: Kawaihau, Kapa'a Zip Code: 96746
Subject	Testimony in SUPPORT of SB789, with amendments
Testimony	Aloha Chair Luke,

I strongly support an increase in the minimum wage to a livable level of no less than \$17 an hour, the bare minimum a single adult with no children must earn in order to survive in Hawaii. This is according to our own state Department of Business, Economic Development and Tourism. \$12.50 by 2024 will barely keep pace with inflation. In the state with the highest cost of living in the country, another five years of the status quo will be devastating for Hawaii's people and economy, particularly as the economic forecast increasingly points toward another recession on the horizon.

Despite mountains of evidence showing that increases in the minimum wage - which was always meant to be a self-sufficiency wage - improve the economy by providing its consumer base with more spending power, business alarmists continue to use scare tactics and fear-mongering to argue that the sky will fall if the wage is raised to a self-sufficiency level. I urge you to see through this rhetoric and recognize that the same people said the same things in 2014 and, yet, after four years of consistent raises, none of their doomsday predictions have come true.

To maximize the benefit this policy will have on the people of Hawai'i and our economy, I recommend amending SB789 to replace the health insurance

carve-out, which allows employers who provide insurance to pay a subminimum wage of \$12.50 by 2024, with a tax credit for businesses that offer insurance. This provides the business community with assistance in covering the cost of providing insurance without hurting our workers. With no carve-out, all workers would be paid the same, and I recommend that level be increased to \$17 an hour, by 2023, to provide genuine relief for our workforce and to stimulate consumer spending adequately. Finally, to ensure that President FDR's original vision for a minimum self-sufficiency wage is upheld, and to ensure that no full-time worker in Hawai'i lives in poverty, I recommend the inclusion of an annually calculated cost-of-living adjustment to automatically adjust the minimum wage level according to the self-sufficiency level each year, as calculated by DBEDT.

Mahalo for the opportunity to testify in strong support of raising up Hawai'i's workers by paying them a living wage.

You can [edit this submission](#) and [view all your submissions](#) easily.

From: Javier Pommerenk <hxivfzkqhbnnbku@ujoin.co>
Sent: Thursday, March 28, 2019 2:27 PM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: javierpommerenk@hotmail.com <Javier Pommerenk>

Message:

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Javier Pommerenk

Aiea

Hawaii

From: David Yanazaki <ltiodlncfxspcms@ujoin.co>
Sent: Thursday, March 28, 2019 2:39 PM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: dave@zakidesign.com <David Yanazaki>

Message:

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,


I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

David Yanazaki

From: Marilyn McAteer <noreply@jotform.com>
Sent: Thursday, March 28, 2019 3:08 PM
To: FINtestimony
Subject: Re: Testimony in Support of SB789 - Marilyn McAteer

 Testimony in Support of SB789


Name	Marilyn McAteer
Email	alohaoceanus@yahoo.com
Address	Neighborhood: 4790 Lower Honoapiilani Road Zip Code: Kahana HI 96761
Subject	Testimony in SUPPORT of SB789, with amendments
Testimony	<p>Aloha Chair Luke,</p> <p>I strongly support an increase in the minimum wage to a livable level of no less than \$17 an hour, the bare minimum a single adult with no children must earn in order to survive in Hawaii. This is according to our own state Department of Business, Economic Development and Tourism. \$12.50 by 2024 will barely keep pace with inflation. In the state with the highest cost of living in the country, another five years of the status quo will be devastating for Hawaii's people and economy, particularly as the economic forecast increasingly points toward another recession on the horizon.</p> <p>Despite mountains of evidence showing that increases in the minimum wage - which was always meant to be a self-sufficiency wage - improve the economy by providing its consumer base with more spending power, business alarmists continue to use scare tactics and fear-mongering to argue that the sky will fall if the wage is raised to a self-sufficiency level. I urge you to see through this rhetoric and recognize that the same people said the same things in 2014 and, yet, after four years of consistent raises, none of their doomsday predictions have come true.</p> <p>To maximize the benefit this policy will have on the people of Hawai'i and our economy, I recommend amending SB789 to replace the health insurance carve-out, which allows employers who provide insurance to pay a subminimum wage of \$12.50 by 2024, with a tax credit for businesses that offer insurance. This provides the business community</p>

with assistance in covering the cost of providing insurance without hurting our workers. With no carve-out, all workers would be paid the same, and I recommend that level be increased to \$17 an hour, by 2023, to provide genuine relief for our workforce and to stimulate consumer spending adequately. Finally, to ensure that President FDR's original vision for a minimum self-sufficiency wage is upheld, and to ensure that no full-time worker in Hawai'i lives in poverty, I recommend the inclusion of an annually calculated cost-of-living adjustment to automatically adjust the minimum wage level according to the self-sufficiency level each year, as calculated by DBEDT.

Mahalo for the opportunity to testify in strong support of raising up Hawai'i's workers by paying them a living wage.

You can [edit this submission](#) and [view all your submissions](#) easily.

From: Susan Bambara <noreply@jotform.com>
Sent: Thursday, March 28, 2019 3:24 PM
To: FINtestimony
Subject: Testimony in OPPOSITION to SB 1033

 OPPOSE SB 1033 ! Requiring licensure of midwives	
Name	Susan Bambara
Email	susanblueyes2-gs@yahoo.com
Type a question	<p>Aloha House Finance Committee Chair Luke, Vice-Chair Cullen, and committee members, I am testifying in STRONG OPPOSITION to SB 1033 SD2 HD1 which would require licensure of midwives. I oppose ALL versions of this bill. We ask you to PLEASE oppose this measure! It is a FINANCE DISASTER, it is DANGEROUS, and it is DISCRIMINATORY and UNCONSTITUTIONAL. This is an extremely problematic measure that very seriously threatens health and safety of mothers, babies and cultural practices, and places a terrible financial burden on local families. Here is why:</p> <ul style="list-style-type: none">• The costs are insane! According to the DCCA, "The costs associated with licensing approximately 13 midwives would be \$203,000." Because State licensing law requires licensure to pay for itself, those 13 eligible midwives would bear a cost burden of \$15,615 each per year, which would be passed directly on to the families they serve. This is IF all 13 who are eligible can afford this astounding fee; if not, it is further increased. These costs would also be greatly increased if a hearing were to take place, a lawsuit or criminal action occurred, or other incidental expenses were incurred for any reason. <p>THIS MAKES MIDWIFE-ATTENDED BIRTHS ACCESSIBLE ONLY TO THE EXTREMELY PRIVILEGED! This is economic discrimination, and places a terrible, prohibitive burden on local families, which is likely to result in more unattended "DIY" births without midwifery support. As the FINANCE Committee, you MUST OPPOSE this.</p> <ul style="list-style-type: none">• This measure is discriminatory! ONLY Midwives trained outside of Hawaii are eligible. This alone should stop this measure in its tracks. It creates a sharp dividing line, which ALL local home birth midwives are on the wrong side of. Good training routes of many kinds already exist in Hawai'i, but

these are sidelined or criminalized by this measure. This bill encourages midwives from outside of Hawaii to move here, with no cultural competency, while annihilating virtually all local practices. This does not serve the people of Hawai'i, and discriminates against local practitioners and families. You have an obligation to protect the local people of Hawai'i from discrimination and displacement.

- Let's call it what it is: a witch hunt.

The persecution of midwives in Hawai'i goes back to the early days of the Territory, during which healers were being persecuted severely, as part of forced assimilation. The notorious witch hunts in Europe and Early America were similarly, in fact, essentially the persecution of midwives. This bill continues those traditions of forced assimilation, medicalization, and persecution. It is also demeaning, especially to respected cultural elders.

- It is legally unsound.

There are many serious legal problems with this measure. For example, the requirement that a traditional midwife "provides the required disclosures to clients that the individual is practicing midwifery in this State without a license to practice midwifery" (as if a rural cultural elder of any ethnicity should be required to do such a thing) is both offensive and legally unsound. This measure defines a legally exempted category of practitioner, and then, in the same sentence, forces them to state that they are practicing without a license to practice. The legal mess this is likely to create (and that the legislators passing such terrible language would be liable for), along with the potential for serious consequences or even death, is enormous. Generally, This measure is also full of legal gray areas; which are what lawsuits are made of.

- It will not be followed.

It should also be noted that most traditional midwives simply WILL NOT give the disclosure required in the bill, because it might INTERFERE WITH MATERNAL CONFIDENCE. Natural birthing is an ancient and sensitive art with its OWN principles of success and safety, which cannot be broken.

- It is DANGEROUS.

Licensed midwives would be utterly unaffordable and realistically, most other practitioners would be operating underground, as they did before 1999. UNASSISTED births are likely to be prevalent, increasing danger. Amongst attended home births, TRANSFER DELAYS are the greatest danger, and are often driven by fear (note: it is the mother, not the midwife, who makes the decision to go to a hospital or not, as no one can be forced to do so). Transfer delays are increased when mothers fear persecution of their "unlicensed" midwife, or persecution of themselves for consenting to give birth with an unlicensed

midwife (per this bill's requirement!). This increases actual danger substantially, particularly within ethnic groups that fear CWS discrimination, believing that child removal or criminalization might occur due to their choice of provider not seeming legitimate enough. You as legislators need to protect people from the

- Kanaka Maoli traditional practices are NOT protected.

First of all, the central traditional practice is BIRTH, not midwifery. Many traditional Kanaka Maoli births are attended by midwives of OTHER ethnicities. Further, Papa Ola Lokahi does not currently have any mechanism to extend protection to traditional midwives or other birth-related practitioners as such (its mandates are currently strictly for laau lapaau, lomilomi, hooponopono and laau kahea). While this could potentially be developed in the future, at this time such protection would be entirely speculative. Law cannot be based on speculation.

It must be remembered that ALL regulation of traditional midwifery limits, alters, and otherwise adversely impacts traditional Native Hawaiian healing, because the central traditional practice in question is BIRTH, not midwifery.

- The entire term "traditional practice" is externally defined, which goes directly against culture and traditions, which must be internally defined in order to be considered bona fide. See quote from Papa Ola Lokahi-convened Kahuna Statement to the Legislature, 1998: PAPA AUWAE AND ALL OTHER KUPUNA OPPOSED CULTURAL PRACTICES BEING DEFINED BY THE LEGISLATURE:

"...LICENSURE, AND CERTIFICATION ISSUES RAISED IN THE LEGISLATION ARE INAPPROPRIATE AND CULTURALLY UNACCEPTABLE FOR GOVERNMENT TO ASCERTAIN. THESE ARE THE KULEANA OF THE HAWAIIAN COMMUNITY ITSELF THROUGH KUPUNA WHO ARE PERPETUATING THESE PRACTICES."

<http://www.papaolalokahi.org/images/CHRONOLOGY-of-EVENTS-RELATED-TO-TRADITIONAL-HEALING-2015-Dec.pdf>

- There is no reasonable licensure pathway for Hawai'i clinical midwives who are not CPMs.

It is against the Hawai'i Regulatory Licensing Reform Act to offer a licensure pathway to a part of a profession, but not all of it, especially as NARM Certification is practically logistically impossible for Hawai'i midwives (thus shifting the recognized practice entirely to those trained outside of Hawai'i). The costs involved in licensing such a tiny cohort also need to be assessed prior to structuring legislation, as this Act also requires licensees to bear the full cost of issuance and administration. For a small cohort with complex needs, this could potentially be astronomical.

- The exemptions do not actually exempt anyone currently practicing traditional midwifery. For this reason, great damage and endangerment would result in our community. The exemptions also notably miss some major areas crucial to local traditional families, such as grandparent-attended births (illegal under this measure), Aunties assisting nieces to give birth (illegal under this measure), and hanai family (illegal under this measure).

What about Tongan midwives? Filipina midwives? African-American midwives?

Women of all cultures deserve to be attended by WHOEVER THEY WANT, especially experts in ancient birthing practices from their culture. Traditional midwives who are not Hawaiian and do not qualify under SB 1033 are extremely important in the traditions that Hawaiian families are reviving from a nearly decimated cultural past. Many young Kanaka Maoli have the oral history of their grandparents to go on, but not much more. Non-Hawaiian traditional midwives play a crucial support role for ensuring safety, confidence and well-being as these traditions are brought back into being. Without them, the practices would still come back, but slower, with more loss and much less safety and support.

- Consumers are not helped by this measure, which would limit choices, raise prices, and provide no measurable safety benefits .

Women's reproductive choices are harmed.

Home birth is a crucial issue of reproductive choice and body sovereignty, and needs to be respected as such. Limitation of who may practice midwifery is the SAME THING as limitation of who a women may choose to attend her. It is an unreasonable limitation of

What is needed is COMMUNICATION, not regulation of something the State simply cannot understand. GOOD solutions CAN be developed, but THIS IS NOT THE WAY.

My recommendation is to hold this bill, and instead consider the creation of a real body that could effectively bring all concerned parties (DOH, cultural practitioners, traditional birth attendants, CPMs, student midwives, OBGYN/ER doctors, etc) together to build the needed comprehensive solutions to address real consumer protection and safety. A Working Group or Task Force, as recommended by Sen. Dr. Josh Green in 2014.

PLEASE HOLD THIS MEASURE. MAHALO!

From: Ron Simon <ziyxzpyygzquqdm@ujoin.co>
Sent: Thursday, March 28, 2019 3:56 PM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: chefronsimon@gmsil.con <Ron Simon>

Message:

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Ron Simon

From: Laura Ramirez <noreply@jotform.com>
Sent: Thursday, March 28, 2019 2:28 PM
To: FINtestimony
Subject: Re: Testimony in Support of SB789 - Laura Ramirez



Testimony in Support of SB789

Name	Laura Ramirez
Email	lauraramirez87@hotmail.com
Address	Neighborhood: Kawaihau, Kapa'a Zip Code: 96746
Subject	Testimony in SUPPORT of SB789, with amendments
Testimony	Aloha Chair Luke,

I strongly support an increase in the minimum wage to a livable level of no less than \$17 an hour, the bare minimum a single adult with no children must earn in order to survive in Hawaii. This is according to our own state Department of Business, Economic Development and Tourism. \$12.50 by 2024 will barely keep pace with inflation. In the state with the highest cost of living in the country, another five years of the status quo will be devastating for Hawaii's people and economy, particularly as the economic forecast increasingly points toward another recession on the horizon.

Despite mountains of evidence showing that increases in the minimum wage - which was always meant to be a self-sufficiency wage - improve the economy by providing its consumer base with more spending power, business alarmists continue to use scare tactics and fear-mongering to argue that the sky will fall if the wage is raised to a self-sufficiency level. I urge you to see through this rhetoric and recognize that the same people said the same things in 2014 and, yet, after four years of consistent raises, none of their doomsday predictions have come true.

To maximize the benefit this policy will have on the people of Hawai'i and our economy, I recommend amending SB789 to replace the health insurance

carve-out, which allows employers who provide insurance to pay a subminimum wage of \$12.50 by 2024, with a tax credit for businesses that offer insurance. This provides the business community with assistance in covering the cost of providing insurance without hurting our workers. With no carve-out, all workers would be paid the same, and I recommend that level be increased to \$17 an hour, by 2023, to provide genuine relief for our workforce and to stimulate consumer spending adequately. Finally, to ensure that President FDR's original vision for a minimum self-sufficiency wage is upheld, and to ensure that no full-time worker in Hawai'i lives in poverty, I recommend the inclusion of an annually calculated cost-of-living adjustment to automatically adjust the minimum wage level according to the self-sufficiency level each year, as calculated by DBEDT.

Mahalo for the opportunity to testify in strong support of raising up Hawai'i's workers by paying them a living wage.

You can [edit this submission](#) and [view all your submissions](#) easily.

From: Marilyn McAteer <noreply@jotform.com>
Sent: Thursday, March 28, 2019 3:08 PM
To: FINtestimony
Subject: Re: Testimony in Support of SB789 - Marilyn McAteer



Testimony in Support of SB789

Name	Marilyn McAteer
Email	alohaoceanus@yahoo.com
Address	Neighborhood: 4790 Lower Honoapiilani Road Zip Code: Kahana Hi 96761
Subject	Testimony in SUPPORT of SB789, with amendments
Testimony	Aloha Chair Luke,

I strongly support an increase in the minimum wage to a livable level of no less than \$17 an hour, the bare minimum a single adult with no children must earn in order to survive in Hawaii. This is according to our own state Department of Business, Economic Development and Tourism. \$12.50 by 2024 will barely keep pace with inflation. In the state with the highest cost of living in the country, another five years of the status quo will be devastating for Hawaii's people and economy, particularly as the economic forecast increasingly points toward another recession on the horizon.

Despite mountains of evidence showing that increases in the minimum wage - which was always meant to be a self-sufficiency wage - improve the economy by providing its consumer base with more spending power, business alarmists continue to use scare tactics and fear-mongering to argue that the sky will fall if the wage is raised to a self-sufficiency level. I urge you to see through this rhetoric and recognize that the same people said the same things in 2014 and, yet, after four years of consistent raises, none of their doomsday predictions have come true.

To maximize the benefit this policy will have on the people of Hawai'i and our economy, I recommend amending SB789 to replace the health insurance carve-out, which allows employers who provide insurance to pay a subminimum wage of \$12.50 by 2024, with a tax credit for businesses that offer insurance. This provides the business community

with assistance in covering the cost of providing insurance without hurting our workers. With no carve-out, all workers would be paid the same, and I recommend that level be increased to \$17 an hour, by 2023, to provide genuine relief for our workforce and to stimulate consumer spending adequately. Finally, to ensure that President FDR's original vision for a minimum self-sufficiency wage is upheld, and to ensure that no full-time worker in Hawai'i lives in poverty, I recommend the inclusion of an annually calculated cost-of-living adjustment to automatically adjust the minimum wage level according to the self-sufficiency level each year, as calculated by DBEDT.

Mahalo for the opportunity to testify in strong support of raising up Hawai'i's workers by paying them a living wage.

You can [edit this submission](#) and [view all your submissions](#) easily.

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



SCOTT T. MURAKAMI
DIRECTOR

LEONARD HOSHIJO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813

www.labor.hawaii.gov
Phone: (808) 586-8844 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

March 28, 2019

LATE

To: The Honorable Sylvia Luke, Chair,
The Honorable Ty J.K. Cullen, Vice Chair, and
Members of the House Committee on Finance

Date: Friday, March 29, 2019
Time: 3:30 p.m.
Place: Conference Room 308, State Capitol

From: Scott T. Murakami, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. No. 789 S.D. 2 H.D. 1 RELATING TO MINIMUM WAGE

I. OVERVIEW OF PROPOSED LEGISLATION

SB789 SD2HD1 amends Section 387-2, Hawaii Revised Statutes (HRS), by increasing the minimum wage in five annual increments: from \$10.10 to \$15.00 per hour beginning January 1, 2024. The measure adds a provision for a lower minimum wage rate for employees who receive health care coverage under their employer's prepaid group health care plan.

In part II, allowing lower sub-minimum wages for handicapped individuals is repealed along with the need for certification of a "qualified community rehabilitation program" which refers to the sheltered workshops where the sub-minimum wage is allowed.

DLIR supports the intent of this measure and offers comments.

II. CURRENT LAW

The current minimum wage is \$10.10 per hour as of January 1, 2018. Act 82 (SLH, 2014) incrementally increased the minimum wage from \$7.25 to \$10.10 an hour in four consecutive years (2015 – 2018). There is no provision for lower minimum wages for employees receiving health care coverage under their employer's group health care plan.

Section 393-11, HRS, provides that employees who work at least 20 hours per week for four consecutive weeks and earn at least 86.87 times the minimum hourly wage specified in Chapter 387, HRS, must be supplied prepaid health care coverage.

Section 387-9, HRS, allows both persons and clients with intellectual disabilities to be paid at subminimum rates, the latter at sheltered workshops, under special certificates issued by the Director for a period stated in the special certificates.

III. COMMENTS ON THE SENATE BILL

DLIR supports the intent of an increase in minimum wage, but notes that the measure is unclear as to which of the two minimum wage rates is to be used to calculate the minimum earnings needed qualify for prepaid health care coverage as required by Section 393-11, HRS.

The purpose section of Part I includes incentivizing the provision of health care by employers, yet the reduced rates are only for those already “required” to provide health care. If the lower minimum rates are meant to incentive providing health care than the word “not” should be included on page 3, line 4 before the word “required.”

Currently, there are six sheltered workshops with an active special certificate allowing the payment of wages lower than the statutory minimum wage to clients with intellectual disabilities. These sheltered workshops collectively employ seventy-three individuals under these special certificates.

Prior to issuing a special certificate to the sheltered workshop, DLIR reviews the employer’s time records, payroll records, and time study information to determine whether the employer is complying with wage laws and certifying the proposed wages are commensurate with the individual’s productivity. Generally, a special certificate is valid for one year and a renewal application is filed annually. The elimination of 387-9(a)(2) would also likely result in the U.S. DOL not issuing certificates for subminimum wages.

DLIR notes that the measure, as drafted, obviates the need for a special certification of a qualified community rehabilitation program since the Director would not be granting any exception to the law, so the language on page 4, lines 17 through 20 should be stricken.

If enacted, the measure would result in more complicated investigations as well as complaints.

LATE

SB-789-HD-1

Submitted on: 3/28/2019 4:18:27 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jalem Correia	YPDA Hawai'i	Support	No

Comments:



LATE

Testimony to the
House Committee on Finance

March 29, 2019
3:30 p.m.
State Capitol - Conference Room 308

RE: SB 789, SD2, HD1 Relating to Minimum Wage

Aloha Chair Luke, Vice Chair Cullen and members of the committee:

On behalf of the Society for Human Resource Management – Hawaii Chapter (“SHRM Hawaii”), we are writing comments to SB 789, SD2, HD1 relating to minimum wage. This bill increases minimum wage rates annually from January 1, 2020, through January 1, 2024. It provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act and includes persons with disabilities under generally applicable minimum wage requirements.

Any increase should be gradual and with the understanding that minimum wage is not a living wage. Within the human resource management profession, minimum wage is an entry level wage and setting it too high will have a ripple effect to all wage earners, not just those making minimum wage. We respectfully request legislators take a historical view of the past gradual increases that was eased into the economy.

The mission of SHRM Hawaii is to advance the Human Resource profession’s capacity to drive workplace excellence within business, education, government, and communities in the State of Hawaii. We serve our professionals through building knowledge, expanding experiences, facilitating the development of innovative ideas, and exchanging best practices for success to serve human resource (HR) professionals and advance the human resource profession.

SHRM Hawaii serves nearly 800 members statewide and provides comprehensive information and tools to human resource professionals to enable them to make informed decisions on behalf of both their organization and the employees. We believe that human resource management is a critical component to the success of every business as the HR professional is responsible for evaluating and balancing the needs of both the employers and employees and caring for businesses’ most valuable asset: human capital. This is accomplished through a statewide effort to partner with and support our members, while still recognizing the individual needs of organizations on each island.

We look forward to contributing positively to the development of sound public policy and continuing to serve as a resource to the legislature on matters related to labor and employment laws. Mahalo.





LATE

Before the House Committee on Finance

DATE: Friday, March 29, 2019

TIME: 3:30 p.m.

PLACE: Conference Room 308

Re: SB 789, SD2 Relating to Minimum Wage

Testimony of Melissa Pavlicek for NFIB Hawaii

Aloha Chair Luke, Vice Chair Cullen and members of the committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to SB 789 SD2 relating to minimum wage which increases the minimum wage annually from January 1, 2020, through January 1, 2024. If the state mandates an increase in the cost of labor, employers will be forced to increase prices or work with fewer employees.

No one has greater incentive, responsibility or ability to lead the economy than Hawaii's small business owners. Therefore, lawmakers have a special obligation to ensure that public policies help spur economic growth by taking into account the unique perspective of those who are owning and operating a small business. Small businesses play a major role in the economy, representing 99% of all employer firms, employing about half of private-sector employees and generating 63% to 80% of net new jobs annually. Raising the minimum wage would make it harder for low-skilled or first-time workers to get jobs. We oppose this measure.

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 nearly 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.

LATE



Kona-Kohala
CHAMBER OF COMMERCE

March 28, 2019

RE: SB789 SD2 HD1 RELATING TO MINIMUM WAGE

Dear Chair Luke and the House Committee on Finance,

The Kona-Kohala Chamber of Commerce opposes increasing the minimum hourly wage that employers must pay employees as stated in SB789 SD2 HD1 RELATING TO MINIMUM WAGE. Raising minimum wage to \$11 per hour beginning 1/1/2020 and up to \$15 per hour 1/1/2024 will have a significant negative impact on businesses, especially small businesses, in Hawai'i. We understand the lower rate of pay to employees that are provided prepaid health care plans is offered to offset higher wages, however, we believe the increases are still too high.

The Kona-Kohala Chamber of Commerce is a non-profit organization with nearly 500 member businesses that represent a wide range of industries in the Kona and Kohala districts on the West side of the island of Hawai'i. Sixty percent of our members are small businesses with less than ten employees. Raising the minimum wage as described in SB789 SD2 HD1 will force small businesses that cannot afford these rates to cut hours, cut jobs and raise prices. All of which will make it much harder for these businesses to be successful and may ultimately drive them out of business. We encourage policies that promote economic growth and allow businesses to thrive so they will have the ability and incentive to pay higher wages.

Since 1968, our organization has provided leadership and advocacy for a successful business environment in West Hawai'i. The result of our work is a community of choice as reflected in our quality of life, business and individual opportunity, and respect for our culture and natural resources.

Sincerely,



Wendy J. Laros, M.Ed.

Executive Director, Kona-Kohala Chamber of Commerce

LATE

SB-789-HD-1

Submitted on: 3/28/2019 6:23:10 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Tada	Individual	Support	Yes

Comments:



INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES LOCAL 665
"Hawai'i's Technicians for Film, Television, Stage and Convention since 1937"

March 28, 2019

Hawaii State Senate
The Thirtieth Legislature
Regular Session of 2019

LATE

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

Rep. Stacelynn K.M. Eli
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Rep. Scott Y. Nishimoto

Rep. Cedric Asuega Gates
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Rep. Chris Todd
Rep. Kyle T. Yamashita

Rep. Troy N. Hashimoto
Rep. Bertrand Kobayashi
Rep. Nadine K. Nakamura
Rep. Tina Wildberger

SB789 – RELATING TO MINIMUM WAGE

Friday, March 29, 2019 at 3:30PM, Conference Room 308
State Capitol, 415 South Beretania Street

Aloha, Chair Luke, Vice Chair Cullen, and Members of the Committee –

Mahalo for the opportunity to testify on SB789, SD2, HD1.

We **SUPPORT** the raising of the minimum wage to \$17.00 per hour which equates to gross earnings of \$2,720 per month. This is still a modest amount when compared to our High-Cost-of-Living, but it could be enough to rent a small apartment, provide for basic needs and start an emergency fund – effectively improving a worker's **quality of life** in the "most expensive State" in the nation. We **OPPOSE** reducing the wage if the employer provides health care which puts the burden of health care on the employee.

We are not insensitive to the small business owners whose margins will be affected, rather, we see them as potential **heroes** in our community who are able to raise society up as a whole by treating their employees with **dignity** and **appreciation**. Passing some of these costs onto their buyers will encourage employers to be creative in competing for customers in their industry. By providing a living wage for their employees, they foster **loyalty** and a **strong work ethic**, cornerstones to the success of any business.

Mahalo for your time and consideration,

Irish Barber
IATSE Local 665, Business Representative
(808) 596-0227

LATE



TO: House Finance Committee

RE: Testimony in Support of SB789 with Amendments

3/28/2019

Dear Chair Luke, Vice-Chair Cullen, and members of the Committee:

Whenever you scroll through your Facebook feed or turn on the tv and watch the news and a report on the affordability of Hawaii comes up, the headlines are never good

- Hawaii residents most likely to live paycheck to paycheck
- Hawaii has the lowest real-wage in the nation
- Hawaii's population declines yet again as locals leave for other states

These depressing headlines have become the norm for the islands, and more and more locals are being priced out of paradise

Hawaii needs a raise. People working 40-hours a week should be able to afford their basic needs. According to the State's own Department of Business, Economic Development and Tourism (DBEDT) an individual would have to make \$32k a year, about \$17/hr, to afford their most basic needs.

Contrary to popular belief, this would not benefit only entry level workers. An Aloha United Way study found that 40% of jobs in the State do not pay this living wage and 48% of families do not make ends meet. A vast majority of Hawaii workers would be better off from a higher wage.

In the recent past Hawaii has raised the minimum wage. From 2014 to 2018 Hawaii's minimum wage was raised from \$7.25/hr to \$10.10/hr.

During this time, in July 2018, unemployment in Hawaii reached a historic low of 2%, the lowest unemployment rate in the history of the entire country. Now this is not to say that the wage increases reduced unemployment, but what it does show is that increasing the minimum wage did not ruin Hawaii.

With unemployment so low, labor is in high demand. If you walk around the mall you will see help wanted signs everywhere, with starting wages ranging from \$11.50-\$15/hr. Businesses themselves are realizing that the current minimum wage of \$10.10 is too low to attract hires.

As more and more states across the nation raise their minimum wages, studies continually report findings of little to no negative impact on worker hours and unemployment rates. When properly phased in over time, a minimum wage increase benefits the local economy.

We support SB 798, with the amendments described below.

This bill would raise the minimum wage from the current \$10.10 an hour -- or \$21,000 per year for full-time work -- in 5 annual steps, topping out at \$15 in 2024. But workers who get health insurance from their employer would get only \$12.50 in 2024 -- a raise of less than 50 cents per hour per year.

That comes out to \$26,000 per year for full-time work. Everyone who lives in Hawaii and faces our high cost of living on a daily basis knows that's not enough to make ends meet now, let alone in 2024.

That's why we respectfully request that the committee increase the steps up in the minimum wage to \$17 per hour, with \$14 per hour for those who get health insurance from their employers.

Since big box retailers can afford the higher wage across the board, we also respectfully request that the committee restrict the health care credit to only small businesses with 25 or fewer employees.

To avoid a permanent two-tiered wage, we also request that the health care credit be phased out over 5 years in order to eventually have all of our minimum wage workers earning the same wage.

Please pass SB 789 with the above amendments. Thank you for your consideration of our testimony.

Mahalo for your consideration,

Landon Li

Economic Justice Chair

Young Progressives Demanding Action

LATE

SB-789-HD-1

Submitted on: 3/28/2019 7:21:29 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

Please amend SB789 to replace the health insurance carve-out, which allows employers who provide insurance to pay a sub-minimum wage of \$12.50 by 2024, with a tax credit for businesses that offer insurance. With no carve-out, all workers would be paid the same, and wages should be increased to \$17 an hour, by 2023.

Also, please include an annually calculated cost-of-living adjustment which would automatically adjust the minimum wage level according to the self-sufficiency level each year, as calculated by DBEDT.

In the state with the highest cost of living in the country, I STRONGLY support an increase in the minimum wage of no less than \$17 an hour.

Mahalo for the opportunity to testify.



LATE

Testimony to the House Committee on Labor and Public Employment

Friday, Mar. 29th, 2019 @ 3:30pm

Conference Room 308, State Capitol

RE: Senate Bill 789 Relating to Minimum Wage

Position: Support - Amend \$12.50 to a Living Wage

Chair Luke, Vice Chair Cullen, and Members of the Committee:

Thank you for this opportunity to testify in support of increasing the minimum wage.

\$12.50 is Not Enough

As SB789 stands, a full-time worker will get \$0.50 annual increases and earn \$12.50 per hour in 2024. This is a slower increase than workers are getting in Arkansas and Missouri.

According to the Hawaii's Department of Business Economic Development and Tourism, a single childless adult requires approximately \$35,000 annually, or \$17 per hour to be able to afford their basic necessities working 40 hours a week and 52 weeks a year.

At the proposed minimum wage of \$12.50, a full-time worker will earn only \$26,000. This requires working adults to either put in 58 hours on the job per week, to sacrifice their well-being by going without their basic necessities, or to depend on the generosity of society to make up the difference.

While all workers in California, Illinois, Massachusetts, New Jersey, New York City, Seattle and more will be earning \$15 or more by 2024, Hawaii residents are on track to continue to be the poorest in the nation.



U.S. Chamber of Commerce No Longer Opposing all Minimum Wage Increases

In January the President and CEO of the US Chamber of Commerce for 20 years, Thomas Donohue, said they're not automatically opposing minimum wage increases. "In times past, we always would say, 'Well, wait a minute,' look, these are different times, and we're going to listen. We're not going out and opposing, but some states have got legitimate concerns here."

If he recognizes the need for some states to get raises, Hawaii, with the lowest real minimum wage in the nation is definitely most deserving of one.

Low wage floor encourages worker exploitation

As many businesses in Hawaii work on slim margins, it's necessary that they reduce their costs wherever possible. If they can find someone to work for \$10.10 per hour rather than \$12 per hour, it is viewed as an effective way to help the bottom line and remain competitive. This race to the bottom might help small businesses stay afloat, but the consequence is that more than 200,000 workers are paid well below the \$17/hr required to keep them alive.

We should not depend on the selflessness of businesses to sacrifice and offer higher wages for the benefit of their employees, but rather we should level the playing field for all businesses. The minimum legal wage should be at least enough to provide that worker the ability to afford their basic needs and not depend on the state or society for help.

Without this mandated wage floor, Hawaii's lawmakers are encouraging and almost requiring businesses to exploit the labor force in order to cut costs. As long as one businesses is willing to pay below a living wage then many others must be willing to do the same.

Economic growth faster during minimum wage hikes

Despite the consistent rhetoric that our economy will collapse if low-wage workers are paid enough to afford their basic needs, the 4 year period from 2014 to 2018 when the minimum wage increased 39.2% from \$7.25 to \$10.10, the economy grew faster than in the previous 4 years.

From 2010 to 2014, Hawaii's real GDP per capita increased 5.5% compared to the US economy which increased by 7.5%. From 2014 to 2018, Hawaii's real GDP per capita increased 10.4%, while the US economy only grew by 10.0%.



Jobs in Hawaii at all-time highs

Hawaii's employment numbers are currently at all-time highs following 4 straight years of minimum wage increases. In 2014 when the minimum wage was \$7.25, there were 667,000 people employed in Hawaii. In 2018, with a \$10.10 minimum wage, there were 687,000 people employed in Hawaii.

Restaurants have also felt this economic boom by employing 20% more wait staff now than in 2014.

Unemployment near record lows

This 4 year span from 2014 to 2018 was also met with all-time low unemployment rates. The unemployment rate dropped from 4.3% in 2014 to 2.1% in 2018. Finding a job in Hawaii today is easier than when the minimum wage was only \$7.25

Low-wage workers much better off

With the significant increase in the minimum wage, a full-time minimum wage worker earns \$6,000 more per year now than in 2014. As unemployment is near record lows, there is ample opportunity for them to find a job that pays them more. If we continue raising the minimum wage, low and middle income workers will benefit significantly.

All workers better off with minimum wage hikes

This economic boom was felt by workers across the spectrum. From 2014 to 2018 the real median wage of the Hawaii worker increase by more than 5%, after adjusting for inflation. This left the average full-time worker with more than \$2,000 to spend or save. Compared to the period between 2010 and 2014 when real worker wages declined by 4% and left full-time workers poorer by more than \$1,500 annually.

Increases in cost of living were slower during minimum wage hikes

Paying low wage workers more has not shown to lead to massive cost increases for the average consumer. The annual rate of inflation between 2010 and 2014 was 2.3% compared to only 1.9% between 2014 and 2018.



A majority of legislators support a living wage

We are fortunate to live in a Democratic state with so many legislators that stand with Democratic Party principles. A majority in the House have already come out to publicly support a living wage including 9 out of 15 members of the Finance Committee: Representatives Cullen, Gates, Hashimoto, Holt, Kitagawa, Matayoshi, Nakamura, Todd and Wildberger. We are excited that these members now have the opportunity to stand by their positions and honestly represent the needs of their community for a living wage.

Here are the 27 House members that publicly support a living wage:

District 2 - Chris Todd	District 30 - Romy Cachola
District 5 - Richard Creagan	District 31 - Aaron Johanson
District 6 - Nicole Lowen	District 32 - Linda Ichiyama
District 7 - Dru Kanuha	District 35 - Roy Takumi
District 8 - Troy Hashimoto	District 37 - Ryan Yamane
District 10 - Angus McKelvey	District 38 - Henry Aquino
District 11 - Tina Wildberger	District 39 - Ty Cullen
District 14 - Nadine Nakamura	District 44 - Cedric Gates
District 16 - Dee Morikawa	District 46 - Amy Perruso
District 20 - Calvin Say	District 47 - Sean Quinlan
District 22 - Tom Brower	District 48 - Lisa Kitagawa
District 23 - Dale Kobayashi	District 49 - Scot Matayoshi
District 28 - John Mizuno	District 51 - Chris Lee
District 29 - Daniel Holt	

Thank you again for the opportunity to testify. Please amend this language to increase the minimum wage to a living wage and allow this measure to be voted on and passed.

LATE

SB-789-HD-1

Submitted on: 3/28/2019 9:23:31 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Diliaur Tellei	Individual	Support	No

Comments:

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

I'm writing to request that you amend this bill to a living wage of \$17/hour or more. The "Fight for \$15" began in 2012; since then inflation has not checked itself nor has the cost of living stopped rising. \$15 would have been game-changing in 2012. Raising the minimum wage to \$15 by 2024 is simply not doing enough fast enough for the people who are leaving the state in droves (if they are able) or who are being forced onto the streets.

The [MIT Living Wage Calculator](#), in its 2018 update, states that the minimum living wage for a single adult to make ends meets in the [Honolulu metropolitan area is \\$16.46/hour](#) (note that this is a 2018 number; it will continue to rise as cost of living rises). This figure only goes up if you have children or a partner. This is also the basic wage needed to make ends meet. The [methodology of the Living Wage Calculator](#) states:

The living wage model is a 'step up' from poverty as measured by the poverty thresholds but it is a small 'step up', one that accounts for only the basic needs of a family. The living wage model does not allow for what many consider the basic necessities enjoyed by many Americans. It does not budget funds for pre-prepared meals or those eaten in restaurants. It does not include money for entertainment nor does it does not allocate leisure time for unpaid vacations or holidays. Lastly, it does not provide a financial means for planning for the future through savings and investment or for the purchase of capital assets (e.g. provisions for retirement or home purchases). The living wage is the minimum income standard that, if met, draws a very fine line between the financial independence of the working poor and the need to seek out public assistance or suffer consistent and severe housing and food insecurity. In light of this fact, the living wage is perhaps better defined as a minimum subsistence wage for persons living in the United States.

The precarious situation of Hawaii's most vulnerable workers can be improved with an increase to \$17/hour. \$12/hour doesn't even begin to approach what MIT calls a "minimum subsistence wage" -- \$12/hour in 2019 is a starvation wage.

Given this context, I again urge you to amend this bill to reflect a real, living wage of \$17/hour.

Sincerely,

Diliaur Tellei



From: Sunny Page <noreply@jotform.com>
Sent: Thursday, March 28, 2019 7:43 PM
To: FINtestimony
Subject: Re: Testimony in Support of SB789 - Sunny Page



Testimony in Support of SB789

Name	Sunny Page
Email	huelosunny@gmail.com
Address	Neighborhood: 254 Oe st Zip Code: 96753
Subject	Testimony in SUPPORT of SB789, with amendments
Testimony	Aloha Chair Luke,

I strongly support an increase in the minimum wage to a livable level of no less than \$17 an hour, the bare minimum a single adult with no children must earn in order to survive in Hawaii. This is according to our own state Department of Business, Economic Development and Tourism. \$12.50 by 2024 will barely keep pace with inflation. In the state with the highest cost of living in the country, another five years of the status quo will be devastating for Hawaii's people and economy, particularly as the economic forecast increasingly points toward another recession on the horizon.

Despite mountains of evidence showing that increases in the minimum wage - which was always meant to be a self-sufficiency wage - improve the economy by providing its consumer base with more spending power, business alarmists continue to use scare tactics and fear-mongering to argue that the sky will fall if the wage is raised to a self-sufficiency level. I urge you to see through this rhetoric and recognize that the same people said the same things in 2014 and, yet, after four years of consistent raises, none of their doomsday predictions have come true.

To maximize the benefit this policy will have on the people of Hawai'i and our economy, I recommend amending SB789 to replace the health insurance

carve-out, which allows employers who provide insurance to pay a subminimum wage of \$12.50 by 2024, with a tax credit for businesses that offer insurance. This provides the business community with assistance in covering the cost of providing insurance without hurting our workers. With no carve-out, all workers would be paid the same, and I recommend that level be increased to \$17 an hour, by 2023, to provide genuine relief for our workforce and to stimulate consumer spending adequately. Finally, to ensure that President FDR's original vision for a minimum self-sufficiency wage is upheld, and to ensure that no full-time worker in Hawai'i lives in poverty, I recommend the inclusion of an annually calculated cost-of-living adjustment to automatically adjust the minimum wage level according to the self-sufficiency level each year, as calculated by DBEDT.

Mahalo for the opportunity to testify in strong support of raising up Hawai'i's workers by paying them a living wage.

You can [edit this submission](#) and [view all your submissions](#) easily.

From: Kit Okimoto <kit@okimotocorp.com>
Sent: Thursday, March 28, 2019 7:10 PM
To: FINtestimony
Subject: Testimony in Opposition, SB789, FIN 3/39

Dear Finance Testimony,

Chair Luke, Vice Chair Cullen, and members of the Committee,

Thank you for the opportunity to testify. I am in opposition to this measure.

Businesses in Hawaii already face a wide range of challenges and financial burdens. We operate under a substantial regulatory and tax burden, and businesses in our state must provide health coverage for employees who work as little as half-time.

This bill would increase the minimum wage by almost 50% and shift the whole wage scale. In order to adjust to such a dramatic increase in the cost of labor, businesses like mine will have to make some difficult choices. This bill will likely mean having to cut hours, cut jobs, eliminate benefits, or raise prices. Some Hawaii businesses will not survive this increase and will have to close their doors.

I am not the only one who is concerned with serious negative impacts from this measure. In a blog post from last week looking at data related to this bill and other minimum wage increases the University of Hawaii Economic Reporting Office noted that, "Based on this research, we argue that there is good reason to proceed with caution. While much of the new research continues to find that minimum wage increases to the \$10-\$15 range may have very small negative employment effects, some studies provide tentative evidence of much larger negative impacts that warrant additional careful analysis."

Because of the low unemployment rates in our state, many businesses already start employees well above minimum wage. For many businesses like mine the entry-level wage, whether it's minimum wage or higher, is used as a training wage. Employees earn lower wages while they are training and learning valuable skills, and getting ready to advance in their careers. As people learn more skills, gain experience, and get more education they move up in their careers and command higher wages.

Increasing the minimum wage makes it harder for business to offer the types of jobs that allow people entry into the work force. Hiring young inexperienced employees is always a risk. A lot of businesses won't be able to afford to take that risk if the minimum wage is increased to unaffordable levels. This will mean fewer jobs and opportunities for people in Hawaii looking to break into the work force.

Businesses like mine will also need to find other ways to make up for such an extreme increase in the cost of labor. I value my employees, they are what make my business a success every day, and I don't want to be forced to cut their hours, reduce benefits, and I especially want to avoid cutting jobs. Of course I also deeply value my customers, and I hate the idea of raising prices, especially for Hawaii families that struggle with our state's high cost of living. This bill will force countless Hawaii businesses like mine to have to make these kinds of decisions.

This bill has too many down sides and is not the right choice for our state, and I ask that you do not let it pass. Thank you for the opportunity to testify.

Sincerely,

Kit Okimoto
85-936 Imipono St
Waianae, HI 96792
kit@okimotocorp.com

LATE

From: Kerry Honda <khonda.pim@gmail.com>
Sent: Thursday, March 28, 2019 8:04 PM
To: FINtestimony
Subject: Testimony in Opposition, SB789, FIN 3/39

Dear Finance Testimony,

As a small business owner competing for a limited workforce on the island of Lana'i, our entry level workers already start at a higher than minimum wage.

We are already at a cost disadvantage living on an isolated island and having additional shipping expenses and overhead.

Being subject to an extreme minimum wage increase will subject us to make decisions that would affect our employees and customers in a negative way.

Would you please consider the residents of Lana'i by not subjecting them to a higher cost of living.

We humbly request that you do further research to make it a win win for all parties affected. Thank you for the opportunity to testify.

Chair Luke, Vice Chair Cullen, and members of the Committee,

Thank you for the opportunity to testify. I am in opposition to this measure.

Businesses in Hawaii already face a wide range of challenges and financial burdens. We operate under a substantial regulatory and tax burden, and businesses in our state must provide health coverage for employees who work as little as half-time.

This bill would increase the minimum wage by almost 50% and shift the whole wage scale. In order to adjust to such a dramatic increase in the cost of labor, businesses like mine will have to make some difficult choices. This bill will likely mean having to cut hours, cut jobs, eliminate benefits, or raise prices. Some Hawaii businesses will not survive this increase and will have to close their doors.

I am not the only one who is concerned with serious negative impacts from this measure. In a blog post from last week looking at data related to this bill and other minimum wage increases the University of Hawaii Economic Reporting Office noted that, "Based on this research, we argue that there is good reason to proceed with caution. While much of the new research continues to find that minimum wage increases to the \$10-\$15 range may have very small negative employment effects, some studies provide tentative evidence of much larger negative impacts that warrant additional careful analysis."

Because of the low unemployment rates in our state, many businesses already start employees well above minimum wage. For many businesses like mine the entry-level wage, whether it's minimum wage or higher, is used as a training wage. Employees earn lower wages while they are training and learning valuable skills, and getting ready to advance in their careers. As people learn more skills, gain experience, and get more education they move up in their careers and command higher wages.

Increasing the minimum wage makes it harder for business to offer the types of jobs that allow people entry into the work force. Hiring young inexperienced employees is always a risk. A lot of businesses won't be able to afford to take

that risk if the minimum wage is increased to unaffordable levels. This will mean fewer jobs and opportunities for people in Hawaii looking to break into the work force.

Businesses like mine will also need to find other ways to make up for such an extreme increase in the cost of labor. I value my employees, they are what make my business a success every day, and I don't want to be forced to cut their hours, reduce benefits, and I especially want to avoid cutting jobs. Of course I also deeply value my customers, and I hate the idea of raising prices, especially for Hawaii families that struggle with our state's high cost of living. This bill will force countless Hawaii businesses like mine to have to make these kinds of decisions.


This bill has too many down sides and is not the right choice for our state, and I ask that you do not let it pass. Thank you for the opportunity to testify.

Sincerely,

Kerry Honda
PO Box 630055
Lanai City, HI 96763
khonda.pim@gmail.com



From: Bennett McMordie <noreply@jotform.com>
 Sent: Thursday, March 28, 2019 7:04 PM
 To: FINtestimony
 Subject: Re: Testimony in Support of SB789 - Bennett McMordie

 **Testimony in Support of SB789**

Name	Bennett McMordie
Email	bennett.l.mcmordie@gmail.com
Address	Neighborhood: 1720 Poki St Zip Code: 96822
Subject	Testimony in SUPPORT of SB789, with amendments
Testimony	<p>Aloha Chair Luke,</p> <p>I strongly support an increase in the minimum wage to a livable level of no less than \$17 an hour, the bare minimum a single adult with no children must earn in order to survive in Hawaii. This is according to our own state Department of Business, Economic Development and Tourism. \$12.50 by 2024 will barely keep pace with inflation. In the state with the highest cost of living in the country, another five years of the status quo will be devastating for Hawaii's people and economy, particularly as the economic forecast increasingly points toward another recession on the horizon.</p> <p>Despite mountains of evidence showing that increases in the minimum wage - which was always meant to be a self-sufficiency wage - improve the economy by providing its consumer base with more spending power, business alarmists continue to use scare tactics and fear-mongering to argue that the sky will fall if the wage is raised to a self-sufficiency level. I urge you to see through this rhetoric and recognize that the same people said the same things in 2014 and, yet, after four years of consistent raises, none of their doomsday predictions have come true.</p> <p>To maximize the benefit this policy will have on the people of Hawai'i and our economy, I recommend amending SB789 to replace the health insurance</p>

carve-out, which allows employers who provide insurance to pay a subminimum wage of \$12.50 by 2024, with a tax credit for businesses that offer insurance. This provides the business community with assistance in covering the cost of providing insurance without hurting our workers. With no carve-out, all workers would be paid the same, and I recommend that level be increased to \$17 an hour, by 2023, to provide genuine relief for our workforce and to stimulate consumer spending adequately. Finally, to ensure that President FDR's original vision for a minimum self-sufficiency wage is upheld, and to ensure that no full-time worker in Hawai'i lives in poverty, I recommend the inclusion of an annually calculated cost-of-living adjustment to automatically adjust the minimum wage level according to the self-sufficiency level each year, as calculated by DBEDT.

Mahalo for the opportunity to testify in strong support of raising up Hawai'i's workers by paying them a living wage.

You can [edit this submission](#) and [view all your submissions](#) easily.

finance1 - Sean

From: SONYA YUEN <kmltd@hawaii.rr.com>
Sent: Thursday, March 28, 2019 8:59 PM
To: FINtestimony
Subject: Testimony in Opposition, SB789, FIN 3/39

LATE

Dear Finance Testimony,

Chair Luke, Vice Chair Cullen, and members of the Committee,

Thank you for the opportunity to testify. I am in opposition to this measure.

Businesses in Hawaii already face a wide range of challenges and financial burdens. We operate under a substantial regulatory and tax burden, and businesses in our state must provide health coverage for employees who work as little as half-time.

This bill would increase the minimum wage by almost 50% and shift the whole wage scale. In order to adjust to such a dramatic increase in the cost of labor, businesses like mine will have to make some difficult choices. This bill will likely mean having to cut hours, cut jobs, eliminate benefits, or raise prices. Some Hawaii businesses will not survive this increase and will have to close their doors.

I am not the only one who is concerned with serious negative impacts from this measure. In a blog post from last week looking at data related to this bill and other minimum wage increases the University of Hawaii Economic Reporting Office noted that, "Based on this research, we argue that there is good reason to proceed with caution. While much of the new research continues to find that minimum wage increases to the \$10-\$15 range may have very small negative employment effects, some studies provide tentative evidence of much larger negative impacts that warrant additional careful analysis."

Because of the low unemployment rates in our state, many businesses already start employees well above minimum wage. For many businesses like mine the entry-level wage, whether it's minimum wage or higher, is used as a training wage. Employees earn lower wages while they are training and learning valuable skills, and getting ready to advance in their careers. As people learn more skills, gain experience, and get more education they move up in their careers and command higher wages.

Increasing the minimum wage makes it harder for business to offer the types of jobs that allow people entry into the work force. Hiring young inexperienced employees is always a risk. A lot of businesses won't be able to afford to take that risk if the minimum wage is increased to unaffordable levels. This will mean fewer jobs and opportunities for people in Hawaii looking to break into the work force.

Businesses like mine will also need to find other ways to make up for such an extreme increase in the cost of labor. I value my employees, they are what make my business a success every day, and I don't want to be forced to cut their hours, reduce benefits, and I especially want to avoid cutting jobs. Of course I also deeply value my customers, and I hate the idea of raising prices, especially for Hawaii families that struggle with our state's high cost of living. This bill will force countless Hawaii businesses like mine to have to make these kinds of decisions.

This bill has too many down sides and is not the right choice for our state, and I ask that you do not let it pass. Thank you for the opportunity to testify.

Sincerely,

SONYA YUEN
PO Box 240
Kualapuu, HI 96757
kmltd@hawaii.rr.com

LATE

From: Kevin Chan <fjfhqpzdsucvrtx@ujoin.co>
Sent: Thursday, March 28, 2019 6:38 PM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: kevinchan22@hotmail.com <Kevin Chan>

Message:

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Kevin Chan

Manager

Honolulu

Hawaii



From: I Robert Nehmad <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:19 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Your consideration of this request is appreciated.

Thank you,

I Robert Nehmad

LATE

From: Kainani Derrickson <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:39 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Kainani Derrickson

From: Tyler Jones <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:39 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

I see that the legislators are set to approve a \$12,000 wage increase for themselves in your part time job. I trust that you all work hard and you and your families will benefit from the increase. Therefore I support the decision.

But I also know that low wage workers working full time jobs are struggling far more. As constructed, the bill means that a full time worker making \$26,000 a year will get NO increase.

So, \$12,000 for yourself at part time, and nothing for a full time \$26,000 worker. As I support your increase, I hope you can do the same for our most vulnerable workers.

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

All workers whether they are legislators or fast food cooks deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Tyler Jones

LATE

From: Daniel Flores <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:37 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Daniel Flores



From: Barbara Altemus <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:29 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Barbara Altemus

From: Paxton Parker <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:46 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Paxton Parker

finance1 - Sean

From: Michele Nihipali <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:48 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Michele Nihipali

From: Thomas Tizard <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:50 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

LATE

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour. **AND NOW!!!**

Thank you,

Thomas Tizard

From: Megan Bent <noreply@jotform.com>
Sent: Thursday, March 28, 2019 8:59 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Megan Bent

From: Christiana Buenconsejo <noreply@jotform.com>
Sent: Thursday, March 28, 2019 9:00 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Sincerely,

Christiana Buenconsejo

Thank you,

Christiana Buenconsejo

LATE

From: Rachel Moore <noreply@jotform.com>
Sent: Thursday, March 28, 2019 9:28 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

I am a single woman, i make \$15/hr and this is not enough to support myself for housing and food in honolulu.

Thank you,

Rachel Moore

LATE

From: Sarah Catino <noreply@jotform.com>
Sent: Thursday, March 28, 2019 9:25 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.


All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Sarah Catino



From: Emma Stauber <noreply@jotform.com>
 Sent: Thursday, March 28, 2019 9:18 PM
 To: FINtestimony
 Subject: Re: Testimony in Support of SB789 - Emma Stauber

 **Testimony in Support of SB789**

Name	Emma Stauber
Email	emmaleah@hawaii.edu
Address	Neighborhood: Kapaa Zip Code: 96746
Subject	Testimony in SUPPORT of SB789, with amendments
Testimony	<p>Aloha Chair Luke,</p> <p>I strongly support an increase in the minimum wage to a livable level of no less than \$17 an hour, the bare minimum a single adult with no children must earn in order to survive in Hawaii. This is according to our own state Department of Business, Economic Development and Tourism. \$12.50 by 2024 will barely keep pace with inflation. In the state with the highest cost of living in the country, another five years of the status quo will be devastating for Hawaii's people and economy, particularly as the economic forecast increasingly points toward another recession on the horizon.</p> <p>Despite mountains of evidence showing that increases in the minimum wage - which was always meant to be a self-sufficiency wage - improve the economy by providing its consumer base with more spending power, business alarmists continue to use scare tactics and fear-mongering to argue that the sky will fall if the wage is raised to a self-sufficiency level. I urge you to see through this rhetoric and recognize that the same people said the same things in 2014 and, yet, after four years of consistent raises, none of their doomsday predictions have come true.</p> <p>To maximize the benefit this policy will have on the people of Hawai'i and our economy, I recommend amending SB789 to replace the health insurance</p>

carve-out, which allows employers who provide insurance to pay a subminimum wage of \$12.50 by 2024, with a tax credit for businesses that offer insurance. This provides the business community with assistance in covering the cost of providing insurance without hurting our workers. With no carve-out, all workers would be paid the same, and I recommend that level be increased to \$17 an hour, by 2023, to provide genuine relief for our workforce and to stimulate consumer spending adequately. Finally, to ensure that President FDR's original vision for a minimum self-sufficiency wage is upheld, and to ensure that no full-time worker in Hawai'i lives in poverty, I recommend the inclusion of an annually calculated cost-of-living adjustment to automatically adjust the minimum wage level according to the self-sufficiency level each year, as calculated by DBEDT.

Mahalo for the opportunity to testify in strong support of raising up Hawai'i's workers by paying them a living wage.

You can [edit this submission](#) and [view all your submissions](#) easily.



From: Neal Arakaki <coddbhxtfboufbr@ujoin.co>
Sent: Friday, March 29, 2019 8:05 AM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: menehuneneal@gmail.com <Neal Arakaki>

Message:

Increasing the minimum wage at this time would be catastrophic for small manufacturing businesses at this time. While we are not opposed to eventual and incremental minimum wage increases, the current economic and labor situation would increase expenses for manufacturers that cannot be passed on to customers. This would result in the manufacturer "eating" the expense in its entirety. As you know insurance and other factors are also based against payroll so not only is there the direct increase in payroll expenses, there are also other expenses that are impacted. The overall impact would be an across the board expense increase for the small business that will result in termination of jobs in order to control expenses. With these facts in mind, we wish to oppose the current legislation to increase the minimum wage as it will seriously damage the ability of small local businesses to compete in the Hawaii market.

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Neal Arakaki

LATE

From: Andrea Macabeo <rogjqwinctdkgcg@ujoin.co>
Sent: Friday, March 29, 2019 7:25 AM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage

From: andrea.macabeo@gmail.com <Andrea Macabeo>

Message:

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

Thank you for your time and consideration of my concerns.

Andrea Macabeo



From: Miki Tomita <noreply@jotform.com>
Sent: Friday, March 29, 2019 7:20 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Miki Tomita



From: Janice Staab <noreply@jotform.com>
Sent: Friday, March 29, 2019 7:19 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Janice Staab



From: James McDonough <noreply@jotform.com>
Sent: Friday, March 29, 2019 7:09 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Mahalo,
James McDonough

Thank you,

James McDonough

finance1 - Sean

From: Nick Chagnon <noreply@jotform.com>
Sent: Thursday, March 28, 2019 10:10 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Nick Chagnon

finance1 - Sean

From: James Degen <noreply@jotform.com>
Sent: Thursday, March 28, 2019 10:28 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

LATE

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

James Degen

finance1 - Sean

From: Justin Jansen <noreply@jotform.com>
Sent: Thursday, March 28, 2019 10:02 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Justin Jansen

finance1 - Sean

From: Michael Inouye <noreply@jotform.com>
Sent: Thursday, March 28, 2019 10:04 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

LATE

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Michael Inouye

finance1 - Sean

From: Anne Nason <noreply@jotform.com>
Sent: Thursday, March 28, 2019 10:05 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Anne Nason

finance1 - Sean

From: Michelle Gorham <noreply@jotform.com>
Sent: Thursday, March 28, 2019 11:02 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Michelle Gorham

finance1 - Sean

From: Linda Rich <noreply@jotform.com>
Sent: Thursday, March 28, 2019 11:14 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

LATE

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

I urge you to raise the minimum wage to \$15.00 per hour. \$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. That will not even pay the rent for a family that needs more than one bedroom. \$12.50 per hour, would make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

You are giving yourselves raises, why not allow the workers who do the service jobs that support our tourist industry have a living wage.

Mahalo,
Linda Rich

Thank you,

Linda Rich

finance1 - Sean

From: Jenny Jung <noreply@jotform.com>
Sent: Thursday, March 28, 2019 11:15 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Jenny Jung

finance1 - Sean

From: Tom Iwanicki <noreply@jotform.com>
Sent: Thursday, March 28, 2019 11:16 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Tom Iwanicki

finance1 - Sean

From: Korynn Grenert <noreply@jotform.com>
Sent: Friday, March 29, 2019 9:55 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Sincerely, Korynn Grenert

Thank you,

Korynn Grenert

From: Nicole Ramos <noreply@jotform.com>
Sent: Friday, March 29, 2019 9:58 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Nicole Ramos



From: Gary Jones <noreply@jotform.com>
Sent: Friday, March 29, 2019 3:23 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Gary Jones



From: Kate Paine <noreply@jotform.com>
Sent: Friday, March 29, 2019 1:52 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Chair Luke, Vice-Chair Cullen, and members of the Committee,

What could it be that provokes legislators to vote against what's best for the economy as is advised in professional circles?

When sitting in ruling positions w/o contact in HI's daily living worker situations, lawmakers often are swayed to the side of special interests rather than constituents.

Remember all the news stories of late describing the exodus of workers from our islands because of inability to cope with wages n high cost of necessities.

Thank you,

Kate Paine

LATE

From: Evelyn Goo <noreply@jotform.com>
Sent: Friday, March 29, 2019 12:48 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Evelyn Goo

finance1 - Sean

From: Albert Ueligitone <noreply@jotform.com>
Sent: Friday, March 29, 2019 10:21 AM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Albert Ueligitone

From: Ian Hatch <fyypasvqknvrrhf@ujoin.co>
Sent: Friday, March 29, 2019 11:00 AM
To: FINtestimony
Subject: Tell your Representatives your concerns on increasing the minimum wage



From: ian@thetemple.bar <Ian Hatch>

Message:

This rate increase will be a detriment to my business as well as most businesses in the service industry. There should be a different rate for restaurants, bars and hospitality businesses that have staff that receive tips.

Aloha Chair Luke, Vice Chair Cullen and members of the House Finance Committee,

I respectfully oppose SB789 SD2 HD1 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have on our business and other businesses like ours in Hawaii. We are proud of both our business and our employees. We recognize that our employees are a large part of what makes our business a success and do everything we can to retain them through both wages and benefits. With that said, we hope that when contemplating passing legislation raising the minimum wage, that you please consider the consequences it will have on businesses of all sizes.

If the minimum wage is increased, businesses will have to alter operations to stay afloat. It is a misconception that all increases in business costs can be passed on to the customer. That is simply not true. Businesses cannot afford the increased costs mandated through this legislation.

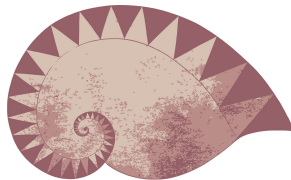
Thank you for your time and consideration of my concerns.

Ian Hatch

President

Hilo

Hawaii



Pono Hawai'i Initiative



Josh Frost - President • Kau'i Pratt-Aquino - Secretary • Patrick Shea - Treasurer
Kristin Hamada • Nelson Ho • Summer Starr

Thursday, March 28, 2019
Testifying in Support with Amendments

Aloha, Chair and Committee members

The Pono Hawai'i Initiative (PHI) **is in support with amendments of SB789 SD2, HD1** Relating to Minimum Wage. PHI is requesting the measure be amended to provide for a \$17 hourly minimum that is extended to all workers.

This measure continues the dialog that an increase to the minimum wage in Hawai'i is needed, however the language and amounts set forth in this measure do not go far enough.

According to the State's own Department of Business, Economic Development & Tourism, the "self-sufficiency income" for a single person is approximately \$17 an hour in 2019. **The study done by DBEDT also assumed the individual would have health insurance.**

Please also amend this measure to include automatic annual inflation adjustments. 17 States plus the District of Columbia already have that language included in their statutes.

When low wage workers receive wage increases, all workers are better off.

I ask the Committee to please pass this measure forward with amendments to increase the minimum wage for all workers to \$17 an hour based on DBEDT's "self sufficiency formula. If a two tiered approach is desired, then please consider at least \$15 for the lower tier and \$17 for part-time workers.

Please also include language for an annual automatic inflation adjustment.

Mahalo for the opportunity to testify,

Gary Hooser
Executive Director
Pono Hawai'i Initiative, an organization member of the Common Good Coalition

SB-789-HD-1

Submitted on: 3/29/2019 11:24:00 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Chester E. Kaneshiro	Individual	Oppose	No

Comments:

1. of Tokyo Restaurants Ltd. is a local chain of restaurants with over 175 employees. We have been serving the tourists and local community for the past 40 years. The recent proposal to increase the minimum wage would seriously upset the dynamics of the restaurant industry and threaten its ability to compete and survive as a viable business entity. We strongly oppose SB 789.

1. bill is ill conceived and a no win situation for small businesses. It will deal a tremendous set back and financial burden for many establishments and the loss of jobs at the entry level. It would discourage businesses to provide jobs for the young men and women who have not accumulated any experience or life skills. Over the course of 40 years, we have employed, trained and mentored hundreds of these individuals and there is nothing more rewarding for us to see our employees go on to lead successful lives.

In reviewing the salaries of our minimum wage earners with tip income, our average hourly rate is safely between the range of 20.00 to 35.00 per hour. It is not a living wage by any means but it allows us to provides jobs to the unskilled workers, many of them young students to help pay for their education, pay their rent and put food on the table. The wage increase will not stop families having to work 2 – 3 jobs, it will not stop our children from moving to the mainland, it will only exacerbate the real problem – Hawaii's high cost of living.

1. is the responsibility of our elected officials to establish a climate in which businesses can contribute to promote the general welfare of the state. However, the legislature continues to burden restaurants with mandates and we have the highest rate of taxation and an excess of rules and regulations. The results of these mandates is severe distress by many businesses, particularly in Waikiki. SB 789 will have negative economic ramifications for tourism, the backbone of our economy. The bill would substantially increase payroll expenses, payroll tax

liability, worker's compensation insurance and place all employers in an extremely vulnerable position. Our margins between failure and survival is razor thin and want to express our collective opposition to SB 789. Furthermore, Hawaii's tip credit is the lowest in the nation and we ask that you please assist us in redressing an intolerable and inequitable situation. The restaurant industry is notorious for business failures and needs your assistance. Please promote a better business climate and lower our cost of doing business.

Thank you for your time and consideration.

LATE

SB-789-HD-1

Submitted on: 3/29/2019 10:25:53 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sylvia Ching	Individual	Support	No

Comments:

LATE

SB-789-HD-1

Submitted on: 3/29/2019 8:56:21 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

STRONG SUPPORT

LATE

SB-789-HD-1

Submitted on: 3/29/2019 7:51:46 AM

Testimony for FIN on 3/29/2019 3:30:00 PM

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

Comments:

Please vote for the workers who make the rich, richer!

LATE

SB-789-HD-1

Submitted on: 3/28/2019 11:57:00 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara L. George	Individual	Support	No

Comments:

SUPPORT with amendments to increase the minimum wage to \$17/hr and \$14/hr if an employee receives health insurance.

LATE

SB-789-HD-1

Submitted on: 3/28/2019 9:59:36 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Milholen	Individual	Support	No

Comments:

LATE

SB-789-HD-1

Submitted on: 3/29/2019 1:15:25 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Hosanna Lettvin	Individual	Support	No

Comments:

Aloha mai kākou.

I'm writing to thank you for your attention to the minimum wage, and also ask that you push for more and faster change. A living wage in Hawai'i is currently \$17/hour for a single person with no kids (or other dependents, or debt, or serious health issues, or unforeseen expenses). The current version of this bill only goes as far as raising the minimum wage to \$15/hour by January 2024. That means in 4 years, we won't even have reached a minimum wage that a single person could survive on today. I support this bill, but it absolutely does not go far enough. The way the economy grows is by making sure that everyone is making enough not just to cover the necessities, but to actually spend money supporting local businesses. We can't do that when we're struggling to make ends meet. I have so many friends here who own businesses, who play music for a living, who write books, and I want to go support them and spend money and help them succeed. Instead, I'm filling out forms today to cash out my retirement account (a whopping \$6000, of which I'll lose at least 10%) because I make \$15/hour and I have \$23 to feed myself until next Friday and I have to come up with first months rent and a security deposit before I have to move in June. Which is also when the grace period on my student loans is going to end.

Please do better by your constituents. Please push for an actual living wage within the next year, and for minimum wage to keep pace with cost of living from here on. Please.

LATE

SB-789-HD-1

Submitted on: 3/29/2019 1:40:33 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Summer Yadao	Individual	Support	No

Comments:

Aloha, thank you for considering raising the minimum wage for employees to actually be able to afford living in Hawai`i.

I support most of what the bill contains, except that I would make the rate of pay \$15/hour by 2020 and \$17/hour for 2022.

The costs of living right now, and the severely low rate of pay that most people in Hawai`i are receiving requires most to have to hold two places of employment, especially if neither of them are full-time.

I am a single mother of 3, a full-time student at UH Manoa obtaining my Bachelor's in Social Work, and I work full-time for a local non-profit organization. Needless to say, if I didn't live in one of the 'sketchy' neighborhoods in Wahiawa, I would not be able to afford to pay my own rent. If it wasn't for my employer giving me full-time hours when I told them that I would be homeless because I couldn't pay rent with just part-time hours at TWO jobs, then I wouldn't be in such a great place mentally, physically or emotionally right now.

People in Hawai`i deserve to earn pay that gives them a sense of dignity and respect, in order for the whole State to be a healthier place to be.

Mahalo,

Summer Yadao

LATE

SB-789-HD-1

Submitted on: 3/29/2019 2:50:13 PM
Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Angus Raff-Tierney	Individual	Support	No

Comments:

Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in it's current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

LATE

SB-789-HD-1

Submitted on: 3/29/2019 3:36:38 PM

Testimony for FIN on 3/29/2019 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Kimura	Healthy Mothers Healthy Babies	Support	No

Comments:

Women make up 60% of Hawaii's minimum wage workers, and nearly half work in restaurants, food service, or retails, which are industries dominated by women. While the intent of the health insurance credit is to incentivize employers to provide their workers with health insurance, many workers are kept part-time to avoid the cost of premiums:

- **SB 789 SD2 HD1 needs to be raised to at least \$17 per hour, and \$14 if an employee receives health insurance from her employer.**
- **The health insurance credit should also be limited to only small employers**, since the big-box retailers and large employers can easily afford to pay for health insurance.
- Seattle currently has a similar health insurance credit, but it [quickly phases out](#). **Any such credit in Hawai'i should also phase out**, so eventually all minimum wage workers will be paid the same wage.

From: Michael deYcaza <noreply@jotform.com>
Sent: Friday, March 29, 2019 4:07 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Michael deYcaza

From: Mary Wagner <noreply@jotform.com>
Sent: Friday, March 29, 2019 6:25 PM
To: FINtestimony; info@livingwagehawaii.com
Subject: Amend the \$12.50 in SB789 to a Living Wage



Position: Amend \$12.50 to a Living Wage

Aloha Chair Luke, Vice-Chair Cullen, and members of the Committee,

\$12.50 is not a sufficient hourly wage for a full-time worker. If this bill passes in its current form, it will leave Hawaii's residents with only \$26,000 for an entire year of work in 2024 and beyond. At \$12.50 per hour, this will make a single adult worker put in 58 hours per week or more just to afford their basic needs.

\$0.50 annual raises for the most vulnerable amongst us is insufficient and will keep us struggling to survive for at least another 5 years.

All workers deserve to be able to make ends meet after just 40 hours of work, so please raise the minimum wage to a living wage, estimated today at \$17 per hour.

Thank you,

Mary Wagner