

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**

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March 25, 2019

To: The Honorable Brian T. Taniguchi, Chair,  
The Honorable Les Ihara, Jr, Vice Chair, and  
Members of the Senate Committee on Labor, Culture and the Arts

The Honorable Mike Gabbard, Chair  
The Honorable Russell E. Ruderman, Vice Chair, and  
Members of the Senate Committee on Agriculture and Environment

Date: Wednesday, March 27, 2019

Time: 2:15 p.m.

Place: Conference Room 224, State Capitol

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

**Re: S.C.R. 134/ S.R. 103 REQUESTING THE DEPARTMENT OF LABOR AND  
INDUSTRIAL RELATIONS, IN COLLABORATION WITH THE DEPARTMENT OF  
AGRICULTURE, TO SUBMIT A REPORT DETERMINING A LIVING WAGE STANDARD  
FOR AGRICULTURAL WORKERS LIVING IN THE STATE**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This resolution proposes that DLIR, in collaboration with the Department of Agriculture (DoA), submit a report to the Legislature determining a living wage standard for agricultural workers living the State and include the following in the report:

- a breakdown of the average living wage for each county;
- the living wage for each county adjusted for employer-provided housing, health insurance, transportation, and meals, as applicable;
- a breakdown of the average living expenses for an agricultural worker living in each country;
- the current median wage earned by agricultural workers in the State;
- annual data of local food production in the State since 2000; and
- annual data of agricultural workers employed in the State since 2000.

The report would be required to be submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 2020.

DLIR provides comments on this resolution.

## **II. COMMENTS ON THE RESOLUTION**

DLIR strives to accomplish its mission of increasing the economic security, physical and economic well-being, and productivity of workers, as well as developing, preparing, and disseminating information on employment, unemployment, and general labor market conditions. DLIR's Research and Statistics Office (R&S) collects data, conducts surveys, and aggregates data as required by federal law. With its limited staff and resources, R&S has been able to meet its federally and statutorily mandated obligations.

However, R&S neither has nor collects the information requested by the resolution. If the DoA has information specific to the wages earned by agricultural workers, R&S could assist in determining the current median wage earned by agricultural workers. R&S does not have the expertise to analyze and assess the cost of living for each county and the State and to make adjustments for employer-provided housing, health insurance, transportation, and meals.

DLIR suggests that the Department of Business, Economic Development, and Tourism may be in the best position to prepare a report determining a living wage standard for agricultural workers living in the State because it has the research capabilities and expertise as well as produces reports such as the Hawaii Data Book, which is an official summary of the statistics on the social, economic, and political organization of the State.

DAVID Y. IGE  
Governor

JOSH GREEN  
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER  
Chairperson, Board of Agriculture

GLENN K. MURANAKA  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
ACTING CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON LABOR, CULTURE, & THE ARTS AND  
AGRICULTURE & ENVIRONMENT**

**MARCH 27, 2019  
2:15 P.M.  
CONFERENCE ROOM 224**

**SENATE CONCURRENT RESOLUTION 134  
REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS, IN  
COLLABORATION WITH THE DEPARTMENT OF AGRICULTURE, TO SUBMIT A  
REPORT DETERMINING A LIVING WAGE STANDARD FOR AGRICULTURAL  
WORKERS LIVING IN THE STATE**

Chairpersons Taniguchi and Gabbard and Members of the Committees:

Thank you for the opportunity to testify on SCR 134, requesting DLIR and DOA to submit a report on determining a living wage standard for agricultural workers living in the State. The Department offers comments on this measure and defers to DLIR.

The Department supports efforts to increase agricultural labor across the State. Attracting the next generation of farmers is key to a successful ag industry. While "living wage" is a factor in local agriculture employments, there are other issues in attracting a workforce in agriculture. The DLIR, through this legislative body, created the Hawaii Agriculture Workforce Advisory Board to look at this issue which included the membership of DOA, CTAHR and agricultural stakeholders. The group meets three times a year to discuss issues around agricultural labor and how to influence the next generation of local farmers and ranchers with training programs and agricultural workforce opportunities. The advisory board strives to increase financially viable farming operations that are able to provide income for the farmer and the ability to employ farm workers.

Thank you for the opportunity to testify on this measure.





Testimony to the  
Senate Committee on Labor, Culture and the Arts  
and the  
Senate Committee on Agriculture and Environment  
March 27, 2019, 2:15 p.m.  
State Capitol - Conference Room 224

RE: SCR 134, SR 103 Relating to Minimum Wage

Aloha Chairs Taniguchi and Gabbard, Vice Chairs Ihara, Jr. and Ruderman, and members of the committee:

On behalf of the Society for Human Resource Management – Hawaii Chapter (“SHRM Hawaii”), we are writing comments to SCR 134, SR 103 requesting the Department of Labor and Industrial Relations, in collaboration with the Department of Agriculture, to submit a report determining a living wage standard for agricultural workers living in the state.

SHRM Hawaii has proposed that minimum wage increases 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 understand that these resolutions, SCR 134 and SR 103, request a study and respectfully request legislators take a historical view of the past gradual increases that were eased into the economy and the administrative challenges in setting different minimum wages for certain categories of employees.

Human resource management professionals are responsible for the alignment of employees and employers to achieve organizational goals. HR professionals seek to balance the interests of employers and employees with the understanding that the success of each is mutually dependent. SHRM Hawaii represents more than 800 human resource professionals in the State of Hawaii. 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 for the opportunity to testify.



**SCR-134**

Submitted on: 3/25/2019 11:38:26 AM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Karen Winslow	Testifying for Hawaii Farmers Union	Support	No

Comments:



# Shrimp Improvement Systems, LLC

March 25, 2019

Testimony to the  
Senate Committee on Government Operations and the  
Senate Committee on Labor, Culture and the Arts  
March 27, 2019

Hearing times: 2:15 p.m. / 2:30 p.m.  
State Capitol – Conference Room 224  
415 South Beretania Street  
Honolulu, HI 96813

RE: SR103 and SCR134 Requesting the Department of Labor and Industrial Relations, in collaboration with the Department of Agriculture, to submit a report determining a living wage standard for agricultural workers living in the state.

Aloha Chair Taniguchi, Vice Chair Ihara, Chair Gabbard, Vice Chair Ruderman and members of the committee,

I am writing to **OPPOSE** SR103 and SCR134 Requesting the Department of Labor and Industrial Relations, in collaboration with the Department of Agriculture, to submit a report determining a living wage standard for agricultural workers living in the state.

Shrimp Improvement Systems (SIS), located in Kailua-Kona, Hawaii, always strives to provide the highest quality product and always looking to expand our ability to provide a sustainable resource to the local community, in the most effective and efficient capacity.

SIS is a small employer, with approximately 24 full-time staff and 14 part-time and casual staff. We are an aquaculture farm producing broodstock shrimp, shrimp for meat, and oysters. Raising a healthy and high quality product requires great care and protection. Producing a quality product is the lifeblood of the company. Policies and procedures are established to ensure biosecurity and we use a number of techniques and technology available to increase production, provide protection to the product from external factors that impact the growth and health of the animals. However, even with all of the efficiencies and technology available, farming is a labor intensive field requiring coverage seven days per week, 365 days per year to care for the animals and the facility.

Approximately 70% of our staffing plan does not require advanced degrees or special training. The work is labor intensive and considered entry level positions where employees can be easily trained to carry out their job requirements. For all of our employees, SIS always strives to find a balance between caring for our employees' needs and ensuring that the company remains competitive and sustainable. We offer our employees a competitive wage within the market and provide a comprehensive benefit package.

Currently, about 41% of our expenses are associated with our human capital. Being required to increase the hourly wage could be crippling to our business. Increasing wages for some staff would impact our staff at all levels and requiring adjustments to all employees to ensure an equitable compensation plan.



## Shrimp Improvement Systems, LLC

With profit margins being traditionally low for farming products, (reported to be less than 10% for small farms according to ***Structure and Finances of U.S. Farms: Family Farm Report, 2014 Edition***, by Robert A. Hoppe, USDA, Economic Research Service, December 2014), increasing wages to a rate above the current minimum wage by 50% (\$15.73 - \$10.10 = \$5.63 increase per hour) would risk eliminating profits requiring possible downsizing of staff or even closing and/or relocating of the business.

In addition, it is unclear what staff would be considered "agricultural staff" and correctly identifying employees is of concern. With other pending bills related to minimum wage proposals, separating out agriculture staff creates an administrative requirement that could be complex and difficult to implement and manage. This is further complicated by the possibility of setting different wages by county rather than statewide.

Last, of concern on behalf of our employees, it is important to keep in mind with ongoing federal tax changes; many things given to employees are now considered taxable income including food and meals that are provided, gift cards or other small bonuses, parking spaces, etc. so the items noted on page 2, number 2 of the pending proposal could potentially create a detrimental situation for our employees if not properly balanced with their full wage and benefit package and an administrative difficulty to accurately compute and track taxable items.

We would request that any study include a sampling of agriculture and aquaculture businesses of varying sizes and from various locations across the state to gather direct input and not just from large statewide agricultural organizations.

We thank you for the opportunity to provide testimony for your consideration in this crucial matter.

Mahalo,

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

David Leong  
President

A handwritten signature in blue ink, appearing to read 'Kim Ripley'.

Kim Ripley  
HR Manager

**SCR-134**

Submitted on: 3/25/2019 5:04:49 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jacqueline S. Ambrose	Testifying for HFUU	Support	No

Comments:



**SCR-134**

Submitted on: 3/26/2019 5:55:47 AM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Genevieve N Neumann	Testifying for Lokoea Farms	Support	No

Comments:

**SCR-134**

Submitted on: 3/27/2019 4:55:27 AM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Suellen Barton	Testifying for Maui Farmers Union United	Support	No

Comments:

**SCR-134**

Submitted on: 3/25/2019 11:12:38 AM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joy Nelson	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/25/2019 11:55:41 AM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gwen Morinaga-Kama	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/25/2019 12:10:30 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Harriet Witt	Individual	Support	No

Comments:

If we want to end our dangerous dependence of the mainland for food, we need this bill.

**SCR-134**

Submitted on: 3/25/2019 12:19:21 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Bonnie Marsh	Individual	Support	No

Comments:

Please pay farmers a fair wage, their work feeds us. we need to support the important work they do.

**SCR-134**

Submitted on: 3/25/2019 1:12:41 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Denise Key	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/25/2019 1:47:43 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Thomas Craig	Individual	Support	No

Comments:

Ag workers/farmers must make a living wage to make agriculture sustainable.



**SCR-134**

Submitted on: 3/25/2019 2:32:23 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Linda Hastings	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/25/2019 3:34:48 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dennis F Lokmer	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/25/2019 3:54:50 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Janet Pappas	Individual	Support	No

Comments:

If we expect to grow our own food in Hawaii, we will need to pay our agricultural workers a living wage. SCR134 just says you agree with the above statement.

Please support ag workers and local agricultural by voting Yes on SCR134.

Mahalo,

Jan Pappas

Aiea, Hawaii 96701

**SCR-134**

Submitted on: 3/25/2019 8:37:57 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Patrick Harley Simmons	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/25/2019 10:43:55 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Steven Forman	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/26/2019 3:01:36 AM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cindy Evans	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/26/2019 7:05:47 AM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara Barry	Individual	Support	No

Comments:

**SCR-134**

Submitted on: 3/26/2019 7:44:04 PM

Testimony for LCA on 3/27/2019 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Autumn Ness	Individual	Support	No

Comments: