

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 18, 2019

To: The Honorable Aaron Ling Johanson, Chair,
The Honorable Stacelynn K.M. Eli, Vice Chair, and
Members of the House Committee on Labor & Public Employment

Date: Tuesday, March 19, 2019
Time: 9:30 a.m.
Place: Conference Room 309, State Capitol

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

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

I. OVERVIEW OF PROPOSED LEGISLATION

SB789SD2 amends the Wage and Hour Law, Chapter 387, Hawaii Revised Statutes (HRS), to increase the minimum wage to \$12.00 per hour beginning January 1, 2020 and \$15.00 per hour beginning January 1, 2023. The measure also adds a new tax credit in Chapter 235, HRS, for qualified small businesses and defines qualified small business.

DLIR supports the intent of this measure and defers to the Department of Taxation on the content of the tax credit provision.

II. CURRENT LAW

The current minimum wage is \$10.10 per hour. Act 82 (SLH, 2014) incrementally increased the minimum wage from \$7.25 to \$10.10 an hour in four consecutive years (2015-2018).

III. COMMENTS ON THE SENATE BILL

DLIR supports the intent of this measure that strikes a balance between the interests of employees and employers by increasing the minimum wage in two increments over three years, while providing a tax credit to help qualified small businesses adjust to the increased labor cost. DLIR defers to DoTax on the technical aspects of section one of the bill pertaining to the tax credit for qualified small businesses.

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF TAXATION**

830 PUNCHBOWL STREET, ROOM 221

HONOLULU, HAWAII 96813

<http://tax.hawaii.gov/>

Phone: (808) 587-1540 / Fax: (808) 587-1560

Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Aaron Ling Johanson, Chair
and Members of the House Committee on Labor & Public Employment

Date: Tuesday, March 19, 2019
Time: 9:30 A.M.
Place: Conference Room 309, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: S.B. 789, S.D. 2, Relating to Minimum Wage

The Department of Taxation (Department) appreciates the intent of S.B. 789, S.D. 2, and offers the following comments for the Committee's consideration.

S.B. 789, S.D.2, increases the minimum wage to \$12.00 per hour beginning January 1, 2020 and to \$15.00 per hour beginning January 1, 2023. S.B. 789, S.D. 2, also creates an income tax credit for small businesses. To qualify for the credit, a business must have 50 or fewer employees and gross income of no more than an unspecified amount for the year. The tax credit is equal to twenty percent of the excess of total hourly wages paid in the year the credit is claimed over the amount paid in the previous year. The credit is capped at \$50,000 per taxpayer per taxable year. The credit is available for five taxable years beginning with the taxable year beginning after December 31, 2019. The bill becomes effective July 1, 2050.

First, the Department notes that the proposed income tax credit is not linked to the increase in the mandatory minimum wage. Subsection (a) of the credit states that the purpose of the credit is to offset the increase in minimum wage, however, the way the credit is calculated makes it available to any small business that has an increase in its hourly payroll. This means that a small business could claim the credit for an increase in the wages it pays to employees that are already making more than minimum wage. A small business without any minimum wage employees could claim the credit.

If the intent of the credit is to offset the cost of the increase in the mandatory minimum wage, the Department suggests reformulating the credit so that it is based only on the increase in wages paid that is attributable to the increase in the mandatory minimum wage.

Second, the Department recommends that if the credit is to be structured as a percentage of the increase in "total hourly wages paid", that this term be defined in the bill. As drafted, it is

unclear whether “total hourly wages paid” refers to only the wage paid to the employee or to the wage paid to the employee plus any fringe benefits the employee receives.

Finally, the Department notes that though the effective date of the bill is July 1, 2050, the tax credit applies to taxable years beginning after December 31, 2019. The Department is able to administer this new tax credit with this effective date.

Thank you for the opportunity to provide comments.



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 Labor and Public Employment

Testimony by
Hawaii Government Employees Association

March 19, 2019

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


The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO conceptually supports S.B. 789, S.D. 2 which provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly rate that employers must pay employees and increases the minimum wage to \$12.00 per hour in 2020 and \$15.00 per hour in 2023.

While it is meritorious to address the financial impact on small businesses, there may be significant challenges to implement, enforce, and ensure Employers do not abuse the employer tax credit. We respectfully question if there are provisions to prohibit an Employer from arbitrarily reducing current above-minimum employee wages or withholding increases to above-minimum wage earners in future years to qualify for the tax credit. In the worst case scenario, the state could be incentivizing wage suppression. Abusing tax credits will not only harm the minimum wage employee, but also has the potential to adversely impact the state treasury.

Further, although not contained in this specific measure, we are supportive of more aggressive increases to the minimum wage and/or subsequent indexing to the Honolulu Consumer Price Index. We believe salary increases are one tool that will help spur Hawaii's economy and generate much needed consumer spending.

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

Respectfully submitted,


for
Randy Perreira
Executive Director

SB-789-SD-2

Submitted on: 3/15/2019 4:47:01 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

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.

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

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

Mahalo,

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

SB-789-SD-2

Submitted on: 3/15/2019 4:48:45 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

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.

We request that the bill be amended to \$17.00 by 1/1/2023

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

Mahalo,

Pride at Work - Hawaii

SB-789-SD-2

Submitted on: 3/15/2019 8:16:24 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
david gierlach	st elizabeth's church	Comments	No

Comments:

I strongly support a significant increase in the minimum wage, and ask you to amend the current bill to provide for an immediate increase in the minimum wage to \$17/hr. That is the minimum wage needed to support a minimal life in our community. Please bring wages in line with the actual cost of living, and please make it effective this year, not half a decade from now. Thank you.

SB-789-SD-2

Submitted on: 3/15/2019 9:23:00 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Leimomi Khan	Democratic Party of Hawaii, Hawaiian Affairs Caucu	Comments	No

Comments:

We support a living wage for Hawaii's workers.

The Hawaiian Affairs Caucus stands in solidarity with the testimony on this measure given by our parent organization, the Democratic Party of Hawaii.

As a living wage for Hawaii's workers is necessary, we believe the State Legislature should move the minimum wage to \$17 an hour as quickly as possible, taking into consideration time to allow businesses to adapt and to avoid job loses.



AMERICANS FOR DEMOCRATIC ACTION

OFFICERS	DIRECTORS			MAILING ADDRESS
John Bickel, President	Melodie Aduja	Ken Farm	Stephen O'Harrow	P.O. Box 23404
Alan Burdick, Vice President	Guy Archer	Chuck Huxel	Doug Pyle	Honolulu
Marsha Schweitzer, Treasurer	Juliet Begley	Jan Lubin		Hawai'i
96823				
Dylan Armstrong, Secretary	Gloria Borland	Jenny Nomura		

March 15, 2018

TO: Honorable Chair Johansen & Labor Committee Members

RE: SB 789 SD2 Relating to the Minimum Wage

Support for hearing on March 19

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





ROMAN CATHOLIC CHURCH IN THE STATE OF HAWAII
DIOCESE OF HONOLULU
Witness to Jesus



Online Submittal: March 16, 2019

HEARING: March 19, 2019

TO: House Committee on Labor and Public Employment
Rep. Aaron Ling Johanson, Chair
Rep. Stacelynn K.M. Eli, Vice Chair

FROM: Eva Andrade, Executive Director – Hawaii Catholic Conference

POSITION: **Support for SB 789 SD 2 Relating to Minimum Wage**

Honorable members of House Committee on Labor and Public Employment, I am Eva Andrade, representing the Roman Catholic Church in the State of Hawaii in my capacity as Executive Director for the Hawaii Catholic Conference, which under the leadership of Bishop Larry Silva, represents Roman Catholics in the State of Hawaii. Thank you for the opportunity to provide testimony in support of SB 789 SD2, which would provide an income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that employers must pay employees. It also increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023.

The Catholic Church has long been a supporter of a strong economy supported by economic justice. As such, the Catholic Church teaches that society has a moral obligation, including governmental action where necessary, to assure opportunity, meet basic human needs, and pursue justice in economic lifeⁱ. Raising the minimum wage and allowing for adjustments for inflation would assure greater economic justice and opportunity for the poor and vulnerable within our society.

To put it into context, raising the minimum wage is about dignity and it is about justice. It is clear from more than a century of Catholic teaching that work is at the heart of the social question, at the heart of human dignity. We must, as a society, endorse and support the potential benefits and freedoms of a market economy; but this effort must be oriented “toward protecting human life and dignity, and advancing the common good.”ⁱⁱ

Setting a just minimum wage, is just one way in which government must act to protect worker dignity, encourage family formation, and ensure the basic needs of children. Moreover, “Increasing the minimum wage to a level that reflects the real economic reality faced by families today would go far in building an economy worthy of the humans that operate it.”ⁱⁱⁱ

For these reasons, we strongly support raising the minimum. Mahalo for the opportunity to submit testimony.

ⁱ “A Catholic Framework for Economic Life.” United States Conference of Catholic Bishops. 1996.

ⁱⁱ Bishop Stephen E. Blaire, “Building a Foundation of Fairness: 75 Years of the Federal Minimum Wage,” [Testimony before the Senate Committee on Health, Employment, Labor, and Pensions](#), June 25, 2013, p. 5 (accessed March 13, 2019).

ⁱⁱⁱ Blaire, op. cit., p. 7

HAWAII CATHOLIC CONFERENCE

(The public policy voice for the Roman Catholic Church in the State of Hawaii)

SB-789-SD-2

Submitted on: 3/16/2019 11:09:59 AM

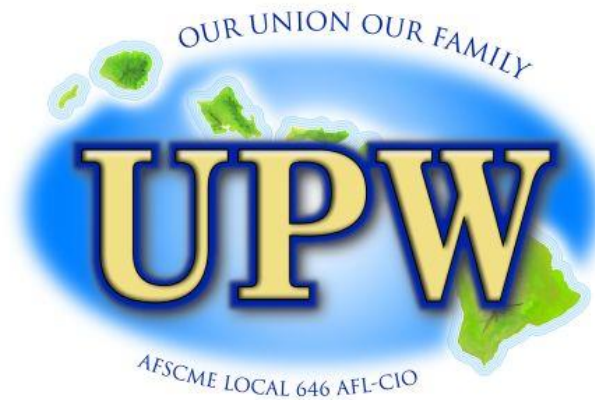
Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	We Are One, Inc. - www.WeAreOne.cc - WAO	Support	No

Comments:

A good start to a living wage, but barely enough. Tax the rich and they will still be rich.

www.WeAreOne.cc



THE HAWAII STATE HOUSE OF REPRESENTATIVES

The Thirtieth Legislature
Regular Session of 2019

Committee on Labor & Public Employment

Representative Aaron Ling Johanson, Chair
Representative Stacylynn K.M. Eli, Vice Chair

Date of Hearing: Tuesday, March 19, 2019
Time of Hearing: 9:30 a.m.
Place of Hearing: Conference Room 309

TESTIMONY ON SB789, SD2 RELATING TO MINIMUM WAGE

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

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive bargaining representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and four counties. The UPW also represents about 1,500 members in the private sector.

SB789, SD2 increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023. It also provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that the employer must pay the employees. The UPW **supports** this measure.

Thank you for the opportunity to submit this testimony.

SB-789-SD-2

Submitted on: 3/16/2019 3:48:22 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

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

Comments:

SB-789-SD-2

Submitted on: 3/16/2019 4:12:07 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
amy agbayani	Filipina Advocacy Network FAN	Support	No

Comments:

Respectfully urge the minimum wage be \$17.00 an hour.



Kelii Gouveia, Chairman – Duke's Waikiki **Tom Jones, Incoming Chair** – Gyotaku
Tammy Fukugawa, Vice Chair – TS Restaurant **Dirk Koeppenkastrop, Secretary** – IL Gelato Hawaii
Michael Miller, Treasurer – Tiki's Grill & Bar **Tyler Roukema, Past Chair** – Outrigger Canoe Club

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Victor Lim

To: Rep. Aaron Ling Johanson, Chair
Rep. Stacelynn K.M. Eli, Vice Chair
Members of the Committee on Labor and Public Employment

From: Victor Lim, Legislative Lead
Hawaii Restaurant Association

Subj: SB789 SD2 Relating to Minimum Wage

Date: March 16, 2019

We at the Hawaii Restaurant Association representing over 3,600 restaurants here oppose SB 789 SD2 that will increase our state's minimum wage starting at \$ 12 per hour on January 1, 2020 and jumping to \$15 per hour in January 1, 2023. This \$2 jump on January 1, 2020 and the \$3 jump in 2023 will result like what is happening in New York as described below.

A very recent study done in New York City where they went to \$ 15.00 per hour, more than three quarters of the restaurant in the New York City have reduced employee hours since the new wage went into effect. In a survey by the NYC Hospitality Alliance, 76.5 percent of full-service restaurants said they plan to reduce employee hours and 53 percent said they plan to eliminate jobs this year in response to the mandated wage increase.

Compounding with our high rents and also high mandated costs here such as pre-paid health care, many businesses will definitely struggle to survive since not all cost increases can be passed to the consumer in the form of price increases. This bill will be devastating to the small and medium size businesses that are pass-thru entities that did not get the breaks of the C Corp last year.

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





Board Members

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Marcus Kawatachi
Deputy Director,
Hawai'i Civil Rights Commission

Trina Orimoto
Clinical & Research Psychologist

Kaipo Kukahiko
Executive Director,
KEY Project

Miwa Tamanaha
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HACBED Staff

Brent N. Kakesako
Executive Director

Keoki Noji
Chief Operating Officer

Athena T. Esene
Bookkeeper & Office Manager

Foley Pfalzgraf
Program Specialist

Chelsie Onaga
AmeriCorps VISTA

Eden Jablon
AmeriCorps VISTA

Date: March 17, 2019
To: Representative Aaron Ling Johanson, Chair, Representative Stacelynn K.M. Eli, Vice-Chair, and members of the Committee on Labor & Public Employment
From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)
Re: Support for SB789 SD2 with amendments

Aloha Chair Johanson, Vice-Chair Eli, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports SB789 SD2, with amendments, which increases the minimum wage to \$12.00 per hour from January 1, 2020, and to \$15.00 per hour on January 1, 2023, and provides an income tax credit for qualifying small businesses. We ask that the bill be improved to raise the wage to at least \$17 per hour.

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 would increase our state's minimum wage to \$12 per hour in 2020 and \$15 per hour in 2023. 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.

Mahalo for this opportunity to testify,

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



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

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Executive Director

Bryan L. Talisayan

TO: Rep. Aaron Johanson, Chair
Rep. Stacelynn Eli, Vice Chair
Members of the Committee on Labor & Public Employment

FROM: Pedro Haro, Advocacy Director, PHOCUSED

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

Hearing: March, 19, 2019
9:30 AM
Conference Room 309

Chair Johanson, Vice Chair Eli, and members of the Committee on Labor & Public Employment,

PHOCUSED supports SB 789, SD2, with an amendment 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 2023.

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.

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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Susan Chandler, Ex Officio

Executive Director

Bryan L. Talisayan

That is why we respectfully request the following amendment to this bill: increase the steps up in the minimum wage to \$17 per hour by 2023.

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 adjusting for inflation, the self-sufficiency income is \$17 in 2019.

We urge you to please pass SB 789, SD2, with the above amendment. 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.



CATHOLIC CHARITIES HAWAI'I

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

TO: Representative Aaron Johanson, Chair, Representative Stacelynn Eli, Vice Chair; and Members, Committee on Labor and Public Employment

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i

Hearing: **Tuesday, March 19, 2019; 9:30 AM; CR 309**

Chair Johanson, Vice Chair Eli, and Members, Committee on Labor and Public Employment:

Thank you for the opportunity to provide written testimony **in strong support of SB 789, SD2**, which increases the minimum wage rate. I am Betty Lou Larson with Catholic Charities Hawai'i. Increasing the minimum wage directly impacts our advocacy priority of reducing poverty in Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i 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 Hawai'i.

Many of the vulnerable in Hawai'i 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 support our local economy. Low-income workers spend their income on basic living expenses and higher wages would be put right back into local businesses. With more money in their pockets, workers would be better able to avoid homelessness as rents increase or a sudden emergency strains their already tight budgets. The proposed tax credit to small businesses would help to ease the impact as businesses adjust to the new wage levels.

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.





SB 789, SD 2, RELATING TO MINIMUM WAGE

MARCH 19, 2019 · HOUSE LABOR AND PUBLIC
EMPLOYMENT COMMITTEE · CHAIR SEN. AARON
LING JOHANSON

POSITION: Support, with suggested amendments.

RATIONALE: IMUAlliance supports and suggests amendments for SB 789, SD 2, relating to minimum wage, which provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly rate that employers must pay employees and Increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023.

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.

That said, we suggest **amending this measure to phase in a minimum wage increase to \$17 over five years, with future minimum wage increases linked to the Honolulu region 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 urge you to **revise this measure to eliminate the tip credit contained in HRS §387-2**, thereby preventing low-wage restaurant workers from losing precious earnings. It should also be noted that across the country, restaurant workers and advocacy groups have pointed to the tip credit's impact on sexual harassment, arguing that diners can more easily harass workers who won't retaliate for fear of losing tips. According to Restaurant Opportunities Center United (ROC United), 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 they earn. Finally, we note that **the tax credit contained in this bill would not necessarily incentivize minimum wage increases and urge you to eliminate it from the measure**. According to the proposal's current tax credit language, the credit is based on an increase in a business's overall wages, rather than wages for minimum wage workers only. If a business paid 10 of its workers \$100,000 in one year, then increased such employees' pay to \$125,000, they could claim credit worth \$50,000, the maximum credit allowable under the bill, without increasing the pay of minimum wage workers at all. Alternatively, the same business could have 10 workers making \$12 an hour in one year, then double their staff to 20 workers in the next year. Even while continuing to pay only \$12 an hour to those workers, they'd get a tax credit of \$49,920.

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.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
LABOR AND PUBLIC EMPLOYMENT

RE: SB 789, SD2 - RELATING TO MINIMUM WAGE

TUESDAY, MARCH 19, 2019

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Johanson and Members of the Committee:

The Hawaii State Teachers Association **supports SB 789, SD2 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 bill will increase our state's minimum wage to \$15 in 2 steps by 2023 which we applaud; however, to make the transition easier on businesses, and to reach our goal of \$17 per hour as the living wage in our state. We suggest added an amendment to section 2, page 3, which will create steps not only to ease the transition for businesses, but also achieve the goal of \$17 per hour as minimum wage by 2025.

Amendment suggestion for SB789, SD2, Page 3, beginning with line 21

First, deleting

~~(8) \$12.00 per hour beginning January 1, 2020; and~~

~~(9) \$15.00 per hour beginning January 1, 2023."~~

then inserting new language of:

“(8) \$11.35 per hour beginning January 1, 2020
(9) \$12.60 per hour beginning January 1, 2021;
(10) \$13.85 per hour beginning January 1, 2022;
(11) \$15.10 per hour beginning January 1, 2023;
(12) \$16.35 per hour beginning January 1, 2024;
(13) \$17.00 per hour beginning January 1, 2025”



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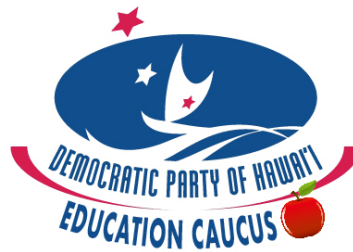
Corey Rosenlee
President
Osa Tui Jr.
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Wilbert Holck
Executive Director

^Note: Increases by \$1.25 each year, with only a \$0.65 increase in 2025

We must also note that tipped workers in Hawaii currently 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. Thus our second amendment suggestion, is that Hawai'i should join them, too, **with an amendment to eliminate the tip credit. It is time.**

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.

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.



SENATE BILL 789, SD 2, RELATING TO MINIMUM WAGE

MARCH 19, 2019 · HOUSE LABOR AND PUBLIC
EMPLOYMENT COMMITTEE · CHAIR REP. AARON
LING JOHANSON

POSITION: Support, with amendments.

RATIONALE: The Democratic Party of Hawai'i Education Caucus supports and suggests amendments for SB 789, SD 2, relating to minimum wage, which provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly rate that employers must pay employees and Increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023.

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.

That said, we suggest **amending this measure to phase in a minimum wage increase to \$17 over five years, with future minimum wage increases linked to the Honolulu region 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 urge you to **revise this measure to eliminate the tip credit contained in HRS §387-2**, thereby preventing low-wage restaurant workers from losing precious earnings. It should also be noted that across the country, restaurant workers and advocacy groups have pointed to the tip credit's impact on sexual harassment, arguing that diners can more easily harass workers who won't retaliate for fear of losing tips. According to Restaurant Opportunities Center United (ROC United), 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 they earn. Finally, we note that **the tax credit contained in this bill would not necessarily incentivize minimum wage increases and urge you to eliminate it from the measure**. According to the proposal's current tax credit language, the credit is based on an increase in a business's overall wages, rather than wages for minimum wage workers only. If a business paid 10 of its workers \$100,000 in one year, then increased such employees' pay to \$125,000, they could claim credit worth \$50,000, the maximum credit allowable under the bill, without increasing the pay of minimum wage workers at all. Alternatively, the same business could have 10 workers making \$12 an hour in one year, then double their staff to 20 workers in the next year. Even while continuing to pay only \$12 an hour to those workers, they'd get a tax credit of \$49,920.

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.



Testimony to the
House Committee on Labor & Public Employment
March 19, 2019, 9:30 a.m.
State Capitol - Conference Room 309

RE: SB 789, SD2 Relating to Minimum Wage

Aloha Chair Johanson, Vice Chair Eli, 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 relating to minimum Wage. This bill increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023 and provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that employers must pay employees.

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.

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.





March 17, 2019

RE: SB789 SD2 RELATING TO MINIMUM WAGE

Dear Chair Ling Johanson and the Committee on Labor and Public Employment,

The Kona-Kohala Chamber of Commerce opposes increasing the minimum hourly wage that employers must pay employees as stated in SB789 SD2 RELATING TO MINIMUM WAGE. Raising minimum wage to \$12 per hour beginning 1/1/2020 and another increase to \$15 per hour 1/1/2023 will have a significant negative impact on businesses, especially small businesses, in Hawai'i. We understand the income tax credit for qualifying small businesses outlined in SB789 SD2 is offered to offset the increase in minimum hourly wage that employers must pay employees. However, we believe the increases to \$12 and then \$15 per hour are much too high. We support a tax credit for qualifying small businesses, but oppose the hourly rates you are describing.

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 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 cultural and natural resources.

Sincerely,

A handwritten signature in black ink that reads "Wendy J. Laros". The signature is written in a cursive style with a large, decorative initial 'W'.

Wendy J. Laros

Executive Director, Kona-Kohala Chamber of Commerce

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
LABOR AND PUBLIC EMPLOYMENT

RE: SB 789, SD2 - RELATING TO MINIMUM WAGE

TUESDAY, MARCH 19, 2019

MITZIE HIGA, LEGISLATIVE CHAIR
DEMOCRATIC PARTY OF HAWAII LABOR CAUCUS

Chair Johanson and Members of the Committee:

The Democratic Party of Hawaii Labor Caucus **supports SB 789, SD2 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 bill will increase our state's minimum wage to \$15 in 2 steps by 2023 which we applaud; however, to make the transition easier on businesses, and to reach our goal of \$17 per hour as the living wage in our state. We suggest added an amendment to section 2, page 3, which will create steps not only to ease the transition for businesses, but also achieve the goal of \$17 per hour as minimum wage by 2025.

Amendment suggestion for SB789, Page 3, beginning with line 21

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(12) \$16.35 per hour beginning January 1, 2024;

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

^Note: Increases by \$1.25 each year, with only a \$0.65 increase in 2025

We must also note that tipped workers in Hawaii currently 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. Thus our second amendment suggestion, is that Hawai'i

should join them, too, **with an amendment to eliminate the tip credit. It is time.**

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.

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

The Thirtieth Legislature
Regular Session of 2019

The House
Committee on Labor & Public Employment
Representative Aaron Ling Johanson, Chair
Representative Stacelynn K.M. Eli, Vice Chair
State Capitol, Conference Room 309
Tuesday, March 19, 2019; 9:30 a.m.

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

The ILWU Local 142 **supports** S.B. 789, S.D.2 which provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that employers must pay employees, increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023 and the tax credit applies to taxable years beginning after 12/31/2019.

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 urges the passage of S.B. 789, S.D.2. Thank you for the opportunity to offer testimony on this measure.

March 17, 2019

To: Rep. Aaron Ling Johanson, Chair
Rep. Stacelynn K.M. Eli, Vice Chair
House Committee on Labor and Public Employment

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

Re: **S.B. 789— Relating to Minimum Wage State Hawaii State
Capitol, Room 224, March 19, 2019, 9:30 AM**

On behalf of Hawaii Children's Action Network (HCAN), I am writing in SUPPORT, with amendments of S.B. 789, which would Provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that employers must pay employees. Increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023. Tax credit applies to taxable years beginning after 12/31/2019. Effective 7/1/2050. (SD2)

While it is a great start to raise the wage to \$12 in 2020, as SB789 would do, its not enough. The wage should be 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 with amendments.

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



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McCorriston Miller Mukai
MacKinnon LLP

JoAnn Tsark, MPH
John A. Burns School of
Medicine, Native Hawaiian
Research Office

En Young, MBA
Sansei, Lanai

Date: March 17, 2019

To: Representative Aaron Ling Johanson, Chair
Representative Stacelynn Eli, Vice Chair
Members of the Labor and Public Employment Committee

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

Hrg: March 19, 2019 at 9:30am at Conference Room 309

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, 2023.

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.

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,



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.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
In Support of SB 789 SD2– Relating to Minimum Wage
House Committee on Labor & Public Employment
Tuesday, March 19, 2019, 9:30 AM, conference room 309

Dear Chair Johanson, Vice Chair Eli, and members of the Committee:

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

SB 789 SD2 would raise our minimum wage to \$15 per hour by 2023, which is a helpful boost to our state's low-wage workers. However, as explained in our testimony below, we believe that the wage needs to be raised higher than that. We respectfully request that the committee **amend this bill to raise the wage further to \$17 per hour, in regular steps over a number of years.**

In addition, while we appreciate the intent of the tax credit contained in SB 789 SD2, we are concerned that **the small business tax credit would not be limited to those employers who are affected by a minimum wage increase.** For example, if a small business pays each of its 10 workers \$100,000 a year and gives them all a raise to \$150,000, then they'd get a tax credit worth \$100,000. In other words, a business that does not employ any low-wage workers and is not at all affected by a minimum wage increase would get to claim a hefty tax credit.

Another example is a small business that pays all 10 of its workers \$11 an hour. If that employer doubles their staff to 20 workers, but still pays them all only \$11 an hour, they would get a tax credit of over \$45,000. However, none of their low-wage workers got a raise.

Despite that concern, we support SB 789 SD2, for the following reasons:

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

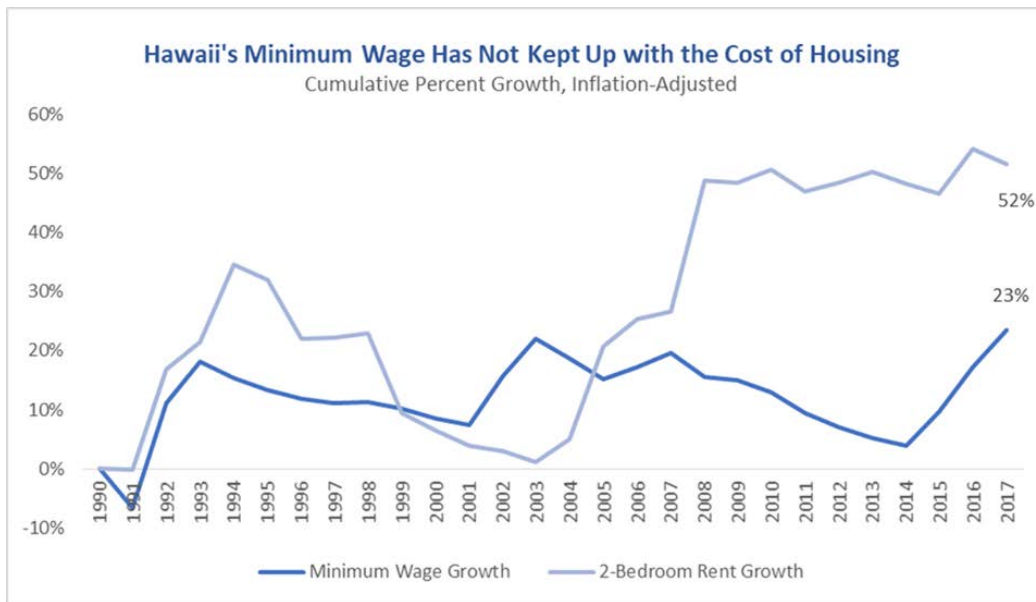
Something's out of balance. There's a lot of evidence that it's not just our prices, but also our low wages. We need a minimum wage that keeps up with our cost of living.

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.

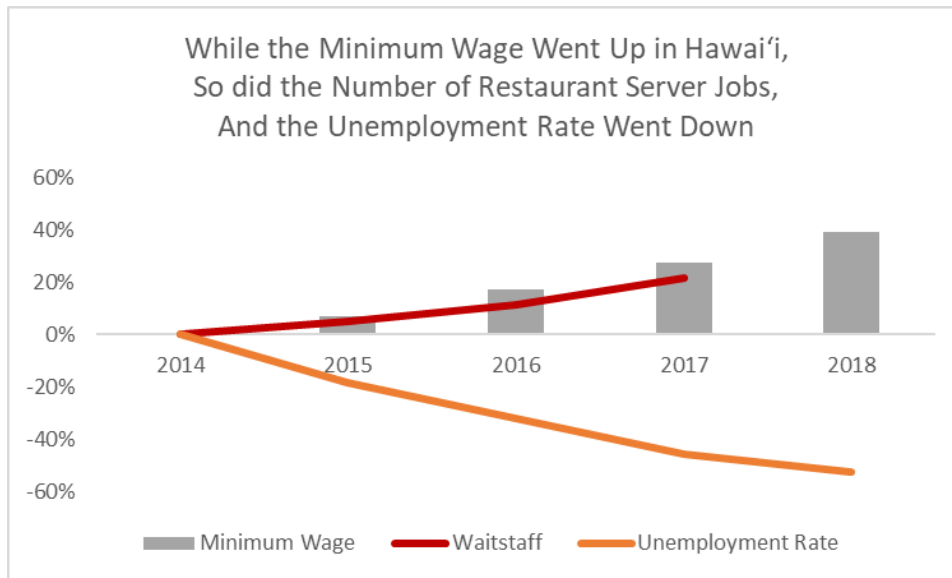
How much do you need to earn to make ends meet in Hawai‘i? Here are a few answers:

- **\$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.**

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.

In addition, 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. 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, 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/>



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

Aloha Chair Johanson, Vice Chair Eli 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 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 actually decreased the gap between most of my hard-working employees 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. A tax credit will not help my small business because I am dependent on much larger suppliers who will raise prices in reaction to a minimum wage increase.

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. Even if small businesses are given tax credits, it will not diminish the negative impact for them as all other prices on goods from larger companies will surely increase. 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, as the economy grows on its own merit as opposed to forced inflation from another minimum wage increase.

Thank you for the opportunity to testify.



**Testimony to the House Committee on Labor & Public Employment
Tuesday, March 19, 2019 at 9:30 A.M.
Conference Room 309, State Capitol**

RE: SB 789 SD2 RELATING TO MINIMUM WAGE.

Chair Johanson, Vice Chair Eli and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **does not support** SB 789 SD2, which increases the minimum wage to \$12.00 per hour beginning January 1, 2020 and then to \$15.00 per hour beginning on January 1, 2023. This bill would also provide a tax credit for qualifying small businesses to offset the increase in the minimum wage that employers will have to pay.

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 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



Chamber of Commerce HAWAII

The Voice of Business

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

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 emphasizes 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 the problems. Living wage is a complex, multifaceted issue and we need to look at our high cost of living, lack of available and affordable housing, and reliance on imported goods and energy when considering a living wage.

Hawaii is Different: Prepaid Healthcare Law Mandates Employers to Pay for Insurance Premium Costs

While the Chamber understands that other states have recently considered increases in their minimum wage, it is essential to keep in mind that **Hawaii is the only state in the nation** that requires employers to provide health insurance to its employees, including part-time employees (20 or more hours per week). No other employers in the country have this additional responsibility. In addition, workers' compensation premiums, Social Security tax, Medicare tax, temporary disability insurance, and unemployment insurance tax are all based on wages. Increasing the minimum wage requires additional increases for all the foregoing benefits. This bill will not only increase direct labor costs to business but will also **increase mandated benefit costs and taxes**.

During the Chamber's recent Health Summit event, the Deputy Insurance Commissioner provided our members with an outlook on the continued rising costs of healthcare in Hawaii. During his presentation, he talked about how the cost of premiums for medical and drugs in 1974 were just \$17.50 per individual per year. In 2015, those costs rose to nearly \$600 per individual. In 2026, it is anticipated that the costs will rise to about \$14,000 per individual, a cost that will certainly impact small businesses should it continue to rise.

Other Important Factors for Consideration



Chamber of Commerce HAWAII

The Voice of Business

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.

A recent survey conducted by the New York City Hospitality Alliance asked restaurants in New York City about the impacts that these businesses are facing with a recent increase in the minimum wage at the end of 2018 to \$15 per hour. Roughly seventy-five percent of the more than 300 respondents operating full-service restaurants indicated that they'll have to reduce employee hours in 2019 because of the new wage increase. Forty-seven percent of respondents even went as far as saying that they would be eliminating jobs. When asked about if prices on the menus would increase, close to ninety percent of respondents said they expected to see menu prices raised this year.

There is also a misconception that business owners here in Hawaii are uncaring, something that our members are hearing and frustrated by. This could not be further from the truth. The business owners that we've had the opportunity to talk to 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 what type of 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 through the proposed tax credit. However, for all the above reasons, we must respectfully ask that this bill be held. Thank you for the opportunity to express our views and concerns.



MOILIILI
COMMUNITY
CENTER

Moiiliili 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 2023, 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-SD-2

Submitted on: 3/18/2019 7:39:34 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

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

Comments:

Chair Johanson, Vice-Chair Eli, and members of the committee,

Thank you for this opportunity to submit a testimony in support of SB789 SD2 with 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 2023, as SB789 SD2 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.

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^[2]. AAUW of Hawaii supports SB789 SD1 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.

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

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

TO: Chair Johanson; Vice Chair Eli; and Committee

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

RE: SB 789 SD2 RELATING TO MINIMUM WAGE

POSITION: OPPOSE

Thank you for the opportunity to submit testimony in opposition of SB 789 SD2. 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 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



Testimony to the House Committee on Labor and Public Employment

Tuesday, Mar. 17th, 2019 @ 9:00am

Conference Room 309, State Capitol

RE: Senate Bill 789 Relating to Minimum Wage

Position: Support - Amend \$15 to a Living Wage

Chair Johanson, Vice Chair Eli, and Members of the Committee:

Thank you for this opportunity to testify in support of increasing the minimum wage.

\$15.00 is Not Enough

At \$1.00 per hour annual increases, SB789 will give workers raises similar to that over the past 4 years. This puts us on track to catch up to a living wage, but falls a bit short of the \$17 necessary today for a full-time single childless worker to be able to afford their basic needs.

While all workers in California, Illinois, Massachusetts, New Jersey, New York City, Seattle and more will be earning \$15 or more by 2024, if we don't make significant gains in the minimum wage quickly, Hawaii residents will 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 business 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 5 out of 8 members of the Labor Committee: Chair Aaron Johanson, Linda Ichiyama, Lisa Kitagawa, Angus McKelvey and Sean Quinlan. 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.

This is the entire list of 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.



Tuesday, March 19, 2019

Senate Bill 789 SD2
Testifying in Support With Amendments

Aloha, Chair Johanson, Vice Chair Eli, and Members of the Committee on Labor and Public Employment,

The Democratic Party of Hawai'i (The Party) **supports SB789 SD2 Relating to the Minimum Wage and offers amendments.** The bill provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that employers must pay employees and increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023. Tax credit applies to taxable years beginning after 12/31/2019.

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.

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.

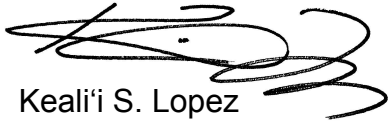
According to DBEDT's Self-Sufficiency Income Standard¹, in 2016, an individual living in Honolulu needed to be making \$33,350 a year to be "self-sufficient." This works out to \$15.84 per hour. This works out to \$17 in 2019. It is for this reason primarily that the Party, working with the Raise Up 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



Aloha Chair Johanson, Vice Chair Eli, and Members of the Committee ,

I'm a small business owner who respectfully opposes SB 789 SD2 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.

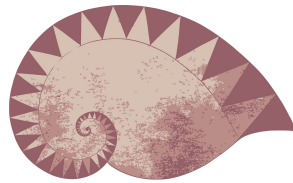
Thank you for your time and consideration of my concerns.

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



Pono Hawai'i Initiative

Josh Frost - President • Kau'i Pratt-Aquino - Secretary • Patrick Shea - Treasurer
Kristin Hamada • Nelson Ho • Summer Starr

Sunday March 17, 2019
Testifying in Support with Comments

Aloha, Chair and Committee members

The Pono Hawai'i Initiative (PHI) **is in support of SB789 SD2** Relating to Minimum Wage, however believes it needs to 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 Hawaii is needed, however the language and amounts set forth in this measure do not go far enough.

According to State's own Department of Business, Economic Development & Tourism, the "self-sufficiency income" for a single person without children in Hawaii was almost \$16 an hour in 2016. With the increase in inflation, that number has grown to \$17 an hour in 2019. **The study done by DBEDT also assumed the individual would have health insurance.**

What is the point of raising the minimum wage if it does not do enough to help families now? If the state fails to increase the minimum wage to an amount that will actually help families combat inflation then we will just be here again next year, this is why **it is necessary to amend this measure to include automatic 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. The community experiences an economic boom as a result of these increases. From 2014 - 2018 the real median wage of the Hawai worker increased by more than 5% (after adjusting for inflation). This meant that the average full-time worker had more than \$2,000 to spend or save.

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. 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-SD-2

Submitted on: 3/18/2019 8:55:57 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dirk Koeppenkastrop	IL Gelato Hawaii	Oppose	Yes

Comments:

Submit testimony on SB 789 and Relating to the Minimum Wage

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 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.

We run a small Gelato Business and mostly hire students and entry-level employees with no skills or experience. We invest into training them. Increasing minimum wages from \$7.25 to \$10.10 has been hurting our business already in the last few years. Rents increased, food cost increased and our profit margins are dropping year by year so we are suffering. 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. With increases in minimum wage all operating and costs of living in Hawaii will go up. The increased minimum wage will not compensate for the increase in cost of living and further increases will be required spiraling cost and not accomplishing the original intent.

Furthermore, although tax incentives are good idea for small businesses, the small businesses first need to survive before becoming eligible for a tax break.

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

We need to protect Hawaii's businesses and provide a pro-business climate to avoid loosing small businesses to prevailing large national chains.

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.

Thank you for your time and consideration of my concerns.

SB-789-SD-2

Submitted on: 3/18/2019 8:56:48 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brandon Allen Kainoa Leong	Mr. Brandon Leong	Oppose	No

Comments:

Oppose

SB-789-SD-2

Submitted on: 3/18/2019 9:05:16 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

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

Comments:

Our nonprofit organization is in strong support of increasing the minimum wage to a living wage of \$17 per hour. According to the State Department of Business, Economic Development, and Tourism, \$17 per hour is necessary for a 1-person household to be self-sufficient in Hawaii. Further, with our renters and homeowners reporting the highest housing cost burdens in the nation, it is critical that we increase our minimum wage to a \$17 living wage so we can alleviate the financial stress on our State's limited resources resources dedicated to addressing the high costs of homelessness, housing instability, and financial stress. This action would also serve as a boost to our local and State economies by increasing the amount of money our workers and working families will have to spend on public services and at private businesses.



To: Committee on Labor & Public Employment
Rep. Aaron Ling Johanson, Chair
Rep. Stacelynn K.M. Eli, Vice Chair

From: Jozette Montalvo
Hawaii Petroleum, LLC-Human Resources Director

RE: SB789 SD2-Relating to Minimum Wage

Date: March 18, 2109

Thank you for the opportunity to provide testimony. Hawaii Petroleum Company is an independent petroleum marketer operating on the islands of Maui and Hawaii, with approximately 324 employees on two islands. We operate seventeen Minit Stop convenience stores.

Hawaii Petroleum **opposes SB789 SD2** for the following reasons.

This bill as well as all other minimum wage bills will add to the cost of living in the State of Hawaii. It stands to reason that additional cost for operating a business will be passed onto the consumer whether the employer is large or small. Higher wages result in higher taxes having to be paid by the employer. Constantly increasing the minimum wage rate will ultimately reduce the number of minimum wage positions offered as employers will increasingly seek ways to automate their businesses to reduce labor cost.

To raise standards of living, it is promotion of education that should really be the focus so individuals can qualify for higher level positions and pay and raise their standard of living that way. By automatically raising the minimum wage levels, there is no incentive for new job seekers to seek a higher level of education as they get automatic pay increases every year.

While we understand that there are tax credits for small businesses included in this bill, this does not outweigh the overall negative impact of this bill to the entire State of Hawaii.

We kindly ask that you vote **NO** on SB789 SD2

Maui: 385 Hukilike Street, #101 | Kahului, Hawaii 96732 | t: 808.270.2800 | f: 808.270.2801

Hilo: 16 Railroad Avenue, #202 | Hilo, Hawaii 96720 | t: 808.935.6641 | f: 808.934.7197

Kona: 74-5558 B Kaiwi Street | Kailua-Kona, Hawaii 96740 | t: 808.329.1862 | f: 808.326.2755

e-mail: sales@hawaiipetroleum.com | www.hawaiipetroleum.com | www.ohanafuels.com | www.minitstop.com



**TESTIMONY IN STRONG OPPOSITION TO
SB789, SD2**

BEING HEARD BY THE
COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
on Tuesday, March 19, 2019 at 9:30a.m. in Room 309

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 of 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. The real issue in Hawaii is not the minimum wage, but the cost of living, specifically the cost of housing.

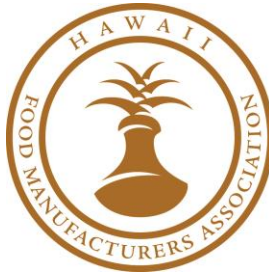
The proposed tax credit for small business is appreciated, but it will not solve the concerns of small businesses. It would also just be another administrative task that small businesses would have to deal with.

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.

Thank you very much for consideration of my Testimony.

Sincerely,


Lloyd Nishina
Financial Controller



Testimony to the House Committee on Labor & Public Employment
Tuesday, March 19, 2019 at 9:30am
Conference Room 309, State Capitol

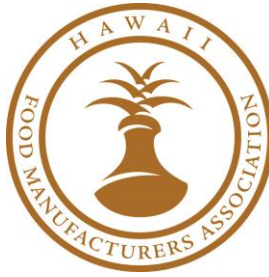
RE: SENATE BILL 789 SD2 RELATING TO MINIMUM WAGE

Aloha Chair Johanson, Vice Chair Eli 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.

SB-789-SD-2

Submitted on: 3/15/2019 2:40:06 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Pamela Townsend	Individual	Oppose	No

Comments:

1. We oppose SB789 on behalf of behalf Boss Frog's Dive & Surf employing over 50 employees engaged in activity sales and rentals and passenger vessel cruises supporting Hawai'i's tourist-based economy.
2. The proposed minimum wage increase to \$15.00 per hour in 2023 is an unprecedented 50% increase over 5 years.
3. Labor and associated wage-based costs are our greatest expense in this highly competitive environment, which has also seen significant regulatory fee hikes. Such increases threaten to affect small operators such as our companies as well as the competitiveness of Hawaii and Maui in the larger marketplace.
4. Further, in the alternative, the definition of small business is too limited and should be increased to \$10 million and 75 employees.

SB-789-SD-2

Submitted on: 3/15/2019 7:31:28 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Ching	Individual	Support	No

Comments:

Chair Johanson, Vice Chair Eli and members of the committee,

I support SB789 SD2. We need a living wage for minimum wage workers. According to a DBEDT study, that would be \$17 an hour for an individual to provide the basic necessities.

Please amend the raise to \$17 an hour from the \$15 an hour currently in the bill. Hawaii is a very expensive place to live and no one should have to work multiple jobs to survive.

Please pass SB789 SD2 with the \$17 an hour amendment. Mahalo for your consideration.

Randy Ching (Honolulu)

SB-789-SD-2

Submitted on: 3/15/2019 8:00:18 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Zack Stoddard	Individual	Support	No

Comments:

SB-789-SD-2

Submitted on: 3/15/2019 8:29:17 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Boyne	Individual	Support	No

Comments:

Since our own DBEDT says that a single person with no keiki needs \$17 an hour just to be self-sufficient in 2019, we need to Raise theWage to at least \$17 instead.

SB-789-SD-2

Submitted on: 3/15/2019 9:56:10 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
jennifer karaca	Individual	Support	No

Comments:

SB-789-SD-2

Submitted on: 3/16/2019 7:04:25 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Paul Hanada	Individual	Oppose	No

Comments:

The tax credit of 20% of the increase is not enough for small businesses. 20% of \$1.90 is \$0.38. The small businesses still have a \$1.52 increase. 20% of \$4.90 is \$0.98. The small business will still have a \$3.92 increase. The tax credit should be 100%.

The only entity that will benefit from the increase is the government. Higher prices will negate the the wage increases. Higher prices will result in more taxes.

I do not support the bill unless the tax credit changes from 20% to 100%.

SB-789-SD-2

Submitted on: 3/16/2019 9:10:25 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathryn Braun	Individual	Support	No

Comments:

SB-789-SD-2

Submitted on: 3/16/2019 8:09:06 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

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

Comments:

To Committee on Labor and Public Employment

Chair Aaron Johanson, Vice Chair Stacylyn Eli and Committee members,

Aloha,

I support Bill SB789 SD2, but with amendments. The minimum wage rate should be at \$17 an hour because of Hawaii's cost of living, which forces many of Hawaii's low wage workers (88,000) to work two or more jobs. I for myself am semi-retired, but still have to work at least part-time to support my family. I haven't had a raise in 5 years. My wife works full time, but still has to work at several part-time jobs to support the family. The Democratic Party of Hawaii and the national organization of the party, both call for a minimum of at least \$15 an hour. The economy will not fall apart, but in fact will prosper if working people have living wages. The minimum wage should not be a starvation wage stuck at a mere \$10,10 an hour. The Chamber of Hawaii has it all wrong. In the 1930's a minimum was set up by FDR to prevent workers from living in poverty and leaving it to employers to pay workers whatever they wanted. Let's deal with this major problem now,

mahalo,

Ray Catania- Democratic Party member, Democratic Party Labor Caucus member

SB-789-SD-2

Submitted on: 3/16/2019 11:00:13 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Turner, UDCP	Individual	Support	No

Comments:

Aloha from Maui County,

I am in support of Bill SB789 SD2.

As a business owner and connected member of the construction industry I personally feel that no worker should be paid less than \$15/hour no matter what their skillset.

I am not alone. There are many Hawaii businesses paying \$15/hour and up. If a business feels it cannot be profitable when paying their workers \$15/hour then perhaps they should not be in business.

I also feel it is ridiculous to hear comments that just because there is an increased legal minimum wage that worker's would feel entitled to an increase above their current compensation. People should be compensated on their abilities and contributions to their job. If they currently contribute \$15/hour worth of work to their current job and the legal minimum wage is increased to \$15/hour why would they be entitled to an increase? If they contribute \$24/hour to their current job and the legal minimum wage is increased to \$15/hour why would they ask for an increase? As an employer I would ask what they have contributed to earn a pay increase and discuss those points. Minimum wage is not relevant to worker's contributions, it merely protects all workers from predatory practices.

I do not feel it is the responsibility of non-profits, or worse - government aid - to support hard working members of our community so that they can live in our communities.

In the construction industry it is well known that a minimum of \$20/hour must be offered to hire and retain workers. Many workers require \$25/hour and upwards of \$65/hour depending on their skills and certifications.

In a capitalist society we must create laws to set certain standards and protect workers from being manipulated. If we do not, certain businesses will take advantage of the hard working people of our community. Additionally this predatory behavior will burden our assistance programs (whether non-profit or government aid) designed to support those less fortunate due to circumstances beyond their control. To pay workers less than \$15/hour will only encourage to supplement business owners and their profits.

I support SB789 SD2.

Michelle Turner, UDCP

Poggenpohl Kitchens Hawaii

PO Box 1664

Kihei HI 96753

info@poggenpohlhawaii.com

808.264.7507

SB-789-SD-2

Submitted on: 3/16/2019 1:22:19 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Santomauro	Individual	Support	No

Comments:

Aloha House Labor Committee,

I write in support of SB789 SD2 and ask that you please vote in favor of a living wage for Hawai'i residents. Our current minimum wage is insufficient to support the cost of living in Hawai'i, and everyone deserves to only need to work one job in order to survive. One job should be enough!

I also ask that you amend the bill to increase the minimum wage to at least \$17, as even an increase to \$15 would not be enough. Please consider this change.

Mahalo.

SB-789-SD-2

Submitted on: 3/16/2019 1:31:07 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:

SB-789-SD-2

Submitted on: 3/16/2019 6:01:26 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joshua Kay	Individual	Support	No

Comments:

I am in strong support of SB789, with amendments, to raise Hawaii's minimum wage.

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.

Furthermore, **it is insulting and discouraging to work for substandard wages**. It is imperative that minimum wage standards set by the state keep up with inflation, so that workers don't keep falling further behind.

SB-789-SD-2

Submitted on: 3/16/2019 4:50:57 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Morais Webster Ph.D.	Individual	Support	No

Comments:

Please enact a TRUE living wage-- DBEDT says that's \$17 for just a single person with no kids, to survive. Public policy should be based on facts. The simple survival of our working families should not be optional. They have a right to expect to make a wage they can live on without camping on the streets. And please include a provision to adjust the living wage automatically to keep pace with the rising cost of living. Failing to do so is to say YES to more homeless encampments and rising desperation amongst our working families. Mahalo.

SB-789-SD-2

Submitted on: 3/16/2019 6:17:47 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Minton	Individual	Support	No

Comments:

I support this bill and request it be amended to have a living wage set at \$17 and hour. I urge you to pass this bill with the amendment.

SB-789-SD-2

Submitted on: 3/17/2019 1:42:31 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Melling	Individual	Oppose	No

Comments:

An increase to the minimum wage threatens our already wobbly “mom’n pop” small businesses in Hawaii and will force more out of business. Any remaining business will hire fewer employees and will cut back on the hours of existing employees.

It also effectively makes it illegal to hire youth for the prupose of training up. You don't hire a 17 yr old for \$15 hr. when they have no skill. It makes no sense.

SB-789-SD-2

Submitted on: 3/17/2019 2:07:00 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Danny Melton	Individual	Oppose	No

Comments:

Honorable Senstorsnof Hawaii

I oppose this bill.

An increase to the minimum wage threatens our already wobbly “mom’n pop” small businesses in Hawaii and will force more out of business. Any remaining business will hire fewer employees and will cut back on the hours of existing employees.

An increase in the minimum wage will increase prices and the cost of living. It’s basic economics: Increased overhead costs mean increased prices. Our small businesses will have to pass on these new labor costs to their customers. This increases our already record high cost of living and will force even more families to move to the mainland

Instead of raising the minimum wage we should be looking at reducing taxes and regulations on small businesses to allow them to keep more of their earnings so they reinvest that money and raise wages as they see fit.

Respectfully

Dan Melton

Col USMC ret

Waipahu

SB-789-SD-2

Submitted on: 3/17/2019 5:05:38 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Greg Puppione	Individual	Support	No

Comments:

People deserve a living wage. This isn't that, but it's getting us closer to that. Please continue to move our state in this positive direction. This is the least we should do. Thank you for your service to our community.

SB-789-SD-2

Submitted on: 3/17/2019 5:11:11 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Toby Rushforth	Individual	Oppose	No

Comments:

Government interference in the Market never turns out well. Those jobs were never intended to provide a living wage in the traditional sense. They have traditionally been part time jobs or transition jobs for young people.

Merchants are not stupid If you muck with the labor market in this way, they'll automate and cut jobs big time.

Remember the law that redefined full employment that required benefits to be payed? SIMPLE! Cut jobs to number of hours that won't require benefits. Great! Now those folks need two jobs to make it and still have no benefits.

SB-789-SD-2

Submitted on: 3/17/2019 7:51:58 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Smart	Individual	Oppose	No

Comments:

Do not raise the minimum wage and do not pass this bill. This bill acknowledges that you know that raising the minimum wage will crush many small businesses. Since you know -- don't do it. It is not rational to continue on the path of raising the minimum wage when you know it only causes problems. Raising the minimum wage will result in many people losing their jobs or having their work hours cut. Let people decide the value of their labor. It is not up to the legislature. The legislature's over regulation cause people to need more money. Stop creating more programs and state government employees which in turn is used to justify a rise in taxes. If the legislature would live within its means, raising the minimum wage or giving tax credits would not be an issue. Work on balancing the budget by cutting unneeded and wasteful programs. There are plenty of them that need to be discontinued or managed properly. Do not pass SB789 SD2.

SB-789-SD-2

Submitted on: 3/17/2019 9:16:53 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
SUSAN P HUGHES	Individual	Oppose	Yes

Comments:

It doesn't matter to the people on welfare who work and are honest enough to report their income...because they'll actually be getting less money from welfare....which really doesn't benefit them as much as it does welfare.

So It's only seems fair that if you raise the rates on minimum wages then you LOWER the taxes and regulations on the businesses that employ workers.

To: The House Committee on LAB
From: Brodie Lockard
Date: Tuesday, March 19, 2019, 9:30 am

In support of SB789, SD2

Dear LAB Chair Johanson, Vice Chair Eli, and Committee Members—

I support SB789, SD2.

Someone asked me recently whether the effort to raise the minimum wage would affect me adversely. I'm a quadriplegic needing 24-hour assistance.

Yes, a higher minimum wage would make it harder for me to compete for good attendants. I pay \$15 an hour and I think that brings more and better applicants than \$10.10 would. I expect what I pay will have to keep rising. Nonetheless, I'd like people to be less strapped all the time, as mine are.

However, a \$15 minimum wage is a major hardship on small businesses. How can the corner sushi shop afford to pay the same as Walmart? A tax credit is how.

With a tax credit, small businesses can pay a living wage, while still making a living themselves.

I support a significant increase in the minimum wage, and a tax credit makes it manageable for the little guys. Please pass SB789, SD2.

Thank you for the opportunity to testify.

Brodie Lockard

SB-789-SD-2

Submitted on: 3/17/2019 10:37:09 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cory Harden	Individual	Support	No

Comments:

Aloha legislators,

People earning a living wage can afford to buy goods and services, which keeps the economy humming, and keeps people from needing costly social services.

mahalo,

Cory Harden

SB-789-SD-2

Submitted on: 3/18/2019 2:25:07 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara L. George	Individual	Support	No

Comments:

SUPPORT a true living wage!

SB-789-SD-2

Submitted on: 3/18/2019 5:34:20 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael J DeWeert	Individual	Support	Yes

Comments:

Testimony on Raising the Minimum Wage

Position: Strongly Support

I am writing in strong support of SB789 SD2, to raise the minimum wage to \$12 in 2020 and \$15 in 2023. If anything, this bill does not go far enough. In Hawaii, where “low-rent” apartments can cost \$1,400/month, even a minimum wage of \$15/hour - a monthly income of around \$2,500- is inadequate to afford a decent life of dignified work.

Moreover, allowing such low wages only adds burdens to government and society. For example, impoverished workers often delay medical care until they must be treated in emergency rooms – often at public expense. The costs to society, both tangible and intangible, are so high that we simply cannot afford poverty-level wages.

A living wage also makes business sense. The Chamber of Commerce keeps urging me to oppose, against all reason. I am a small-business owner, in property rental. Whenever we have a rental available, I get heart-breaking letters from poor people asking if we could just charge less. Even if we could charge below-market rents and still cover expenses, I would have to issue 1099 forms for the difference, and the tenants would be liable for extra taxes.

Minimum-wage workers already pay a disproportionate share of their income in Medicare and Social Security taxes, effectively subsidizing the retirements of higher-paid workers, leaving the working poor even worse off.

There are many business owners who would be glad to pay their workers decently – decent pay reduces worker stress and improves productivity. However, the playing field must be level. Well-run businesses providing products people want will be able to manage the wages. With fair laws requiring decent wages, a business that still claims it cannot afford to pay a living wage is simply a business that we taxpayers cannot afford to keep subsidizing.

Please pass SB 789 SD2.

Aloha and Mahalo,

Michael J DeWeert

45-343 Mahalani Street

Kaneohe, HI 96744

SB-789-SD-2

Submitted on: 3/18/2019 6:48:20 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Claire Gearen	Individual	Support	No

Comments:

Testimony in Support of
Senate Bill 789 SD2
Relating to Minimum Wage

Aloha Chair Johanson, Vice-chair Eli, and Other Members of the House Committee on Labor and Public Employment:

Thank you for allowing Senate Bill 789 SD2 to be heard.

My name is Claire Gearen. I speak as a concerned private citizen who has joined Raise Up Hawai'i this legislative session in order to advocate for a living wage for Hawai'i workers.

I am a career public school teacher with 20 years teaching experience. As someone earning near 80% of the median income, I can't afford to support a dependent. I want to make sure those I care about, like my nieces and nephews and students, are able to support themselves. Likely more than 10% of my former students will work at minimum wage for a significant number of years. 90% of minimum wage earners are over the age of 20. Moreover, there are Career Technical Education (CTE) programs in our schools that train students in work that pays under \$17/hour.

My financial situation is not unusual. Like one of every four workers in Hawai'i, I am a public employee. The pay for many of us—teachers, firefighters, police officers—tends to be in the mid range like a legislator's. Outside of public service, careers with such pay include: claims adjusters, examiners, and investigators, buyers & purchasing agents, human resources staff, and paralegals, as examples. Those of us earning near 80% of the median income are a sizable population of income earners in the state.

My point is that we do not have the income to support adult dependents, yet we are connected to friends and family who earn under \$17 an hour.

Some of the lines of work that currently make \$17 an hour or under in median income in Hawai'i according to the Bureau of Labor Statistics are:

Home Health Aides \$12.59
Nursing Assistants \$15.67
Dental and Medical Assistants \$17.56 & \$17.81
Garbage and Recycling Workers \$17.59
Custodians \$13.48
Restaurant Cooks \$15.35

Workers with these vocations perform necessary work, yet our low minimum wage means that they do not earn enough to support themselves.

When full time workers can't pay their living expenses, family and government foot the bill.

According to Appleaseed Center, one in four workers in Hawai'i are not adequately housed. Full time workers deserve the dignity of a room of their own.

The Hawai'i Department of Business, Economic Development and Tourism has made a start with the release of a report showing \$17 is necessary for a basic living wage for a single person. The next study needs to look at the cost to government of our low minimum wage. With tens of thousands of workers not making enough to cover basic necessities, government social services must kick in. We should stem the flow of this unacknowledged subsidy of low wage employment. The savings could reduce tax burdens for working families or be appropriated towards a more economically stimulating purpose.

Civil Beat editors wrote on February 7, 2019 of the importance of passing a living minimum wage this session.

Lawmakers Russell Ruderman and Tina Wildberger added their voice as both small business owners and legislators, calling on February 19, 2019 for action this year.

Bank of Hawai'i and First Hawaiian Bank have determined that it is good business to pay their tellers more than minimum wage and have raised the starting salary to \$15 an hour.

I urge you to support a living minimum wage for Hawai'i workers. Please pass a living minimum wage bill this session.

Sincerely,
Claire Gearen

SB-789-SD-2

Submitted on: 3/18/2019 7:24:25 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joanne Amberg	Individual	Support	No

Comments:

Please support a living wage in Hawaii. This will help address our homeless problem.

Thank you

Testimony of Carmen Hulu Lindsey
In **SUPPORT WITH AMENDMENTS** of SB 789 SD2 – Relating to Minimum Wage Senate
Committee on Ways and Means Tuesday, March 19, 2019, 9:30 AM, Conference Room 309

E ka Luna Ho‘omalua Johanson, ka Hope Luna Ho‘omalua Eli, a me nā Lunamaka‘āinana o kēia Kōmike, aloha!

My name is Carmen Hulu Lindsey, and I am a Trustee of the Office of Hawaiian Affairs, submitting testimony in my personal capacity. Mahalo for the chance to submit testimony in **SUPPORT** of SB789 SD2, with amendments.

SB789 SD2 provides an income tax credit for qualifying small business to offset the increase in minimum hourly wage that employers must pay employees, and increases the minimum wage to \$12 per hour beginning on January 1, 2020 and \$15 per hour beginning January 1, 2023. I appreciate the Legislature’s intent to combat the wage disparity and offset the high costs of living. According to DBEDT, the self-sufficiency income standard for an individual with no keiki in Maui in 2016 was \$17.08 per hour.¹ As such, **I respectfully request that the committee amend this bill to raise the wage further to \$17 per hour.**

I feel a particular obligation to speak for the nearly 5,000 Kānaka Maoli who currently make up over 14% of our state’s minimum, or close to minimum wage workers. Families continue to leave Ka Pae ‘Āina, and those that stay continue to struggle. Workers earning the minimum wage today are only making \$21,000 annually in a state with the highest cost of living and among the highest housing costs in the country. For most people, steady income from employment is used to cover the costs of basic necessities, such as food, rent, transportation, and healthcare. Kānaka Maoli lag behind other ethnic and racial groups with a 12.2% unemployment rate and with 29.8% of the population below 125% of the poverty level.² Of the measure of income equality considered, per capita income reflects the greatest disparity between Kānaka Maoli and the total state population, as it accounts for the larger family and household size prevalent in Kānaka Maoli communities.³

Besides earning less than the national average, high living expenses in Hawai‘i is a crucial factor that explains why Kānaka Maoli experience economic challenges in their daily lives. More than 50% of Native Hawaiians are burdened by having to direct a third or more of their income to housing expenses.⁴ Expensive price tags on housing means people need to earn higher salaries to

¹ DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM, SELF-SUFFICIENCY INCOME STANDARD ESTIMATES FOR HAWAII 2016 20 (2017).

² HAWAII PUBLIC HEALTH INSTITUTE AND UNIVERSITY OF HAWAII DEPARTMENT OF NATIVE HAWAIIAN HEALTH, REPORT TO THE TWENTY-NINTH LEGISLATURE PURSUANT TO SENATE RESOLUTION 60, SD1 (2014): REQUESTING THE UNIVERSITY OF HAWAII JOHN A. BURNS SCHOOL OF MEDICINE TO ESTABLISH A NATIVE HAWAIIAN HEALTH TASK FORCE 2017 PRELIMINARY REPORT AND RECOMMENDATIONS 22 (2016).

³ OFFICE OF HAWAIIAN AFFAIRS RESEARCH DIVISION, INCOME INEQUALITY AND NATIVE HAWAIIAN COMMUNITIES IN THE WAKE OF THE GREAT RECESSION: 2005 TO 2013 11 (2014).

⁴ *Supra*, note 2.

fulfill their basic needs of living. A statewide poll revealed that over 70% of Kānaka Maoli consider themselves to be living paycheck to paycheck.⁵ Over one-third of Kānaka Maoli have reported that they have struggled to pay for food.⁶ Higher costs of daily expenses are problematic as Kānaka Maoli lack living and housing stability.

Consequently, Kānaka Maoli carry the devastating burden of an unconscionable pay gap, and the financial insecurity that comes along with it. Researchers looked into the below average income level of Kānaka Maoli and have proposed the following contributing factors: young median age of population, larger family size, greater number of single families, lower number of people in management and professional positions, and fewer people with bachelor's degrees or higher.⁷ With a variety of reasons determining people's poverty status, a straight-forward way to assist low-income families is to gradually increase the minimum wage.

Some businesses oppose minimum wage increases, fearing their impact on their bottom line. As a businesswoman, I recognize the challenges that small businesses face in Hawai'i. However, I do not believe that these challenges should be prioritized over the needs of our beneficiaries. A minimum wage increase has a positive effect for our people and our state's economy; when the minimum wage increased 39.2% between 2014-2018, Hawai'i's real GDP per capita increased, unemployment decreased, and the annual rate of inflation decreased. In 2016, President Obama's Council of Economic Advisers looked at 19 recent state-level minimum wage hikes and concluded that "the recent legislation contributed to substantial wage increases with no discernible impact on employment levels or hours worked."⁸

If the minimum wage in Hawai'i were raised to \$17 by 2024, nearly 13,000 Kānaka Maoli (or more than a third of Kānaka Maoli workers) could see their lives improve. Increasing the living wage also delivers a benefit to those not on minimum wage now, whose wages will go up. If you count those who would be indirectly affected, over 16,000 or close to 50% of Kānaka Maoli workers would benefit, allowing thousands to climb out of poverty.

The extra money our workers will make if we enact a living wage will allow them to purchase, not just goods, but critical services, such as childcare. I have seen too many families who are unable to give the children the attention they need because they are trying to pull income from two, sometimes three, minimum wage jobs. They are overworked, and their health suffers. Meanwhile, children fend for themselves with very little supervision. Juvenile delinquency, poor performance at school and failure to graduate are the inevitable outcomes.

A minimum wage job certainly does not keep the many kūpūna who are still working at low level jobs out of poverty or allow them to feed their mo'opuna as well as they should. Kūpūna who care

⁵ HAWAI'I APPLESEED CENTER FOR LAW AND ECONOMIC JUSTICE, STRUGGLING TO MAKE ENDS MEET: THE NEED FOR A WORKING FAMILY CREDIT 3 (2017).

⁶ *Id.*

⁷ *Supra*, note 2 at 23.

⁸ Sandra Black, et al. *Minimum Wage Increases by US States Fuelled Earnings Growth in Low-Wage Jobs*. VOX CEPR POLICY PORTAL, <https://voxeu.org/article/minimum-wage-increases-and-earnings-low-wage-jobs> (2016).

for their grandchildren in the absence of their parents, do not see the minimum wage as a “training wage,” a term that is being bandied around as an excuse to pay people less than they deserve. Despite messaging to the contrary, the minimum wage was not initially established as a “starting” or “training wage,” but as a wage that was established to ensure workers were being paid enough to survive.

Amending SB789 SD2 will provide greater toward a true living wage that will more adequately address poverty and economic inequality in Hawai‘i and may help address the economic disparity between Kānaka Maoli and other groups in Hawai‘i. For the above reasons, I respectfully request that you **PASS** this measure, with amendments. Mahalo nui for the opportunity to testify.

SB-789-SD-2

Submitted on: 3/18/2019 7:42:07 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Milholen	Individual	Support	No

Comments:

Mahalo for considering this strong bill! One job should be enough...

House Committee on Labor & Public Employment

Tuesday, March 19, 2019

9:30 am

Conference Room 309

Re: Strong Support for SB 789 SD2

Dear Chair Johanson and Members of the Committee:

My name is Sylvia K.S. Ching and I strongly support SB 789 SD2

Hawaii's workers are struggling to pay their bills in a State with a high cost of living. Some must work multiple jobs to earn enough to pay basic living expenses. This is detrimental to their personal health and to their family's personal welfare. It is also a burden to tax payers because of the need to use public welfare programs. People who must work multiple jobs have no or limited time for community involvement which makes for stronger communities.

This bill, with its tax credits, is fair to small business who must offset the cost of increased wages.

Please pass and support SB 789 SD2.

Thank you.

Sylvia Ching

sching35@gmail.com

SB-789-SD-2

Submitted on: 3/18/2019 9:12:17 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Severine Busquet	Individual	Support	No

Comments:

Aloha all:

I highly support this bill SB 789 SD2 which raises the minimum wage to \$12 in 2020 and then to \$15 an hour in 2023. It also gives small businesses a tax break if their total payroll costs increase.

Everyone who works should be able to afford their basic needs. Having a job that allows you to survive is also mandatory to think and behave properly leading to healthier mind and body. Please support this bill SB 789 SD2.

Thanks for your attention.

Severine Busquet

Honolulu, Hi 96825

To: Hawaii State Senate Committees for Labor & Public Employment
And Finance
Hearing Date/Time: Thursday, March 19, 2019 at 9:30am.
Place: Hawaii State Capitol, Room 309
Re: Judith Ann Armstrong is in support of SB789 SD2 relating to minimum
wage

Dear Members of the Committees for Labor & Public Employment And Finance,

I, Judith Ann Armstrong, am strongly in support of SB789 SD2, relating to Minimum Wage, amended to reflect a minimum wage of \$17.00 at the least.

Thank you for this opportunity to testify in support of this important measure.

Sincerely,
Judith Ann Armstrong
1717 Ala Wai Blvd
Apt 3006
Honolulu, HI 96815

SB-789-SD-2

Submitted on: 3/18/2019 9:22:24 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jasmine Umeno	Individual	Support	No

Comments:

Aloha Chair Rep. Johanson and Vice Chair Rep. Eli,

Thank you very much for hearing SB789. I am writing to you in strong support of this legislation, which would go far to help Hawaii's working families and stimulate our local economy.

As it stands, the current minimum wage has not kept up with inflation and productivity increases in our workforce. One does not even need to look decades into the past for this - the minimum wage increase to \$10.10 in 2014 is already losing ground to inflation. A 2016 study by president Obama's economic advisers entitled "Minimum wage increases by US states fuelled earnings growth in low-wage jobs" concluded minimum wage increases do not actually hamper employment levels. It is not the rate of employment that the business community is anxious over, but their own unjustified profits that perpetuate income and wage inequality in Hawaii.

A common point of opposition from business owners is that increased allocation to payroll is not sustainable for businesses, and that raising the minimum wage will cause many small businesses to close. Does this concern excuse employers from paying their workers starvation wages? I not believe it does. This opposition from monied interests signify that their need to profit outweighs their obligation to pay their workers a dignified wage. Another point of opposition - that workers can switch jobs if they are not satisfied with their current wage - assumes that there is a pool of plentiful well-paying jobs to choose from in this market, and our unemployment rate would show otherwise. This point actually reinforces the need for a higher minimum wage to safeguard against employers' resistance to raising wages - one cannot expect to find better wages at a different job if all businesses can get away with offering minimum wage pay.

We must remember that it is always in an employers' best economic interest to balance employee qualifications against their pay, and to minimize wages as much as possible for the talents they seek. Employers should not and cannot be expected to judiciously set wages when this dynamic is in play. Many employers will try to undercut their employees as long as they have the leeway to exert economic power over workers. It is therefore up to our elected officials to see through their elected duty and act on behalf of the interest of their constituents by raising the minimum wage to a living wage. If our government is not proactive in assuring a livable wage for Hawaii workers, then it is

complicit in continuing the cycle of poverty by inaction. It is on the onus of our elected officials to protect workers from having to commit to a life of overwork for wages that do not meet their basic needs and do not allow them to save for the future. Giving our citizens a livable wage with SB789 will not only bring dignity to Hawai'i's working people, but will increase their self-sufficiency and buying power in our economy.

Thank you again for hearing this very important piece of legislation.

2016 study: <https://voxeu.org/article/minimum-wage-increases-and-earnings-low-wage-jobs>

eli2 - Ivan

From: Deboraj Deborah Lockett <kedesbytiuoiwvo@ujoin.co>
Sent: Saturday, March 16, 2019 2:40 PM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: debluckett@hawaii.rr.com <Deboraj Deborah Lockett>

Message:

It is quite difficult & costly to operate a business in Hawaii. National studies conducted place us in the top 5 “worst places to do business “; the high costs of rent, the soaring costs of health care premiums, the GET tax, WC premiums, TDI, etc...all increase our costs of doing business. In many businesses, especially health care, which requires a large staff to process all of the labor intensive third party administrative tasks it is impossible to pass on costs to consumers because reimbursement is set by the insurance carriers. The workers in the state of Hawaii are extremely fortunate to have the Hawaii prepaid health care act of 1974; when you calculate the monthly health care premiums that in essence adds an additional \$3/hour (before taxes) to their wages. Thank you for your consideration as we continue to try and create jobs and a healthy, happy workplace environment.

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

Deboraj Deborah Lockett

Chief operating officet

Honolulu

Hawaii

eli2 - Ivan

From: George Hochman <nhfticnwtfvakqn@ujoin.co>
Sent: Friday, March 15, 2019 4:26 PM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: gh5512@aol.com <George Hochman>

Message:

Your killing small business.

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

George Hochman

Owner

Honolulu

Hawaii

eli2 - Ivan

From: Gloria Affigne <lmgciqkcyqpcnmqa@ujoin.co>
Sent: Monday, March 18, 2019 7:54 AM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: gloria@gaffigne.com <Gloria Affigne>

Message:

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

Gloria Affigne

Honolulu

Hawaii

eli2 - Ivan

From: James Hoban <thirstmpghsyby@ujoin.co>
Sent: Friday, March 15, 2019 4:50 PM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: jhoban808@gmail.com <James Hoban>

Message:

I started my working life in minimum wage jobs. My intention was NOT to earn a living for myself but only to make extra money while I was going to school. I studied hard and worked hard to build a better life for my family. Today I earn a decent living. I never to expected to work forever in a minimum wage job, that is the reason I worked hard to get ahead.

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

James Hoban

CFO

Kaneohe

Hawaii

From: Jeanne Hua <jhua@bates.edu>
Sent: Sunday, March 17, 2019 12:06 PM
To: LABtestimony
Subject: Testimony in SUPPORT of SB789 w/ amendments

Aloha Chair Johanson,

Mahalo for hearing SB789. I am in strong support of raising the minimum wage to a livable level. In 2019, DBEDT calculates that level to be at least \$17 an hour. Anything less than that and, by the time the raise kicks in, inflation will have reduced those gains to a continuation of the status quo.

I also urge you to refrain from replacing the language in this bill with the language from HB1191 HD1. We now have matching vehicles toward advancing economic justice in Hawaii, and undoing that now would be an unacceptable exercise in factionalism that our working people cannot afford to weather.

While I understand and sympathize with business owners who work hard to make sure their companies stay open, we have to also consider the 48% of families in Hawaii that are food, housing and healthcare insecure and struggle to make ends meet daily. I believe that a business is not truly successful if its employees are not earning enough to take care of themselves.

Where is the aloha for our struggling neighbors? We know for a fact that raising the minimum wage does not result in layoffs, closures or hours being cut. We've done this 30 times since 1938, and businesses have always been able to handle the adjustments. In fact, the economy always does better when workers have enough money to act as the consumer engine for the economy.

Since the late '60s, workers have suffered from a concerted effort on the part of business interests to decouple wages from both productivity and profits. Mandating a minimum wage increase is simply government re-adjusting the economic formula to prevent people from slipping into poverty and homelessness. It's about fairness and justice as much as it is about common economic sense.

The council on salaries has recommended a \$20,000 raise for lawmakers in recognition that inflation and cost of living have made affording a career in public service more difficult in the islands. But what about the people you represent? Are you really going to condemn Hawaii's 88,000 minimum wage workers and their families to another 4-5 years of the status quo, or are you going to pass public policy that actually makes a difference in their lives? Please strengthen SB789 to \$17 an hour, and leave the original HB1191 language out of it.

eli2 - Ivan

From: Kai Cowell <gucvfiakcrdkquk@ujoin.co>
Sent: Saturday, March 16, 2019 2:07 PM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: kaispices@icloud.com <Kai Cowell>

Message:

This is a bill that is so hard for businesses to stay in business, we are all trying to stay open and give people jobs, but if this bill passes some businesses may have to close.

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

Kai Cowell

owner

Honolulu

Hawaii

eli2 - Ivan

From: Melanie Padgett <vqbfabuktjqud@ujoin.co>
Sent: Monday, March 18, 2019 9:11 AM
To: LABtestimony
Subject: Support SB 789, with ammendments - Minimum wage

From: melanieandjamie@live.com <Melanie Padgett>

Message:

Alojha Chairman Johanson, Vice-Chairwoman Eli and Labor and Public Employment Committee members,

While it is a great start to raise the wage to \$12 in 2020, as SB789 would do, its not enough. The wage should be 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, I asks that you pass S.B. 789 with amendments.

Melanie Padgett

project specialist

Pukalani

Hawaii

From: Randolph Hack <randyinkaimuki@gmail.com>
Sent: Sunday, March 17, 2019 2:42 PM
To: LABtestimony
Subject: Testimony in SUPPORT of SB789 w/ amendments

Aloha Chair Johanson, Mahalo for hearing SB789. I am in strong support of raising the minimum wage to a livable level. In 2019, DBEDT calculates that level to be at least \$17 an hour. Anything less than that and, by the time the raise kicks in, inflation will have reduced those gains to a continuation of the status quo. I also urge you to refrain from replacing the language in this bill with the language from HB1191 HD1. We now have matching vehicles toward advancing economic justice in Hawaii, and undoing that now would be an unacceptable exercise in factionalism that our working people cannot afford to weather. While I understand and sympathize with business owners who work hard to make sure their companies stay open, we have to also consider the 48% of families in Hawaii that are food, housing and healthcare insecure and struggle to make ends meet daily. I believe that a business is not truly successful if its employees are not earning enough to take care of themselves. Where is the aloha for our struggling neighbors? We know for a fact that raising the minimum wage does not result in layoffs, closures or hours being cut. We've done this 30 times since 1938, and businesses have always been able to handle the adjustments. In fact, the economy always does better when workers have enough money to act as the consumer engine for the economy. Since the late '60s, workers have suffered from a concerted effort on the part of business interests to decouple wages from both productivity and profits. Mandating a minimum wage increase is simply government re-adjusting the economic formula to prevent people from slipping into poverty and homelessness. It's about fairness and justice as much as it is about common economic sense. The council on salaries has recommended a \$20,000 raise for lawmakers in recognition that inflation and cost of living have made affording a career in public service more difficult in the islands. But what about the people you represent? Are you really going to condemn Hawaii's 88,000 minimum wage workers and their families to another 4-5 years of the status quo, or are you going to pass public policy that actually makes a difference in their lives? Please strengthen SB789 to \$17 an hour, and leave the original HB1191 language out of it.

--

Randolph C. Hack
Thank you for writing!

eli2 - Ivan

From: Richard Toledo <dgoksrcfbytvckq@ujoin.co>
Sent: Friday, March 15, 2019 4:46 PM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: r.toledo.jr@gmail.com <Richard Toledo>

Message:

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

Richard Toledo

Retired / Rancher

Hilo

Hawaii

eli2 - Ivan

From: Scott Plater <dbferonlixylqk@ujoin.co>
Sent: Saturday, March 16, 2019 6:59 AM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: splater@gmail.com <Scott Plater>

Message:

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

Scott Plater

Manager

Honolulu

Hawaii

eli2 - Ivan

From: Todd Hedrick <ddyislzknjfhkaj@ujoin.co>
Sent: Friday, March 15, 2019 4:33 PM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: thedrick@tmghawaii.com <Todd Hedrick>

Message:

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee, I respectfully oppose SB 789 SD2 and am very concerned with the current push to increase the minimum wage and the unintended consequences this will have for the businesses and residents of Hawaii. 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.

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

Todd Hedrick

Honolulu

Hawaii

eli2 - Ivan

From: Yumi Arney <vdvzovionvmbpfc@ujoin.co>
Sent: Saturday, March 16, 2019 1:58 PM
To: LABtestimony
Subject: Share Your Concerns Regarding a Minimum Wage Increase

From: yumi@saukmakani.com <Yumi Arney>

Message:

Aloha Chair Johanson, Vice Chair Eli and members of the House Labor and Public Employment Committee,

I respectfully oppose SB 789 SD2 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.

Yumi Arney

Accounting manager

Honolulu

Hawaii

LATE

SB-789-SD-2

Submitted on: 3/18/2019 9:37:20 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicole	Teapresso II Gelato LLC	Oppose	No

Comments:

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 SB789 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 in Hawaii. 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.

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.

Tax incentives are good idea for small businesses but we are mostly concerned that all cost will go up (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 if the minimum wage goes up further.

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

Thank you for your time and consideration of my concerns.

March 19, 2019
9:30 a.m.
Hawaii State Capitol
Conference Room 309

To: House Committee on Labor & Public Employment

Rep. Aaron Ling Johanson Chair
Rep. Stacelynn K.M. Eli, 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 2023.

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 on small business with an income tax credit to qualifying small businesses. 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

LATE



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiifood.com

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Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
Barry Taniguchi, KTA Superstores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*

TO:
Committee on Labor and Public Employment
Rep. Aaron Ling Johanson, Chair
Rep. Stacelynn K.M. Eli, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 19, 2019
TIME: 9:30am
PLACE: Conference Room 309

RE: SB789 SD2 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 to \$15 an hour by 2023. Increasing the minimum wage to economically untenable levels and then attempting to mitigate the negative consequences is not the right choice. This measure recognizes that these sorts of drastic increases in the pay scale can be an overwhelming burden for Hawaii businesses, especially small businesses. Adding the administrative burden of trying to apply for and access a tax credit is not going to undo the damage done by another wage hike.

Locally owned businesses will be the hardest hit by these types of mandates, 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 local high school kids, or others who are looking to newly enter the work force. Under this bill a high school student with no training, no experience, and no higher education would be entitled to \$15 an hour, from the day they start work, regardless of the quality of work they provide to their employer and their customers.

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

Many businesses will have no choice but to switch to things like touch pads and self serve kiosks to fill roles that used to be jobs. 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

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 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 hour² (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.

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 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).

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.

Another option to improve Hawaii's affordability would be to remove taxes from food. We believe we need to find ways to improve residents' cash flow by addressing taxes on necessity purchases such as 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.

LATE

SB-789-SD-2

Submitted on: 3/18/2019 11:20:32 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

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

Comments:

ABC Stores strongly opposes SB 789 SD2 Relating to Minimum Wage. This measure provides an income tax credit for qualifying small business to offset the increase in the minimum hourly wage that employers must pay employees. Increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023. Tax credit applies to taxable years beginning after 12/31/2019. Effective 7/1/2050.

Larger businesses in Hawaii, like ABC Stores are already paying wages well above minimum wage. And, while qualifying small businesses would appreciate the income tax credit, the most harmful consequence of this minimum wage increase will be on small retailers which face intense competition, not only from other retailers, but also from internet sellers. We respectfully ask that you hold this measure. Mahalo for this opportunity to testify.



LATE

Board of Directors:

House Committee on Labor & Public Employment

Gary L. Hooser
President

Hawai'i Alliance for Progressive Action supports SB 789 SD2

Andrea N. Brower
Ikaika M. Hussey
Co-Vice Presidents

Tuesday, March 19, 2019, 2:05p.m. Conference Room 309

Kim Coco Iwamoto
Treasurer

Aloha Chair Johanson, Vice Chair Eli, and Members of the Committee,

Bart E. Dame
Secretary

On behalf of the Hawaii Alliance I urge you to SUPPORT SB 789 SD2, with amendments, to raise Hawaii's minimum wage.

Paul Achitoff

While it is a great start to raise the wage to \$12 in 2020 and then \$15 in 2023, as SB789 SD2 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.

Nancy Aleck

Laura Harrelson

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.

Kaleikoa Ka'eo

Michael Miranda

Walter Ritte Jr.

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.

Pua Rossi-Fukino

Karen Shishido

Leslie Malulani Shizue Miki

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.

The latest major study, in 2017, found that, on average, 137 minimum-wage increases since 1979 reduced the number of jobs paying LESS than the new minimum while also adding jobs paying AT OR ABOVE the new minimum, effectively canceling each other out. [1]

In 2016, President Obama's Council of Economic Advisers looked at 19 recent state-level minimum wage hikes and concluded that "the recent legislation contributed to substantial wage increases with no discernible impact on employment levels or hours worked." [2]

Another paper in 2015 analyzed 15 years of minimum-wage research and found "no support for the proposition that the minimum wage has had an important effect on U.S. employment." [3] A 2013 study reviewed the literature since 2000—including two meta-studies—and concluded that minimum wage increases "have no discernible effect on employment." [4]

Last summer, a University of Washington paper that found negative job effects from Seattle's minimum wage increase made a lot of headlines mainly because it contradicted the existing body of research. [5] In fact, a few days earlier, a University of California, Berkeley, study that found that Seattle's minimum wage increase had beneficial effects drew almost no media attention. [6]

Since then, major flaws in the University of Washington paper have been found by economists at institutions such as the Economic Policy Institute [7], the University of California, Berkeley [8], and the Center for American Progress [9]. As a result, some eminent economists who initially affirmed the Seattle paper have retracted their endorsements of it. [10]

Please pass SB 789 SD2 with amendments to help our minimum wage workers and their families be able to make ends meet. Thank you for your attention to this testimony.

HAPA is a member of the Common Good Coalition and Raise Up Hawaii.

Mahalo for your consideration,



Anne Frederick
Executive Director

[1] Centre for Economic Performance, *The effect of minimum wages on the total number of jobs: Evidence from the United States using a bunching estimator*, CEP Discussion Paper No 1531, February 2018.

[2] VOX CEPR Policy Portal, *Minimum wage increases by US states fuelled earnings growth in low-wage jobs*, December 2, 2016.

[3] Tuck School of Business Working Paper No. 2705499, *15 Years of Research on U.S. Employment and the Minimum Wage*, December 20, 2015.

[4] Center for Economic and Policy Research, *Why Does the Minimum Wage Have No Discernible Effect on Unemployment?*, February 2013.

[5] National Bureau of Economic Research, Working Paper 23532, *Minimum wage increases, wages, and low-wage employment: Evidence from Seattle*, June 2017.

[6] Center on Wage and Employment Dynamics, *Seattle's Minimum Wage Experience 2015-16*, June 2017.

[7] Economic Policy Institute, *The "high road" Seattle labor market and the effects of the minimum wage increase*, June 26, 2017.

[8] Center on Wage and Employment Dynamics, "UC Berkeley and the UW reports on the effects of Seattle's minimum wage policy," Reich, Michael, Memorandum to Robert Feldstein, June 26, 2017.

[9] Center for American Progress, "Five Flaws in a New Analysis of Seattle's Minimum Wage," June 28, 2017

[10] The Washington Post, "The effects of 137 minimum wage hikes, in one chart," February 5, 2018.

TESTIMONY IN SUPPORT OF SB 789, SD 2

TO: House Committee on Labor

FROM: Nikos Leverenz
Grants, Development, and Policy Manager

DATE: March 19, 2019 (9:30 AM)

Chair Johanson, Vice-Chair Holt, and Members of the Committee:

Hawai'i Health & Harm Reduction Center (HHRC) **strongly supports** SB 789, SD 2, and would like to see a target of at least \$17, a wage that the state's own 2016 economic analysis found to be a subsistence wage for a single adult. Even if the wage were set to rise to \$17 by 2023, costs of living will rise at a significantly more accelerated rate over that time.

HHRC provides social services and health care services to some of the most vulnerable and marginalized populations in our community. As such, we see the detrimental effects of poverty in our society every day. Unstable or insufficient income not only leads to housing insecurity (as evidenced by our significant houseless population), but also poorer health outcomes, stifled educational opportunity, and an overall lack of autonomy.

[The subsistence wage in our state for 2016 was \\$17 per hour based on data from the Hawai'i Department of Business, Economic Development & Tourism \(DBEDT\).](#) This wage merely covers the cost of basic living necessities for a single adult. Our current minimum wage is grossly insufficient and makes day-to-day life in Hawai'i a struggle for many working people. [The DBEDT report noted that a single person with one child would need at least \\$30 per hour to meet their basic living needs in Hawai'i.](#)

[The American Public Health Association \(APHA\) noted in its 2106 policy statement on the minimum wage](#) that income plays a vital role in individual, familial, and communal health:

There is international consensus that income is a determinant of health, shaping access to basic needs and social determinants of health such as housing, education, and job opportunities. Women and people of color—many of whom provide for families—are more likely to earn low wages and therefore disproportionately experience the adverse health effects of poverty.

The APHA also targets the inability of low-wage workers to access affordable housing near their places of employment, significantly increasing their costs of daily transportation. On O’ahu one sees this in operation every day with individuals who live west of Aloha Stadium commuting every morning and evening from their neighborhoods to central Honolulu. Given some of the worst traffic in the nation, the lack of affordable housing near places of employment significantly impacts the overall quality of life for all who live here. Moving toward a subsistence or livable wage will advance health equity among historically disadvantaged workers and improve health outcomes in the larger community.

Minimum- and low-wage earners often struggle to access safe and affordable housing. In most states, affordable housing is located at ever-increasing distances from city centers with high concentrations of goods, services, and employment opportunities. *The increasing distance between jobs and housing proves costly to workers; low-income families typically pay more for transportation than their higher-paid counterparts, spending on transportation to work what they might otherwise save thanks to affordable housing. People who live closer to jobs are more likely to find and keep employment, and their periods of unemployment are shorter, both of which are indicators of better health. This evidence suggests that a focus on the minimum wage should also include an understanding of the rising cost of living and related factors concerning housing and transportation.* Not accounting for these other social determinants of health may result in missed opportunities to adequately improve the economic resources of people in low-income households and advance health equity among the most historically disadvantaged low-wage earners.

The APHA also underscores the evidence indicating positive health benefits that come from increased wages:

Research on the connection between income and health illustrates the consistently positive health benefits of increasing wage earnings. For example, the life expectancy for individuals with earnings above the federal poverty line is 5 years longer than the life expectancy for those with earnings below the poverty line.... Lifting individuals out of poverty is only one of many mechanisms through which raising the minimum wage can improve public health. Increasing wages can improve psychological well-being and job satisfaction, improve delay-of-gratification ability, and increase the opportunity costs of engaging in unhealthy habits.

When the minimum wage is kept below the subsistence level workers cannot purchase necessities, and people are left with less expendable income to spend in the local economy. After the National Industrial Recovery Act was passed in 1933, President Franklin D. Roosevelt pointed out that “no business which depends for existence on paying less than living wages to its workers has any right to continue in this country.” New Deal measures helped to assure basic rights and dignity for workers and raising this state’s minimum wage builds upon that vital, enduring progressive legacy.

This Legislature should be proactive in assuring a livable wage for Hawai'i workers. A life of overwork for wages that do not meet basic needs and do not allow for savings is not desirable and increases the likelihood of housing instability. Affording Hawai'i workers a baseline livable wage will bring a needed level of dignity and support to Hawai'i's workers.

Both the timeline and the wage table could be adjusted for the steady increases in the costs of living in our state. Minimum wage increases in this state consistently fall behind steady price inflation, especially when it comes to the cost of essentials like housing, food, and energy. As such, they do not amount to significant increases in actual purchasing power.

Thank you for the opportunity to provide testimony on this important measure.

LATE

To: Rep. Aaron Ling Johanson, Chair
Rep. Stacelynn K.M. Eli, Vice Chair
Members of the Committee on Labor and Public Employment

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

Subj: SB789 SD2 Relating to Minimum Wage

Date: March 18, 2019

Gyotaku Japanese Restaurants which employs 175 local residents oppose SB 789 SD2 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

In order to exercise the Tax Deduction, restaurants need to make a profit. The proposed increase in the minimum wage will certainly reduce the small amount of profit we are left with now after 4 years of successive minimum wage increases and no Tip Credit relief. The Tax Credit is a nice idea. Unfortunately, it is not grounded in reality. Over the past 4 years of successive Minimum Wage Increase our bottom line has suffered considerably. The result has been tipped employees earning multiples of the estimated "Living Wage" and employers struggling to pay our "Back Of The House" employees similar wages.

We currently employ about 60 full and part time servers who earn on average \$35 per hour when tip income is taken into account. These very important positions are at risk every time the minimum wage increases without a significant increase in the Tip Credit.

Many suggest we simply raise our prices and pass the cost along to the consumer. If only it were that easy! Unfortunately, here too, the reality is that a 10% increase in menu prices does not equate to a 10% in sales. Guests have a budget too and are limited in what they can spend. As we've found over the past 4 years, menu price increases mean guests purchase less expensive items, don't have that drink or dessert and visit less frequently. Nobody wins.

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 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.

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:

~~(1)~~ (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:

~~[(1)] (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 ~~50 cents~~ \$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-SD-2

Submitted on: 3/18/2019 1:07:32 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Carl Bergquist	Drug Policy Forum of Hawaii	Support	No

Comments:

Dear Chair Johanson, Vice Chair Eli, and members of the committee,

The Drug Policy Forum of Hawai'i supports SB 789 SD2, with an amendment. While it is a great start to raise the wage to \$15 by 2023, as this bill would do, we 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.

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.

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.

Mahalo for this chance to provide testimony on such an important bill.



LATE

**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
March 19, 2019**

Re: SB 789 SD2 RELATING TO MINIMUM WAGE

Good morning Chairperson Johanson and members of the House Committee on Labor and Public Employment. 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 Relating to Minimum Wage. This measure provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that employers must pay employees. Increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023. Tax credit applies to taxable years beginning after 12/31/2019. Effective 7/1/2050

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.



LATE

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

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

House Committee on Labor & Public Employment
The Honorable Aaron Ling Johanson, Chair
The Honorable Stacelynn Eli, Vice Chair

Tuesday, March 19, 2019 at 9:30 a.m.
Hawaii State Capitol, Conference Room 309

Chair Johanson, Vice Chair Eli 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 provides an income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that employers must pay employees; increases the minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023.

HPMA respectfully opposes this bill.

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

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

The belief that drives many people to favor a \$15-per-hour minimum wage as a “living wage” is flawed. The job market needs entry-level pay for entry-level jobs. The current situation our

Testimony of the Hawaii Petroleum Marketers Association
In Opposition to S.B. 789, S.D. 2, Relating to Minimum Wage
House Committee on Labor & Public Employment
Hawaii State Capitol, Room 309
Tuesday, March 19, 2019 at 9:30 a.m.
Page 2

member companies face in paying more than the minimum wage to attract workers is already forcing some to limit store hours, reduce staffing, automate functions, or implement a combination of all three options.

We therefore ask the Legislature to reconsider mandating increases at this time. Thank you for allowing HPMA the opportunity to submit written testimony in opposition to S.B. 789, S.D. 2.



LATE

49 South Hotel Street, Room 314 1 Honolulu, HI 96813
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

TUESDAY, 3/19/19, 9:30AM, Room 309
SB789 SD2, RELATING TO MINIMUM WAGE
TESTIMONY

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

Chair Johanson, Vice-Chair Eli and Committee Members:

The League of Women Voters of Hawaii **supports SB 789 D2** that modestly increases the minimum wage and provides an off-setting tax credit for small businesses.

Hawaii's DBEDT estimates that a "self-sufficiency" income for a single worker without dependents and who gets health insurance from their employer was \$15.84 in 2016. Updated for inflation that is \$17/hour in 2019; other current estimates of a basic livable wage are much higher. (And of course, many of our workers support a child, or more than one).

The DBET estimates mean the current 2019 minimum is already behind the current cost of living before the 2020-2023 increases scheduled in this measure. **To avoid this problem, we strongly support amending SB 789 SD2 to more quickly and meaningfully increase the minimum wage to keep pace with the consumer price index.**

To survive at a very basic level, someone who earns a wage rate as low as that prescribed in SB 789 SD2 will likely be dependent on government benefits in addition to wages. It is important to understand that our taxes, which support those benefits, are subsidizing businesses which pay less than a basic living wage to workers in Hawaii.

We commend the inclusion of a tax credit for affected small businesses. But we are disappointed that the SD2 version of this measure changed the definition of "qualified small business" to make the gross income requirement an unspecified amount. How is a small business to know whether they are eligible for this tax credit? Without this specificity the measure is eliminating the tax credit.

SB789 SD2 addresses the immediate effects on small employers of raising their worker's raises, it may prevent small effects on employment seen in some studies of states and localities which have substantially raised their minimum wages.

This bill delivers compassion for Hawaii's poorest families. Consider the effects on a child in Hawaii being raised by a parent earning the minimum wage (in 2015 about 25% of children under age 6 lived with a single parent). Surveys show that one in 6 children in Hawaii struggles with hunger - i.e. sometimes skips meals or survives on nutritionally inadequate meals. (UH

Center on the Family). Children in poor families often do not have adequate clothing or get the experiences other children enjoy. They live with parents who are stressed by the challenge of providing for the family on the minimum wage in a very expensive state. Many such parents must work multiple jobs.

Amending SB789 SD2 to provide quicker progress toward a true living wage will more adequately address poverty and inequality in Hawaii. However, even unamended, we support the existing measure as better than the current status. Thank you for the opportunity to submit testimony.



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CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 309
TUESDAY, MARCH 19, 2019 AT 9:30 A.M.**

To The Honorable Aaron Ling Johanson, Chair;
The Honorable Stacelynn K.M. Eli, Vice Chair; and
Members of the Committee on Labor & Public Employment,

TESTIMONY IN STRONG OPPOSITION TO SB 789 SD2 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 SD2.

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 tax credit. 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. In addition, it does not account for the increase in overtime pay, which would be \$18 per hour overtime at \$12 per hour minimum wage and \$22.50 at \$15 per hour, as compared to the current \$15.15 per hour. Therefore, while we support efforts to help employees achieve a living wage and obtain housing and a good quality of life, this 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.

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.



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Testimony on SB789
Page 2.

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.



SB789 Analysis

Cost of Minimum Wage Increase Each Year (From Current To Projected) On Micro-Small Businesses After The Tax Credit (Up To \$50k With 50 Or Less Employees) Based On The Number Of Employees
(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)

	Micro Business	Micro Business	Micro Business	Micro Business	Small Business
	1	5	10	25	50
Starting in 2020					
Employees	1	5	10	25	50
Minimum Wage in 2019	\$ 10.10				
Hrs Per Yr	2080				
Total Wage Cost	\$ 21,008.00				
Minimum Wage in 2020-2022	\$ 12.00				
Hrs Per Yr	2080				
Total Wage Cost	\$ 24,960.00				
Difference	\$ 3,952.00	\$ 19,760.00	\$ 39,520.00	\$ 98,800.00	\$ 197,600.00
20% Income Tax Credit Up To \$50k	\$ 790.40	\$ 3,952.00	\$ 7,904.00	\$ 19,760.00	\$ 39,520.00
Businesses To Shore Up	\$ 3,161.60	\$ 15,808.00	\$ 31,616.00	\$ 79,040.00	\$ 158,080.00
Starting in 2023					
Employees	1	5	10	25	40.06
Minimum Wage in 2022	\$ 12.00				
Hrs Per Yr	2080				
Total Wage Cost	\$ 24,960.00				
Minimum Wage in 2023	\$ 15.00				
Hrs Per Yr	2080				
Total Wage Cost	\$ 31,200.00				
Difference	\$ 6,240.00	\$ 31,200.00	\$ 62,400.00	\$ 156,000.00	\$ 249,974.40
20% Income Tax Credit Up To \$50k	\$ 1,248.00	\$ 6,240.00	\$ 12,480.00	\$ 31,200.00	\$ 49,994.88
Businesses To Shore Up	\$ 4,992.00	\$ 24,960.00	\$ 49,920.00	\$ 124,800.00	\$ 199,979.52



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“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



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"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



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“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



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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.



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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.

IRON WORKERS STABILIZATION F

LATE

March 19, 2019
9:30 am

Committee on Labor & Public Employment
House
Conference Room 309
State Capitol
Honolulu, Hawai'i 96813

Re: SB789 SD2 – Relating to Minimum Wage

Aloha Chair Aaron Ling Johanson, Vice-Chair Stacelynn K.M. Eli and members of the House committee on Labor & Public Employment:

We **SUPPORT THE INTENT** of SB789 SD2. 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. The proposed tax credit is a start.

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

LATE

SB-789-SD-2

Submitted on: 3/18/2019 6:40:49 PM
Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Irish Barber	IATSE Local 665	Support	No

Comments:

LATE

SB-789-SD-2

Submitted on: 3/18/2019 6:36:21 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

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

LATE

SB-789-SD-2

Submitted on: 3/18/2019 6:44:37 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chester E. Kaneshiro	Tanaka of Tokyo	Oppose	Yes

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 SB789

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. SB789 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 HB1191. 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-SD-2

Submitted on: 3/18/2019 7:26:27 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alison Tanaka	Tanaka of Tokyo	Oppose	No

Comments:

I am writing in opposition of SB789 SD2 regarding minimum wage increase. Working for a small family-owned business employing approximately 200 employees in the state of Hawaii, the minimum wage increase will cause a number of problems and potentially cause the need to lay off workers or even close our doors for good. Unfortunately, we are a local business that would not benefit from the proposed tax credit.

The first point we would like to make is that most of our employees receive tip as restaurant workers. We calculated that including tip, our full time servers and chefs make \$25+ per hour, which is well above the proposed minimum wage increase. The current tip credit is only 75 cents, which is not high enough to even help mitigate the additional labor expense. Restaurants function at very low profit margins and will not be able to survive this wage increase.

Furthermore, businesses will be doing everything they can to try to survive this additional expense, which will include increasing prices across the board. It is already so expensive to live in Hawaii and by passing this bill, it will become even more expensive by way of increased prices across the state and many locally owned businesses that make Hawaii so unique being forced to close their doors for good. Businesses with small profit margins will not be able to overcome the wage increases.

The food and beverage industry is such a unique industry that employs many young adults and allows them to gain experience and skills in the workplace. For many of our employees, this is their first job and they work their way up from entry level positions to higher paying positions such as chefs, servers, and managers. By instituting this bill, it will rob businesses of the ability to give raises based on performance and incentives to work hard to earn more.

Locally owned businesses are a huge appeal to our tourist market, which helps the state's economy. This bill will have nothing but a negative ripple effect on the entire state, putting restaurants out of business and forcing the surviving ones to raise prices making it even more expensive to travel to Hawaii and making Hawaii an undesirable destination for tourists.

Please take into consideration the negative impact this bill will have on the businesses that are so unique to Hawaii and the negative impact on our state's economy as a whole.

LATE

SB-789-SD-2

Submitted on: 3/18/2019 9:20:49 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hiroshi Lamansky	Tanaka of Tokyo Restaurants	Oppose	No

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. 90 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. Currently, Hawaii has a tip credit of \$0.25, by far the lowest in the nation. The second lowest tip credit in the nation is in Iowa at \$2.90 where their minimum wage is also \$7.25, whereas the rate for the majority of states that allows tip credits ranges between \$3.00-\$5.00. 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 jobs and reduced labor hours by 15% over the past 5 years due to the previous mandatory minimum wage increase from 2014-2018.

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.



Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Godfrey Maeshiro, Senior Vice-President

Monday, March 18, 2019

Hawaii State Legislature
House Committee on Labor and Public Employment
State Capitol
415 South Beretania St.

Re: SB 789, SD2

Aloha Chair Johanson and Committee Members,

UNITE HERE Local 5 – a local labor organization representing 11,000 hotel, health care and food service workers throughout Hawaii would like to offer comments related to SB 789, SD2.

First of all, thank you for hearing this measure. Hawaii is definitely in need of a raise. While the majority of our members may earn more than the State’s current minimum wage, we still have hundreds of members that may not.

As an organization we stand in full support of raising the State’s minimum wage immediately to \$15.00/hour – a standard already set in many cities across the country. There should be no tip-credit or exemptions and the minimum wage should be adjusted by the cumulative increase in the cost of living. The cost of living increase shall be measured by the percentage increase as of December 31 in any year over the level as of July 1, 2019 of the Consumer Price Index (All Urban Consumers, U.S. City Average) as published by the Bureau of Labor Statistics, U.S. Department of Labor or the successor index or federal agency. Tips or gratuities received by employees shall not be credited as being any part of or offset against the wage rate required by this section and the wage rate may not be waived except in a bona fide collective bargaining agreement but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms.

Thank you.

LATE

SB-789-SD-2

Submitted on: 3/18/2019 9:36:16 PM
Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Darlene Ewan	Aloha State Association of the Deaf	Support	No

Comments:



COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Aaron Ling Johanson, Chair

Rep. Stacelynn Eli, Vice Chair

DATE: Tuesday, March 19, 2019

TIME: 9:30 am

PLACE: Conference Room 309

Aloha Chair Johanson, Vice Chair Eli and members,

The Women's Coalition strongly supports a living wage for all of Hawaii's working women and men. This is particularly a women's issue since women occupy the lowest wage jobs in greater numbers than men and in addition are being paid 80 cents on the dollar in comparison.

As women are over-represented in jobs that pay sub-minimum wages ostensibly offset by tips, we also encourage an end to the practice. 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. And, while we applaud this measure to incentivize employers to provide health coverage we take issue with reducing wages in order to get there.

In addition, while it is a great start to raise the wage to \$12 in 2020, its not enough. The wage should be 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.

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.

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, I asks that you pass S.B. 789 with amendments.

Mahalo,

Ann S. Freed

Co-Chair, Hawaii Women's Coalition

SB-789-SD-2

Submitted on: 3/19/2019 5:35:31 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Miyamoto	Hawaii Farm Bureau	Oppose	No

Comments:



LATE

To: Rep. Aaron Ling Johanson, Chair
Rep. Stacelynn K.M. Eli, Vice Chair
Members of the Committee on Labor and Public Employment

From: Michael Miller, Tiki's Grill & Bar
Subject: **SB 789 SD2** Relating to Minimum Wage
Date: March 18, 2019

Thank you for the opportunity to provide testimony. We, at Tiki's Grill & Bar, hereby oppose House bill SB 789 Relating to the Minimum Wage. BUT if you must pass something, please consider **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.

Restaurants historically carry slim profit margins, and this is even more challenging in Hawaii, with its existing regulations and cost of living. 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, particularly non-tipped employees in the "back of the house."

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.

"Mahalo," for considering our point of view.
Michael Miller / Director of Operations / michaelm@tikisgrill.com

SB-789-SD-2

Submitted on: 3/18/2019 9:50:59 AM

Testimony for LAB on 3/19/2019 9:30:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Sebastian Mosur	Individual	Support	Yes

Comments:

I serve my community teaching children how to swim and I do this practically full time. It's a rewarding job and it's societally necessary to teach kids a skill that is very much needed as drowning is the second leading cause of death amongst children. You can say that I'm lucky enough that my non-profit (the YMCA) pays me \$12.50 an hour for this service, but I can say it's not enough (if you serve a community you should be paid enough to live there). If you were to combine all that I make in a month, 80% of it goes to my less than helpful landlord, and I'm only able to survive here because my girlfriend has a job that pays slightly better but is soul crushingly pointless. But even with out combined income, we're struggling and we're never going to afford to become parents so we're forced to settle with cats.

Now I could use my college degree to get an equally pointless job massaging the ego of a wealthy crook at some pointless non-profit, but I can't live like that, it would no doubt make my depression worse than it already is. And the thing is, many of my coworkers don't have that option either. Many of them don't have any other option but to stay at the YMCA even if they have the education. Some of them work several jobs and do shifts for UBER and LYFT inbetween jobs and they're never going to pay off the student loan debt they were told to take because we (as an entire generation) were promised something if we put the effort in. The only thing we're getting is crippling depression, debt, an appetite for eating the rich, and a ruined planet that was destroyed by our wise elders.

Nearly every other person you come across on their job is in a similar idomatic boat. Shit's getting impossible to live with here in Hawai'i. This is where you guys come in: are you going to help the people who put you in office? Or will you side with the short-sighted businesses (who should be pushing for a punishing tax for the super wealthy) who are the only people against this?

This bill is a modest nod toward showing the working class in Hawai'i that they should have dignity. Hell, this should have been passed long ago as it is literally a no brainer and move onto more a progressive and aggressive agenda, like:

*An actual living wage (or be more ambitious: a labor voucher system)

*Reducing the Work Week (while still maintaining the living wage), this will be necessary as some industries are going to automate everything in the next few years

- *Seizing the land of wealthy assholes who don't live here and building public housing
- *Nationalize the hotels, let the profits made go to the state and the workers, not rich assholes who push horrible laws that technocratic neoliberal centrist types side with
- *If those wealthy try capital flight, seize their assets because it's all stolen wages of workers and reinvest their dirty money into our society
- *Close all for profit banks and switching to postal banking and converting all the large bank buildings into indoor vertical farming that we will need to fight against climate change
- *A work program that will hire anyone willing to repair this state's horrid infrastructure or partake in new farming projects in the aforementioned vertical farms or on land seized from rich crooks
- *Stop with this rail bullshit, have a car buy back program and increase the fleet of buses and routes that will reduce emissions, increase jobs, and reduce the worst traffic in America
- *Getting rid of the military bases, stopping their pollution and environmental destruction while not giving safe harbor to international terrorists
- *Setting up an investigatory group to looking in the "Proud Boys" and other white supremacists groups that are in our state and making sure they don't commit acts of terror
- *Ending racist policing of the native population and make the police accountable for the trigger happy murderers in their ranks
- *Turning all private business into co-ops or forcing all the private owners to allow their workers to unionize
- *etc, there is so much shit to be done

And less serious:

- *Live time in jail for not using turn signals
- *Banning Republicans, Libertarians, and Trump hats (okay, maybe put this in the serious section)

Seriously, SB789 is a no-brainer. Support it. It's the least you can do to at least put off the pitchforks a little longer, because shit's only gonna get worse over the next few decades that will make the horrors of the 20th century look tame and I'm fucking scared and all of us should be too. And even if your wealthy donors are against this, make the cynical calculation: supporting this gives you progressive clout. If you have a dream of climbing that political ladder do it, and if you wanna be seen as a trailblazer take my other suggestions to heart. Fight for the workers, fight for life, reject the corruption. Take care, yes on SB789.

-seb

p.s. yes on SB789

p.p.s yes on SB789

p.p.p.s don't be a jerk, yes on SB789

LATE

SB-789-SD-2

Submitted on: 3/18/2019 10:17:01 AM
Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Kimball	Individual	Support	Yes

Comments:

LATE

SB-789-SD-2

Submitted on: 3/18/2019 10:36:57 AM
Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Ueda	Individual	Oppose	No

Comments:

SB-789-SD-2

Submitted on: 3/18/2019 11:59:49 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Cindy Snow	Individual	Oppose	No

Comments:

LATE

SB-789-SD-2

Submitted on: 3/18/2019 12:28:25 PM
Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
L.M. Holmes	Individual	Support	No

Comments:

I strongly support raising the minimum wage as quickly as possible, so that local working people can start affording to live here again. This bill is part of the solution, and I ask you to pass it. Mahalo, Dr. Lorna holmes, Honolulu 96817

LATE

SB-789-SD-2

Submitted on: 3/18/2019 1:31:57 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Fabian Patterson	Individual	Support	No

Comments:

There's nothing more worrying or frustrating than not knowing where your next meal is coming from, or if you're going to be able to pay your bills for the upcoming month(s). As a college student living in Hawaii with a family looking towards me for everything, sometimes it's beyond difficult to provide a stable life for them and myself.

On most months I'm moving bills around to make sure things are paid, we have food to eat - decent food, and we aren't too far behind on everything. Although, my fiance and I work, we still find it hard sometimes to make ends meet, and this is why I strongly support and believe that the minimum wage needs to be raised to at least \$15 an hour. Although \$15 an hour isn't enough for living wages in Hawaii, I know first hand the difference it can make, because a few years ago my hourly salary was just under \$13, and my family and I had to rely on outside help to get us through each month, because it didn't matter how many hours we worked we still didn't make enough to pay all our bills and put three solid healthy meals on the table, let alone take the family out for a night. However, recently the management team at the company I work decided to increase our wages to \$15 an hour, which made a significant difference in our lives. If it's this impactful for us, i can imagine what it'll mean for a family of four.

From: Dana Ciacci <wwrurnblcnynrkw@ujoin.co>
Sent: Monday, March 18, 2019 9:48 AM
To: LABtestimony
Subject: Support SB 789, with ammendments - Minimum wage

From: danaciacci@yahoo.com <Dana Ciacci>

Message:

Alojha Chairman Johanson, Vice-Chairwoman Eli and Labor and Public Employment Committee members,

While it is a great start to raise the wage to \$12 in 2020, as SB789 would do, its not enough. The wage should be 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, I asks that you pass S.B. 789 with amendments.

Dana Ciacci

Kaneohe

Hawaii

From: Kelsey Amos <kmt.amos@gmail.com>
Sent: Monday, March 18, 2019 10:56 AM
To: LABtestimony
Subject: Testimony in SUPPORT of SB789 w/ amendments

Aloha Chair Johanson,

Mahalo for hearing SB789. I am in strong support of raising the minimum wage to a livable level. In 2019, DBEDT calculates that level to be at least \$17 an hour. Anything less than that and, by the time the raise kicks in, inflation will have reduced those gains to a continuation of the status quo.

I also urge you to refrain from replacing the language in this bill with the language from HB1191 HD1. We now have matching vehicles toward advancing economic justice in Hawaii, and undoing that now would be an unacceptable exercise in factionalism that our working people cannot afford to weather.

While I understand and sympathize with business owners who work hard to make sure their companies stay open, we have to also consider the 48% of families in Hawaii that are food, housing and healthcare insecure and struggle to make ends meet daily. I believe that a business is not truly successful if its employees are not earning enough to take care of themselves.

Where is the aloha for our struggling neighbors? We know for a fact that raising the minimum wage does not result in layoffs, closures or hours being cut. We've done this 30 times since 1938, and businesses have always been able to handle the adjustments. In fact, the economy always does better when workers have enough money to act as the consumer engine for the economy.

Since the late '60s, workers have suffered from a concerted effort on the part of business interests to decouple wages from both productivity and profits. Mandating a minimum wage increase is simply government re-adjusting the economic formula to prevent people from slipping into poverty and homelessness. It's about fairness and justice as much as it is about common economic sense.

The council on salaries has recommended a \$20,000 raise for lawmakers in recognition that inflation and cost of living have made affording a career in public service more difficult in the islands. But what about the people you represent? Are you really going to condemn Hawaii's 88,000 minimum wage workers and their families to another 4-5 years of the status quo, or are you going to pass public policy that actually makes a difference in their lives? Please strengthen SB789 to \$17 an hour, and leave the original HB1191 language out of it.



From: Adam Gutowski <noreply@jotform.com>
Sent: Monday, March 18, 2019 1:24 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

This is an opportunity, not to just fall in line with the other states, but to lead by example. Don't make the move to \$15 some arbitrary goal, let MATH and DATA govern our decision making here in Hawaii. Then tout that message as loud and proud so that states will make it the new benchmark. You can do this! Inspire!

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Adam Gutowski

eli2 - Ivan

LATE

From: Zachary Larsen <noreply@jotform.com>
Sent: Sunday, March 17, 2019 3:41 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Zachary Larsen

eli2 - Ivan

LATE

From: Timothy McArthur <noreply@jotform.com>
Sent: Sunday, March 17, 2019 11:14 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Timothy McArthur

eli2 - Ivan



From: THOMAS TIZARD <noreply@jotform.com>
Sent: Sunday, March 17, 2019 9:35 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. TODAY, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage -NOW!

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,

THOMAS TIZARD

LATE

From: Sharain Naylor <noreply@jotform.com>
Sent: Sunday, March 17, 2019 3:38 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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.

It is unfair to tax payers to subsidize human labor for businesses with our tax dollars in order to provide basic needs for our low-wage earning neighbors. We need those dollars for education, roads, and other infrastructure projects.

Thank you,

Sharain Naylor

From: Ross Villiger <noreply@jotform.com>
Sent: Sunday, March 17, 2019 5:00 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, the District of Columbia, Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Ross Villiger



From: Kate Paine <noreply@jotform.com>
Sent: Monday, March 18, 2019 4:06 AM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Kate Paine

From: Catherine Nobriga im <catherine.nobriga.kim@roselani.com>
Sent: Monday, March 18, 2019 9:21 AM
To: LABtestimony
Subject: Testimony in Opposition, SB789, LAB 3/19

Dear LAB Testimony,

Chair Johanson, Vice Chair Eli, 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.

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.

The tax credit offered in this bill may provide some help for the few businesses that qualify, but it's going to create an additional administrative burden for those that try to access it. It will also cost the state and taxpayers money. Whatever relief it does provide is not going to be enough to offset all the negative consequences of this measure.

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,

Catherine Nobriga im
509 Kaa Cir

Kahului, HI 96732
catherine.nobriga.kim@roselani.com

LATE

From: Austin Easley <kahelekona@gmail.com>
Sent: Monday, March 18, 2019 9:46 AM
To: LABtestimony
Subject: Testimony in Opposition, SB789, LAB 3/19

Dear LAB Testimony,

Chair Johanson, Vice Chair Eli, 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.

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.

The tax credit offered in this bill may provide some help for the few businesses that qualify, but it's going to create an additional administrative burden for those that try to access it. It will also cost the state and taxpayers money. Whatever relief it does provide is not going to be enough to offset all the negative consequences of this measure.

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: Courtney Mrowczynski <noreply@jotform.com>
Sent: Sunday, March 17, 2019 3:31 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: AMEND \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is NOT a sufficient hourly wage for a full-time worker. Today, workers NEED \$17 per hour in order to afford their BASIC needs.

A slow gradual increase to \$17 per hour by 2024 for ALL workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we NEED the highest minimum wage.

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,
Courtney Mrowczynski

Thank you,

Courtney Mrowczynski

eli2 - Ivan

LATE

From: Daniel Flores <noreply@jotform.com>
Sent: Monday, March 18, 2019 11:54 AM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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

eli2 - Ivan

LATE

From: Ekuia Impraim <noreply@jotform.com>
Sent: Monday, March 18, 2019 9:12 AM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Ekuia Impraim



From: Greg Hanna <greg_hanna@7-11.com>
Sent: Monday, March 18, 2019 10:27 AM
To: LABtestimony
Subject: Testimony in Opposition, SB789, LAB 3/19

Dear LAB Testimony,

Chair Johanson, Vice Chair Eli, 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.

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.

The tax credit offered in this bill may provide some help for the few businesses that qualify, but it's going to create an additional administrative burden for those that try to access it. It will also cost the state and taxpayers money. Whatever relief it does provide is not going to be enough to offset all the negative consequences of this measure.

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,

Greg Hanna
1755 Nuuanu Ave Fl 2

Honolulu, HI 96817
greg_hanna@7-11.com

eli2 - Ivan

LATE

From: Ida Peric <noreply@jotform.com>
Sent: Monday, March 18, 2019 4:26 AM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Ida Peric

eli2 - Ivan

From: James Degen <noreply@jotform.com>
Sent: Sunday, March 17, 2019 3:54 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

LATE

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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

eli2 - Ivan

LATE

From: Jun Shin <noreply@jotform.com>
Sent: Sunday, March 17, 2019 6:46 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Jun Shin

eli2 - Ivan

LATE

From: Justin Jansen <noreply@jotform.com>
Sent: Monday, March 18, 2019 12:55 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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

eli2 - Ivan

LATE

From: Kerry Honda <khonda.pim@gmail.com>
Sent: Monday, March 18, 2019 9:39 AM
To: LABtestimony
Subject: Testimony in Opposition, SB789, LAB 3/19

Dear LAB Testimony,

Chair Johanson, Vice Chair Eli, 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.

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.

The tax credit offered in this bill may provide some help for the few businesses that qualify, but it's going to create an additional administrative burden for those that try to access it. It will also cost the state and taxpayers money. Whatever relief it does provide is not going to be enough to offset all the negative consequences of this measure.

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: Kim Robello <krobello@minitstop.com>
Sent: Monday, March 18, 2019 9:36 AM
To: LABtestimony
Subject: Testimony in Opposition, SB789, LAB 3/19

Dear LAB Testimony,

Chair Johanson, Vice Chair Eli, 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.

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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.

The tax credit offered in this bill may provide some help for the few businesses that qualify, but it's going to create an additional administrative burden for those that try to access it. It will also cost the state and taxpayers money. Whatever relief it does provide is not going to be enough to offset all the negative consequences of this measure.

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,

Kim Robello
806 Pokole Pl

Makawao, HI 96768
krobello@minitstop.com

LATE

From: Matthew Snow <noreply@jotform.com>
Sent: Monday, March 18, 2019 12:54 AM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Matthew Snow

LATE

From: Michael deYcaza <noreply@jotform.com>
Sent: Sunday, March 17, 2019 7:46 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

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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: Michelle Gorham <noreply@jotform.com>
Sent: Monday, March 18, 2019 12:20 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

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California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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

From: Nelson Okumura <nokumura@vipfoodservice.com>
Sent: Monday, March 18, 2019 9:04 AM
To: LABtestimony
Subject: Testimony in Opposition, SB789, LAB 3/19

Dear LAB Testimony,

Chair Johanson, Vice Chair Eli, 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.

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.

The tax credit offered in this bill may provide some help for the few businesses that qualify, but it's going to create an additional administrative burden for those that try to access it. It will also cost the state and taxpayers money. Whatever relief it does provide is not going to be enough to offset all the negative consequences of this measure.

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,

Nelson Okumura
36 Kunihi Ln Apt 223

Kahului, HI 96732
nokumura@vipfoodservice.com

eli2 - Ivan

LATE

From: Nora Pollard <noreply@jotform.com>
Sent: Sunday, March 17, 2019 9:05 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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,

Nora Pollard

eli2 - Ivan

From: Paxton Parker <noreply@jotform.com>
Sent: Sunday, March 17, 2019 3:02 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

LATE

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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



From: Princess Mae Visconde <noreply@jotform.com>
Sent: Sunday, March 17, 2019 7:49 PM
To: LABtestimony; info@livingwagehawaii.com
Subject: Amend the \$15 in SB789 to a Living Wage

Position: Amend \$15.00 to a Living Wage

Aloha Chair Johanson, Vice-Chair Eli, and members of the Committee,

\$15 is not a sufficient hourly wage for a full-time worker. Today, workers need \$17 per hour in order to afford their basic needs.

A slow gradual increase to \$17 per hour by 2024 for all workers would go a long way in helping end our status as poorest people in the nation.

California, D.C. Illinois, Massachusetts, Minneapolis, New York City, Seattle, and others will all be at \$15 by 2024, and so in the state with the highest cost of living, we need the highest minimum wage.

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.

As a current graduate student, the current minimum wage is not enough to help pay for my books, electricity bill, and weekly groceries. A living wage is essential and will help meet the basic needs of many individuals.

Thank you,

Princess Mae Visconde

eli2 - Ivan

LATE

From: SONYA YUEN <kmltd@hawaii.rr.com>
Sent: Monday, March 18, 2019 12:27 PM
To: LABtestimony
Subject: Testimony in Opposition, SB789, LAB 3/19

Dear LAB Testimony,

Chair Johanson, Vice Chair Eli, 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.

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.

The tax credit offered in this bill may provide some help for the few businesses that qualify, but it's going to create an additional administrative burden for those that try to access it. It will also cost the state and taxpayers money. Whatever relief it does provide is not going to be enough to offset all the negative consequences of this measure.

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

SB-789-SD-2

Submitted on: 3/18/2019 5:00:50 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

LATE

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

Comments:

SB-789-SD-2

Submitted on: 3/18/2019 7:46:55 PM

Testimony for LAB on 3/19/2019 9:30:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Summer Yadao	Individual	Support	No

Comments:

Aloha Representatives,

SUPPORT SB789 SD2 and raise the minimum wage for Hawai'i's people.

As a single mother of 3, working full-time, and going to online classes at UH Manoa full-time, I can tell you that even \$15 is not enough for people to live on here.

How much do you make a year?

I think cutting all public workers pay, would help everyone realize that this bill is just a start.

Mahalo for taking testimony and VOTE YES FOR SB789 SD2.

~Summer Yadao

SB-789-SD-2

Submitted on: 3/18/2019 8:57:46 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Jay-R Bautista	Individual	Oppose	No

Comments:

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

I am writing to you on behalf of Tanaka of Tokyo Restaurants Ltd. and we oppose the SB789 SD2 relating minimum wage. We are a local restaurant that has been serving tourists and locals for the past 40 years. We already face many challenges in the new year of 2019 with rise in cost of commodity goods. Passing the bill will make it nearly impossible for restaurants and small businesses in Hawaii to flourish in both profit and quality of service for our customers/visitors. Restaurants provide entry level job positions for workers who can be trained on site to gain the experience, skills and knowledge needed for their future careers. Passing the bill will force employers to eliminate these positions, cut hours, and raise prices to combat the wage increase. This will also force popular businesses to close and let go employees to battle the labor cost. Hawaii ranks one of the lowest in tip credit in the country and Businesses in Hawaii cannot survive with the increased costs mandated through this legislation. Thank you very much for taking the time to read our concerns regarding this bill.

Mahalo,

Jay-R

SB-789-SD-2

Submitted on: 3/18/2019 10:37:39 PM

Testimony for LAB on 3/19/2019 9:30:00 AM

LATE

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

Comments:

Subject: Pass SB789 with amendments to a reaching a turly 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

March 18, 2019

LATE

**Thirtieth Legislature Regular Session of 2019
Tuesday, March 19, 2019, 9:30am
Hawai'i State Capitol, Conference Room 309
415 South Beretania Street**

**To: House Committee on Labor & Public Employment
Representative Aaron Ling Johanson, Chair
Representative Stacelynn Eli, Vice Chair**

From: Chevelle Davis, MPH

Re: SB789 SD2, Relating to Minimum Wage

Position: Strongly support the increase in minimum wage to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023, with amendments.

Dear Chair Johanson, Vice Chair Eli and Members of the Committee,

Thank you for the opportunity to provide testimony **in strong support of SB789 SD2**, with amendments, which increases the minimum wage to \$12.00 per hour from January 1, 2020, and to \$15.00 per hour on January 1, 2023, and provides an income tax credit for qualifying small businesses. I also ask that the bill be improved to raise the minimum wage to at least \$17.00 per hour.

According to the Department of Business, Economic Development and Tourism, the “self-sufficiency income” for a single person without children in Hawai‘i was nearly \$16.00 per hour in 2016. After adjusting for inflation, the self-sufficiency income is \$17.00 per hour.

While raising the minimum wage is one way to mitigate economic disparities, I urge the State to create collaborative partnerships to examine ways to reduce the high cost of living in Hawai‘i, including but not limited to, creating much needed affordable housing and rentals. Many factors, including the ones previously mentioned contribute to the rate of those living in poverty, for which Hawai‘i ranks 6th highest in the country, according to Hawai‘i Appleseed Center for Law and Economic Justice. Economic stability is one of the social determinants of health, which influences education and health care access, access to healthy foods, and the neighborhoods we are able to live in. These factors, among others, influence our overall health and well-being. If we want to keep the people of Hawai‘i healthy and well, we need to work to ensure everyone in Hawai‘i has the means to access basic needs and have the opportunity to choose healthier lifestyles.

Thank you for the opportunity to testify on this bill. I respectfully urge its passage out of the Committee on Labor & Public Employment.

Kind Regards,



Chevelle M. A. Davis, MPH

LATE

SB-789-SD-2

Submitted on: 3/19/2019 7:18:32 AM

Testimony for LAB on 3/19/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Rose	Individual	Oppose	No

Comments:

Please read the PBN article by Kam Napier on this issue to better understand why this measure will only make us all worse off by causing less jobs, higher prices, and more reasons why businesses should stay away from HI in order to be successful.

LATE

From: Jasmine Ka'ahanui <tyttemminsxuic@ujoin.co>
Sent: Monday, March 18, 2019 5:27 PM
To: LABtestimony
Subject: Support SB 789, with ammendments - Minimum wage

From: jmweaver98@gmail.com <Jasmine Ka'ahanui>

Message:

Alojha Chairman Johanson, Vice-Chairwoman Eli and Labor and Public Employment Committee members,

While it is a great start to raise the wage to \$12 in 2020, as SB789 would do, its not enough. The wage should be 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, I asks that you pass S.B. 789 with amendments.

Jasmine Ka'ahanui

Waianae

Hawaii

SB-789-SD-2

Submitted on: 3/19/2019 8:27:11 AM

Testimony for LAB on 3/19/2019 9:30:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Kausuke Kuroda	Hakuyosha International, Inc., Dust-Tex Honolulu, Inc.	Oppose	No

Comments:

Hakuyosha International, Inc. and Dust-Tex Honolulu, Inc., strongly opposes to SB789 SD2, which increases the minimum wage to \$12.00 per hour beginning January 1, 2020, and then to \$15.00 per hour beginning on January 1, 2023.

The recent 39% increase in the minimum wage since 2015 made a direct impact on our business. Nearly 90% of our employees are working for minimum wage. That means the whole amount in the increase was added to our labor expense. It is also connected to an increased rate in health insurance and workers' compensation premiums.

Professional workers and already-high paid job employers won't realize this because it won't affect their cost.

As a result of this increase, we did not have a choice but to increase our cleaning and rental charges to our customers. However, there is no way we could increase by 39%, so the difference would be an increase in our expense. We also had to be very careful about hiring new staffs.

We have seen so many of our customers, mainly restaurants that's been in business for decades who chose to shut down their business. We are confident to say that the increase in labor cost also took a large part of their decision.

Since the 2016 fiscal year, both Hakuyosha and Dust-Tex has been marking a loss in operations. In 2016, one of our largest competitor, Young Laundry has gone out of business. We hear our other competitors are struggling too. It brings us to fear that if minimum wages keep going up, there will be no chance for us to stay in business.

We believe there are other areas that can make employees to earn more income by getting more deductions or credits.

We respectfully ask that this bill be held

Thank you for the opportunity to express our views and concerns.

Kausuke "Ko" Kuroda

Director

Hakuyosha International, Inc.

Dust-Tex Honolulu, Inc.



LATE

Before the House Committee on Labor & Public Employment

DATE: Tuesday, March 19, 2019

TIME: 9:30 a.m.

PLACE: Conference Room 309

Re: SB 789, SD2 Relating to Minimum Wage

Testimony of Melissa Pavlicek for NFIB Hawaii

Aloha Chair Johnson, Vice Chair Eli 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 to \$12.00 per hour beginning 1/1/2020 and \$15.00 per hour beginning 1/1/2023. 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.