

STAND. COM. REP. NO. 260

Honolulu, Hawaii

FEB 16 2021

RE: S.B. No. 676
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 676 entitled:

"A BILL FOR AN ACT RELATING TO THE MINIMUM WAGE,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the minimum wage for certain employees from the current \$10.10 per hour to \$12.00 per hour beginning July 1, 2022.

Your Committee received testimony in support of this measure from one member of the County Council of the County of Maui; 'Ai Pohaku; Americans for Democratic Action; Common Cause Hawaii; Faith Action for Community Equity; Democratic Party of Hawai'i LGBT Caucus; Democratic Party of Hawai'i Women's Caucus; Earth Medicine Institute; Free Access Coalition; Hawai'i Appleseed Center for Law and Economic Justice; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii State Teachers Association; Hawai'i Workers Center; International Longshore and Warehouse Union Local 142; Kauai Community Coalition; Kauai Organic Agroecological Systems; League of Women Voters of Hawaii; Our Revolution Hawaii; Pono Hawai'i Initiative; Pono Praxis; Pride at Work - Hawai'i; Sierra Club of Hawai'i; Trilogy Excursions; Young Progressives Demanding Action; and one hundred sixty-three individuals. Your Committee received testimony in opposition to this measure from the Chamber of Commerce of Hawaii; Diamond Bakery Co., Ltd.; Envisions Entertainment & Productions, Inc.; Gytaku Japanese



Restaurants; Hawaii Food Industry Association; Hawaii Restaurant Association; Hawaii Transportation Association; Highway Inn, Inc.; IL Gelato Hawaii; Island Plastic Bags, Inc.; Kona-Kohala Chamber of Commerce; Maui Chamber of Commerce; Molokai Chamber of Commerce; National Federation of Independent Business; Retail Merchants of Hawaii; Seven-Eleven Hawaii, Inc.; Warren W. Gibson III, LLC, dba Warren & Annabelle's; and three individuals. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Community Alliance on Prisons, Democratic Party of Hawai'i Education Caucus, Imua Alliance, Living Wage Hawaii, and five individuals.

Your Committee finds that a vast majority of credible studies conclude that higher minimum wages appreciably boost workers' earnings with little or no effect on employment. A 2018 study by the U.S. Census Bureau found that raising the minimum wage benefits a large majority of low-income workers by putting them on the path to higher earnings in the long term and decreasing income inequality. Your Committee further finds that currently, there is a significant difference between the minimum wage and what is needed to afford basic needs in Hawaii. Indeed, Hawaii has the lowest average wage in the nation when adjusted for the cost of living. This measure will therefore increase the minimum wage which will raise the quality of life for Hawaii residents, reduce poverty, and increase economic activity.

Your Committee acknowledges the significant number of testimonies asking that this measure be amended to incrementally increase the minimum wage to \$17.00 per hour by 2026, based on reports issued by the Department of Business, Economic Development, and Tourism. On the other hand, your Committee cannot pretermite the effect such increase may have on small businesses in Hawaii that are barely surviving the unprecedented disruption caused by the coronavirus disease 2019 (COVID-19) pandemic.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of



S.B. No. 676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 676, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Labor, Culture and
the Arts,




BRIAN T. TANIGUCHI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Labor, Culture and the Arts
LCA

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 676	LCA, WAM/JDC	2-8-21		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt	.	✓		
TOTAL	4	1	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes