



STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
[www.labor.hawaii.gov](http://www.labor.hawaii.gov)

February 15, 2022

To: The Honorable Richard H.K. Onishi, Chair,  
The Honorable Jackson D. Sayama, Vice Chair, and  
Members of the House Committee on Labor and Tourism

Date: Tuesday, February 15, 2022

Time: 9:30 a.m.

Place: Conference Room 312, State Capitol & Videoconference

From: Anne Perreira-Eustaquio, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. 2510 RELATING TO INCOME**

**I. OVERVIEW OF PROPOSED LEGISLATION**

Part IV of HB2510 proposes to amend Section 387-2, Hawaii Revised Statutes (HRS), by incrementally increasing the minimum wage rate from \$10.10 to \$18.00 beginning on January 1, 2023, and incrementally increasing the tip credit from 75 cents to \$2.75 beginning on January 1, 2023.

The DLIR supports increasing the minimum wage rate and opposes increases in the subminimum wage by increasing the tip credit.

**II. CURRENT LAW**

The current minimum wage is \$10.10 per hour. Act 82, Session Laws of Hawaii 2014, incrementally increased the minimum wage from \$7.25 to \$10.10 an hour over the course of four consecutive years, 2015 to 2018. Act 82 also increased the subminimum wage for workers that customarily receive tips by increasing the tip credit from .25 to .75 cents per hour. The tip credit provision specifying when an employer could use the tip credit was also increased from when the combined amount the employee receives from the employee's employer and in tips is at least \$0.50 more than the minimum wage to at least \$7.00 more than the applicable minimum wage.

**III. COMMENTS ON THE HOUSE BILL**

The purpose of the minimum wage law pursuant to the Fair Labor Standards Act of 1938 was to stabilize the post-depression economy and protect the "health, efficiency, and general well-being of workers..." The minimum wage rate is a floor

designed to protect workers against unduly low pay. It is the employer's responsibility to ensure that all workers make at least the minimum wage.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
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EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON LABOR & TOURISM  
ON  
HOUSE BILL NO. 2510

**February 15, 2022**  
**9:30 a.m.**  
**Room 312 and Videoconference**

RELATING TO INCOME

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2510 does the following:

- Amends Section 235-55.75, HRS, to make the Earned Income Tax Credit (EITC) refundable and permanent and provide that any EITC earned in previous tax years that were previously carried forward can continue to be used to offset tax liability in subsequent years until exhausted or up to the end of the 2024 tax year.
- Amends Section 235-55.85, HRS, to increase the claimable amount of the Food/Excise Tax Credit (FETC) to a flat \$150 per exemption and expand eligibility for the FETC by increasing the income limit from \$30,000 to \$50,000 for single filers and from \$50,000 to \$80,000 for heads of household, married individuals filing separate returns, and married couples filing jointly.
- Amends Section 387-2, HRS, to increase the minimum wage each year starting at \$11.00 per hour beginning January 1, 2023, and ending at \$18.00 per hour beginning January 1, 2030, and increase the tip credit over the same period.

- Amends Section 235-55.6, HRS, to apply the Household and Dependent Care Tax Credit to expenses paid for the care of a qualifying individual, regardless of age, and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance.
- Appropriates an unspecified amount of general funds in FY 23 for the Department of Taxation to provide an outreach campaign for low-wage earners to educate them about their income withholding options and provide support when completing their federal and State withholding forms.

For the Committee's information, attached is a table detailing the estimated costs for State casual employees in relation to the proposed annual minimum wage increases. B&F notes that as long as annual collective bargaining increases exceed 2.3%, regular State employee wage levels should exceed these minimum wage amounts.

B&F also notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.



Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Finally, B&F notes that the ARP Act restricts states from using ARP Coronavirus State Fiscal Recovery Funds (CSFRF) to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the CSFRF have been spent. If a state cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than the CSFRF, such as:

- By enacting policies to raise other sources of revenue;
- By cutting spending; or
- Through higher revenue due to economic growth.

If the CSFRF provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the U.S. Treasury.

The U.S. Department of Treasury has issued rules governing how this restriction is to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with this ARP restriction.

Thank you for your consideration of our comments.

Attachment

**HB 2510 - Estimated Impact on State Casual Employee Cost**

Department	Full-Time Equivalents	Cost									
	< \$18.00/hr	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	
<u>Min Wage Rate as of Jan. 1</u>		11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00	18.00	
Attorney General	1.00	156	1,352	3,432	5,512	7,592	9,672	11,752	13,832	14,872	
Bus. Economic Dev. & Tourism	0.49	76	660	1,675	2,690	3,705	4,720	5,735	6,750	7,258	
Defense	51.00	1,008	3,135	5,374	7,613	9,852	12,091	31,258	98,275	147,245	
Education	1,304.00	336,943	1,048,860	1,808,924	2,835,837	4,927,475	7,836,374	10,754,544	13,672,714	15,131,799	
Human Service	10.50	10,580	32,915	56,426	79,937	103,447	126,958	150,469	173,980	185,735	
Health	1.48	1,082	3,777	7,004	10,231	13,458	16,685	19,913	23,140	24,753	
Libraries	11.00	10,296	32,032	54,912	77,792	100,672	123,552	146,432	169,312	180,752	
Transportation	3.00	1,248	5,616	11,856	18,096	24,336	30,576	36,816	43,056	46,176	
University of Hawaii	*	684,048	2,128,149	3,648,255	5,168,361	6,688,467	8,208,574	9,728,680	11,248,786	12,008,839	
<b>Total</b>	<b>1,382.46</b>	<b>1,045,436</b>	<b>3,256,496</b>	<b>5,597,858</b>	<b>8,206,069</b>	<b>11,879,005</b>	<b>16,369,202</b>	<b>20,885,598</b>	<b>25,449,845</b>	<b>27,747,429</b>	

Notes:

All Departments except UH - bring up to minimum wage.

UH - raise all student employment by the same percentage to bring bottom of schedule to minimum + \$0.50/hr per policy.

DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

ISAAC W. CHOY  
DIRECTOR OF TAXATION

To: The Honorable Richard H.K. Onishi, Chair;  
The Honorable Jackson D. Sayama, Vice Chair;  
and Members of the House Committee on Labor & Tourism

From: Isaac W. Choy, Director  
Department of Taxation

Date: Tuesday, February 15, 2022  
Time: 9:30 A.M.  
Place: Via Video Conference, State Capitol

**Re: H.B. 2510, Relating to Income**

The Department of Taxation (Department) offers the following comments regarding H.B. 2510 for your consideration.

H.B. 2510 makes numerous income tax related changes.

- Makes the Hawaii earned income tax credit (HEITC) refundable and permanent;
- Increases the refundable food/excise tax credit to \$150 per exemption for all eligible taxpayers;
- Repeals the graduated refundable food/excise tax credit amounts based on adjusted gross income (AGI);
- Repeals the 13-year age restriction on "qualified individual" for purposes of the credit for expenses for household and dependent care services (dependent care credit);
- Limits "qualified individuals," for purposes of the dependent care credit, to those that are eligible for Social Security Disability Insurance (SSDI) benefits; and
- Appropriates an undetermined amount of money for the Department's use for outreach to low-wage workers to inform them of their options for wage withholding.

H.B 2510 is effective July 1, 2022; the amendments to the EITC, refundable food/excise tax credit, and the dependent care credit apply to taxable years beginning after December 31, 2022.

First, regarding the refundable food/excise tax credit, the Department appreciates that the bill proposes to use *federal* AGI to determine eligibility for the credit. Federal AGI provides a more accurate representation of a taxpayer's financial situation. The Department supports the use of federal AGI for this purpose.

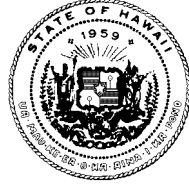
Second, regarding the amendments to the definition of "qualified individual" for purposes of the dependent care credit, the Department notes that in general SSDI benefits are paid to those who have worked enough to qualify for Social Security benefits but are now disabled. Therefore, limiting qualified individuals to those eligible for SSDI may exclude all children and those who have never been able to work from eligibility as qualified individuals.

Third, regarding the appropriation for low-wage taxpayer outreach, the Department supports the intent of this proposal but notes that the Department currently utilizes amounts in the Tax Administration Special Fund for taxpayer outreach and education. The Department suggests that the cap amount of the Tax Administration Special Fund be increased as an alternative to the proposed appropriation. The Tax Administration Special Fund is established and defined by section 235-20.5, Hawaii Revised Statutes.

Finally, the Department is able to administer the proposed changes to the various credits in this measure with its current effective date.

Thank you for the opportunity to provide comments on this measure.

DAVID Y. IGE  
GOVERNOR



CATHY BETTS  
DIRECTOR

JOSEPH CAMPOS II  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 14, 2022

TO: The Honorable Representative Richard H.K. Onishi, Chair  
House Committee on Labor & Tourism

FROM: Cathy Betts, Director

SUBJECT: **HB 2510 - RELATING TO INCOME.**

Hearing: February 15, 2022, 9:30 a.m.  
Via Videoconference

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the measure, provides comments, and defers to the Department of Taxation in relevant parts.

**PURPOSE:** The purpose of the bill is to Part I: help working families by improving certain tax credits, increasing minimum wages, and appropriating funds specifically for an outreach program to help educate low-wage earners regarding their withholding options. Part II: Makes the State earned income tax credit refundable and permanent. Provides for carryforward of nonrefundable credits previously claimed. Part III: Increases and amends the refundable food/excise tax credit. Part IV: Increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030. Increases the tip credit over the same period. Part V: Amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance. Part VI:

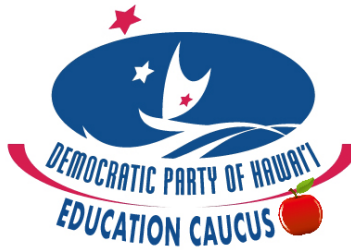
Appropriates funds for an outreach campaign to educate low-wage earners about their withholding options and to provide support when completing their withholding forms.

The Department appreciates this comprehensive effort to provide more economic stability for low-income working residents. Low-income households, especially those families with young children, need additional financial resources to meet their basic needs. As the health and economic tolls of the pandemic continue, the State needs to reset its wage and tax policies to benefit working families and low-income residents. Additional federal relief that buoyed many residents through the first two years of the pandemic may be slower in coming.

Please note that increases in the state minimum wage may impact eligibility for our assistance and benefit programs that are means-tested.

The Department also suggests that the Legislature provide funding to support tax filing assistance for fixed- and low-income residents to maximize available State and federal tax credits. Without access to the internet or limited broadband infrastructure, communities and populations need free tax filing assistance.

Thank you for the opportunity to provide comments on this measure.



## **HOUSE BILL 2510, RELATING TO INCOME**

FEBRUARY 15, 2022 · HOUSE LABOR AND TOURISM  
COMMITTEE · CHAIR REP. RICHARD H.K. ONISHI

**POSITION:** Opposition.

**RATIONALE:** The Democratic Party of Hawai'i Education Caucus **opposes HB 2510**, relating to income, which makes the state earned income tax credit refundable and permanent; provides for carryforward of nonrefundable credits previously claimed; increases and amends the refundable food/excise tax credit; increases the minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030; increases the tip credit over the same period; amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance; and appropriates funds for an outreach campaign to educate low-wage earners about their withholding options and to provide support when completing their withholding forms.

While we appreciate the tax credit portions of this measure, we respectfully oppose this bill's central policy conceit: increasing the minimum wage to \$18/hour over an unnecessarily lengthy span of eight years. Working families need financial relief now. They cannot afford to wait until



2030 for the chance to earn a living wage, If inflation continues at its projected pace, Hawai'i's workers will need to earn an hourly wage that approaches \$25/hour in 2030 just to survive, far more than this proposal envisions. **Accordingly, we humbly ask you to pass SB 2018, which crossed over from the State Senate with a clean date and can be sent to the governor's desk for signature immediately upon passage by the State House.** Other vehicles exist for the tax proposals contained in this measure, particularly the essential components that would make the earned income tax credit refundable and permanent. HB 1507, a Working Families Caucus priority, would make the EITC refundable and permanent, and raise our state's capital gains tax to subsidize strengthening the EITC. It passed through the Economic Development Committee unamended and would deliver tax fairness for our most economically vulnerable neighbors upon its enactment. **If we pass SB 2018 and HB 1507 this year, then we will once again establish economic justice as a guiding principle of our islands' politics.**

A living wage is a human right. According to the Department of Business, Economic Development, and Tourism, a single adult required an income of \$37,646 to achieve self-sufficiency in Hawai'i in 2020, while a single parent with one child required \$64,926. Adjusted for inflation, DBEDT's reporting shows that in 2022, a single minimum wage worker must earn at least \$19.36/hour to survive on our shores, a number that rises to \$19.94/hour for Honolulu. At our current statewide minimum wage rate of \$10.10/hour, however, full-time minimum-wage employees earn only \$21,008 annually, far less than what's needed to meet their basic needs.

Moreover, Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2021* report found that a full-time worker would need to earn \$37.69/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 114 hours per week to afford a modest one-bedroom apartment at fair market value and 149 hours per week to afford a two-bedroom—a number that is equivalent to working over 20 hours a day with no days off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 41 percent of Hawai'i residents are renters (a number that does not include individuals and

families renting outside of the regulated rental market), a minimum wage increase is necessary to ensure that residents can meet their basic needs.

One out of every four households in Hawai'i report that they are "doubling up" or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, over 60 percent of households are severely cost-burdened, following NLIHC data, meaning that they pay more than 30 percent of their income on housing, a number that rises to over 80 percent of extremely low-income households, with only 74 homes available for every 100 households earning 80 percent of their respective area's median income.

Notably, housing costs increased during the pandemic. In Honolulu, median single-family home prices reached a record of \$1.06 million last December, driven largely by sales to residential property investors. Unsurprisingly, our state is now experiencing population decline. Hawai'i saw domestic out-migration increase for a fifth consecutive year in 2021, as the state's high cost of living continued to push people to the mainland. Census estimates show that our state's population dropped by 10,358 people from July 2020 to July 2021, when births, deaths, and migration were accounted for. Hawai'i should have gained population because births outpaced deaths 15,510 to 11,279 during the period, creating what should have been a 4,231-person increase. Thus, in raw figures, about 14,500 people left the state between 2020 and 2021.

Additionally, prior to the pandemic, **as the minimum wage increased to \$10.10/hour over the last four years, our local economy grew.** People earning more income at the lower end of the pay scale spend money on basic goods and services (they can't afford to invest in the stock market or buy imported luxury goods), 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 four years preceding COVID-19, **we experienced record low unemployment and witnessed the number of small businesses boom.** Hawai'i will likely see the same impact under new minimum wage increases as our economy returns to normal, leading to greater prosperity for all. **We cannot allow COVID-19 to become an excuse for failing to create a living wage, since the virus wrought economic devastation that disproportionately harmed low-income families, who lost their jobs, saw their hours slashed, and are now struggling to pay for basic needs, like food and rent.** If anything, the pandemic and ensuing

economic crisis have made raising the minimum wage more urgent, so that we can ensure economic security for workers who are struggling to find a path back to financial security, while our nation's billionaires have glaringly increased their wealth by over a trillion dollars since COVID-19 was declared to be a global public health emergency.

**We additionally oppose this measure's attempt to increase the tip credit, which is nothing more than a subminimum wage credit that allows restaurants to pay tipped employees less than the minimum wage.** Tipping originated in feudal Europe and was imported back to the United States by American travelers eager to seem sophisticated. The practice spread throughout the country after the Civil War as U.S. employers, largely in the hospitality sector, looked for ways to avoid paying formerly enslaved workers. Numerous studies have shown that the tip credit not only allows employers to pay slave wages, but worsens sexual harassment in the workplace, as tipped employees become reluctant to file complaints about sexually predatory customers for fear of losing the tips on which they rely.

**Over two-thirds of Hawai'i's economy is predicated upon consumer spending.** As we work to overcome the fiscal emergency that besieged during the last two years, we should put more money in the hands of our state's workers, which will cause our entire economy to surge. A living wage is not just a financial boost for working families. It is a prescription for maintaining the prosperity of the islands' entire economy. **Again, please pass SB 2018 to uplift the well-being of the working families upon whom our economy depends.**

**Kris Coffield · Chairperson, DPH Education Caucus · (808) 679-7454 · [kriscoffield@gmail.com](mailto:kriscoffield@gmail.com)**



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Labor & Tourism  
Tuesday, February 15, 2022, at 9:30 A.M.**

**RE: HB 2510, RELATING TO INCOME**

Chair Onishi, Vice Chair Sayama, and Members of the Committee:

While the Chamber of Commerce Hawaii ("The Chamber") supports an increase in the minimum wage, at this time, we **express serious concerns** on portions of HB 2510, specifically about the level the minimum wage goes up to and the impact it will have on our small and locally owned businesses, jobs and economic recovery.

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.

We applaud the Committee for working on and hearing this bill, which takes a broader approach in addressing the needs of Hawaii's working families. This bill includes many portions which we support, like making the earned income tax credit refundable and permanent and increasing the tip credit. In past legislative sessions, the Chamber of Commerce Hawaii has supported a minimum wage increase. The business community still sees the urgent need this year to help families that are struggling. While there is consensus that the minimum wage needs to increase, the enactment of an \$18 minimum wage by 2030 will likely undermine efforts to turn Hawaii's economy around.

The Chamber of Commerce Hawaii, in partnership with the Hawaii Food Industry Association, Hawaii Lodging & Tourism Association, Hawaii Restaurant Association, Retail Merchants of Hawaii and all neighbor island Chambers conducted a survey of its members to get data on the affects that increasing the minimum wage would have on their businesses. A total of 450 business participated in the survey, with over 50% of the businesses having 25 employees or less. Below are some noteworthy takeaways from the survey:

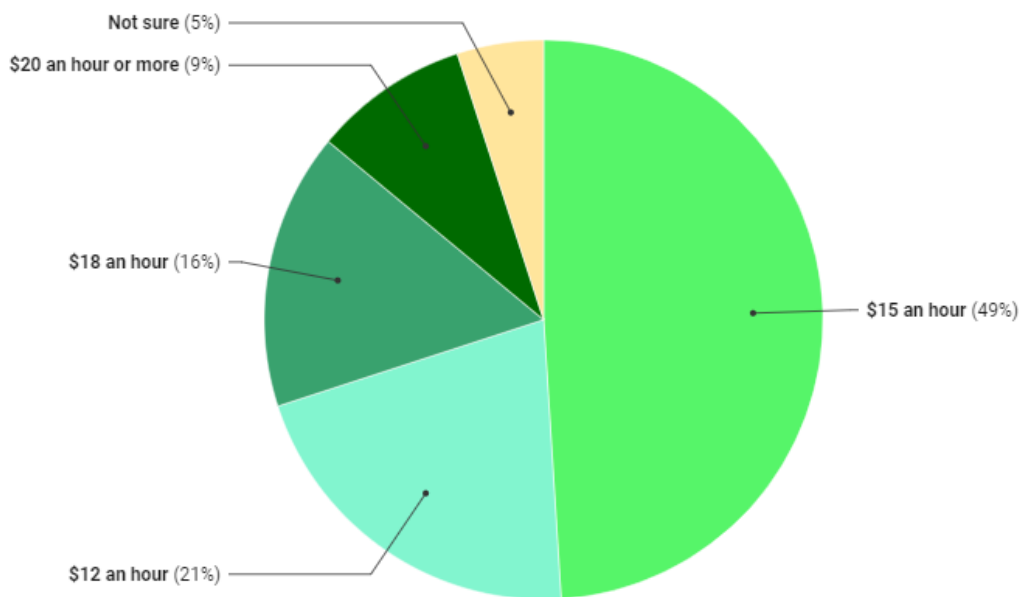
- **66%** of businesses said they would need to reduce staff if the minimum wage increased to \$18.
- **27%** of businesses said they would need to **lay off half** of their staff if it went up to \$18.
- **32%** of respondents said they would need to **shut down their business entirely** if the minimum wage increased to \$18.



In a recent poll by the Honolulu Star-Advertiser that surveyed 800 registered Hawaii voters, only 16% of respondents believed that the minimum wage should increase to \$18 an hour. 49% of respondents believed it should be increased to \$15 an hour with another 21% believe it should be \$12 an hour.

### Hawaii Poll 2022: Minimum wage increase

If you support increasing the state's current minimum wage of \$10.10 an hour, which one of the following would you like to see it increased to?



The Hawaii Poll was conducted Jan. 24-28 by telephone by Mason-Dixon Polling & Strategy of Washington, D.C. It includes 800 registered Hawaii voters, and has a margin of error of plus or minus 3.5 percentage points.

Chart: Honolulu Star-Advertiser • Source: Honolulu Star-Advertiser • Created with [Datawrapper](#)

Hawaii's business community is at a critical point -- where any additional cost increases could mean the difference between closing their doors, cutting positions, as well as passing costs down to the consumer. Many are still making up for the lost revenue from that past couple of years. Furthermore, the Omicron variant has severely disrupted business operations, as well as further exacerbated the workforce shortage problem. The supply chain issue and inflation are additional challenges.

Hawaii is also the only state with a prepaid healthcare mandate for employees that work 20 hours or more with annual fixed costs averaging \$6,000 per employee. Costs continue to rise, while the percentage that an employee contributes remains the same. This adds another \$3-\$4 an hour to the hourly wage.



# Chamber of Commerce HAWAII

*The Voice of Business*

Additionally, an increase in wages is tied to increased costs for other mandates, such as Workers' Compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefit programs, so overall, the total hourly wage is much higher.

Based on the data collected in the Chamber survey of its members, as well as the Honolulu Star-Advertiser poll that surveyed registered voters, **the Chamber of Commerce Hawaii supports a minimum wage increase that goes to \$11 by 2023 and increases \$1 every year until it reaches \$15 by 2027.** We believe that this increase threshold is manageable and will not harm our small and locally owned businesses, jobs and economic recovery.

We look forward to working with the Legislature on a balanced proposal to increase wages and other factors that are driving up the cost of living while supporting our local businesses and the jobs they provide.

Thank you for this opportunity to provide testimony.



February 14, 2022

Relating to Income - Testifying in Opposition to HB2510

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) opposes HB2510, Relating to Income.

**HB2510 is unnecessary, complicated, and potentially fatally problematic.**

SB2018 is a much cleaner and stronger measure that's already passed the full Senate and has the support of the Governor. The House need only to agree to SB2018 and the passage of a meaningful increase in the minimum wage is guaranteed to happen. **Any other action puts at risk a strong minimum wage increase for workers this year, as the House did last year, and the year before, and the year before that.**

Moving from \$10.10 to \$12 in the first increment is several years overdue and given today's labor environment will have minimal to zero impact on business or prices.

HB2510 delays achieving the \$18 threshold until 2030 and further reduces the benefits for restaurant servers. **Low wage workers deserve respect and support, not to be nickel and dime'd and have their raises pushed off until the next decade.**

The omnibus nature of HB2510 creates a measure with too many moving parts, and thus too many opportunities to find fault and disagreement, whether fiscal or legal - **all of which greatly increase the risk of problems, legal challenges due to language flaws, or even veto.** Numerous bills dealing with the tax credit components of HB2510 are already "moving" through the process and as such HB2510 is not needed.

The committee is strongly encouraged to defer HB2510 and instead schedule and pass SB2018 "as is" without change or amendments. **Anything less is political gamesmanship and Hawaii workers deserve better from their legislators.**

Mahalo for the opportunity to testify,

Gary Hooser  
Executive Director Pono Hawai'i Initiative





**HB-2510**

Submitted on: 2/13/2022 6:07:36 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kelly Cogo	Hawaii Clubhouse Advocacy Coalition	Oppose	Yes

Comments:

Aloha Chair Onishi and House Committee on Labor and Tourism,

My name is Kelly Cogo, I oppose HB2510. I believe that we shouldn't compromise the timeline any further than having \$18.00 by 2026 and not by 2030.

I'm born and raised in Hawaii and have experience seeing families not having enough earnings to provide adequate provisions for their members. This has caused a great deal of unnecessary mental health issues which affects the stability of family units and possibly being forced to relocate where it may be more affordable. We want to keep our Ohana together and to protect our island culture. The living wage of \$18.00 by 2026 will definitely help to keep the Aloha Spirit Alive.

I believe that we shouldn't compromise the timeline any further than having \$18.00 by 2026 and not by 2030.

Mahalo for your time and allowing me this opportunity to speak out and share my view on this matter.

Aloha,

Kelly Cogo



## House Committee on Labor & Tourism

Tuesday, February 15th 2022, 9:30a.m. Conference Room 312

### Hawai'i Alliance for Progressive Action Opposes: HB2510

Aloha Chair Onishi, Vice Chair Sayama and Members of the Committee,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in **opposition of HB2510**. HAPA is a state-wide organization that engages approximately 10,000 local residents annually.

Although we support some of the provisions in this bill, we respectfully submit opposition testimony to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Thank you for your leadership on this issue and for the opportunity to support Hawaii's workers and families. HAPA is a member of the Hawai'i Tax Fairness Coalition.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read 'Anne Frederick', written in a cursive style.

Anne Frederick  
Executive Director



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

**Testimony to the House Committee on Labor & Tourism  
Tuesday, February 15, 2022, at 9:30 A.M.  
Conference Room 312 & Via Videoconference**

**RE: HB 2510, RELATING TO INCOME**

Chair Onishi, Vice Chair Sayama, and Members of the Committee:

The Hawaiian Chip Company respectfully opposes HB 2510, which would raise the minimum wage, for the following reasons:

- The cost of operating a business in Hawaii are very high and disproportionate to what other businesses pay elsewhere. Lowering these costs and the cost of living would be an actual solution to the problems facing our economy
- Increasing the minimum wage will cause manufacturers like the Hawaiian Chip Company hardship because costs of raw materials have escalated dramatically due to the pandemic. Competing with mainland brands of chips made in large automated facilities will become impossible.
- The ongoing labor shortage has already forced the company to increase overall wages which is causing strain on finances.
- Businesses are already struggling to survive with limited revenue due to COVID restrictions.
- High turnover in the workforce for entry level jobs is another burden businesses are struggling with. Further increasing the cost of hiring entry level employees will force businesses to eliminate these positions.

While opposed to any raise in the minimum wage, the Hawaiian Chip Company does support any earned income tax credits.

Thank you for your consideration.



*Eric W. Gill, Financial Secretary-Treasurer*

*Gemma G. Weinstein, President*

*Godfrey Maeshiro, Senior Vice-President*

February 14, 2022

House Committee on Labor & Tourism

Re: Testimony on HB2510: RELATING TO INCOME

Aloha Chair Onishi, Vice Chair Sayama and Committee Members,

UNITE HERE Local 5 is a labor organization representing 12,000 hotel, healthcare, and food service workers employed throughout our State. We would like provide comments with strong reservations on HB2510. We appreciate some components of the bill, with the exception of part IV regarding minimum wage and tip credit.

As a Union, it is our duty to look out for the interests of workers. Therefore, we appreciate any measure that takes a pragmatic and progressive approach to provide financial security for working people living paycheck to paycheck. However, no wage increase until 2023 then incrementally increasing the minimum wage to \$18 per hour with increases to the tip credit by 2030 is unconscionable.

Our Union believes one job should be enough to live in Hawai'i—to keep up with the cost of living, to raise our families, and enough to retire in dignity. Our members fought diligently to make the “ONE JOB SHOULD BE ENOUGH” movement a reality for many in Hawai'i - including pulling off a 51-day strike that ensured subcontracted workers in our Hotels received the Union standard.

It is our state officials responsibility to protect the most vulnerable citizens and we ask for the Committee's support in raising the minimum wage in a truly impactful way. \$18 per hour with tip credit by 2030 is definitely not impactful and will not provide the basic necessities to survive in Hawai'i.

The 'Fight for 15', the national struggle to get a \$15 minimum wage, started in 2012. It is now 10 years later, and this bill wouldn't even get to a \$15 minimum wage for another 5 years!

Ask yourselves: Would you be able to survive on the current \$10.10 per hour for another year? \$18 per hour *eight years* from now? We urge you to amend this measure to include a livable wage effective immediately.

Thank you

**HB-2510**

Submitted on: 2/13/2022 6:52:27 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Flora Patton	Hawaii Clubhouse Advocacy Coalitioin	Oppose	Yes

Comments:

Aloha,

My name is Flora Patton, and I oppose HB 2510. There is no way that we can wait so long until 2030, for our minimal wage increase of \$18.00. We already have SB2018 on the floor to be approved for \$18.00 by 2026. This island is too expensive for us to survive if we have to wait until 2030. The cost of living is going up every year and we need to have enough earnings to give our families a decent lifestyle that they can afford. Parents has to work more than one job to make ends meet. This may cause mental health issues and other concerns in the quality of the family structure.

Thank you for your time and consideration for allowing me to share my voice in this matter.

Flora Patton



Hawaii  
**Children's Action Network Speaks!**  
Building a unified voice for Hawaii's children

*Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.*

To: House Committee on Labor & Tourism

Re: **HB 2510 - Relating to Income**

Hawai'i State Capitol, Via Videoconference, Conference Room 312

February 15, 2022, 9:30 AM

Dear Chair Onishi, Vice Chair Sayama, and committee members,

**On behalf of Hawai'i Children's Action Network Speaks!, I am writing in OPPOSITION to HB 2510, relating to income.** While we support some sections of this bill, such as that which makes the state earned income tax credit (EITC) refundable and permanent, we must oppose the section that eliminates the child care part of the state Child and Dependent Care Tax Credit. (CDCTC)

**HB 2510 would INCREASE TAXES for many middle-class families with children in Hawai'i.** As working parents struggle every day to make ends meet, it makes no sense to eliminate the child care support that they rely on in the CDCTC.

The CDCTC is one of our state's most important tax credits for working families. It helps parents with under 13 years old afford their child care costs. It provides tax credits of up to 15% to 25% of families' child care costs, depending on their income level, with a maximum of \$2,400 per single taxpayer and \$4,800 per couple. In other words, the CDCTC is worth thousands of dollars a year for typical Hawai'i families with children.

But HB 2510 does away with this tax credit for almost all families with children. This bill eliminates the tax credit for the costs of care for a non-disabled child, and it LIMITS the definition of a disabled dependent to only those who qualify for SSDI (federal disability benefits).

It makes no sense to get rid of such an important benefit that helps working parents make ends meet. Hawai'i has some of the highest child care costs in the nation. On average, infant care costs \$13,731 a year, and child care for a 4-year-old costs \$8,937 a year<sup>1</sup>.

We support the section of this bill that would improve the Hawai'i's EITC by removing its expiration date and helping help those families that need this tax credit the most by allowing them to get the full amount that they qualify for.

Not only would the lowest-income families get a big boost from this improvement to the EITC, but it would also push back on racial income disparities. Native Hawaiians and Pacific Islanders' average EITC benefit currently is larger than the overall state average, and they would see the biggest extra boost from a refundable EITC.<sup>2</sup>

<sup>1</sup> Economic Policy Institute, <https://www.epi.org/child-care-costs-in-the-united-states/#/HI>

<sup>2</sup> Institute on Taxation and Economic Policy, unpublished analysis, January 2022



Hawaii  
Children's Action Network Speaks!  
Building a unified voice for Hawaii's children

We also support the section of this bill that increases the food/excise tax credit, but we are concerned that the restructuring of the credit would have unintended negative consequences. The current food/excise tax credit is worth \$110 per household member for the lowest-income families, and it slowly phases out as incomes rise. HB 2510 would raise the maximum credit to \$150 per person.

But rather than phase out the credit as incomes rise, this bill would make it plunge from \$150 per person to \$0 as soon as their income rises just \$1 above the income limit. In other words, it creates a tax “cliff” that could cause some families to end up with less money than before. For example, a family of 2 parents and 2 keiki would lose \$600 in tax credits if their income rose from \$49,750 to \$50,250. Or a single mom with 2 kids would lose \$450 in credits if her income went from \$29,900 to \$30,100.

Finally, while we support an increase to our state’s minimum wage, the increases in this bill happen too slowly, and it also widens the gap between the regular minimum wage and the subminimum wage for tipped workers, which is the opposite of what working parents need to afford to live in this expensive state.

Our current minimum wage is only \$10.10 per hour, or \$21,000 a year for full-time work. It is well-established that the stresses of childhood poverty have both immediate and long-term effects on keiki’s physical and mental health, behavioral self-control, academic achievement, and earnings as adults.<sup>3</sup> In other words, Hawai’i’s woefully inadequate minimum wage contributes to homelessness and other struggles for working families not just now, but it also in the future.

Hawai’i’s Department of Business, Economic Development and Tourism (DBEDT) finds that a single adult in Hawai’i with no children, and with employer-provided health insurance, needed more than \$18 per an hour “to meet their basic needs” in 2020.<sup>4</sup> DBEDT also calculates that the self-sufficiency wage for a single parent with one child was more than \$31 an hour in 2020, and more than \$38 per hour for a single parent with two keiki.

However, this bill doesn’t raise the minimum wage to \$18 until 2030, which is much too slow. We also suggest adding automatic inflation adjustments after 2026, in order to prevent the wage from becoming so deficient again.

And we urge the removal of the tip credit that allows employers to pay tipped workers less than the full minimum wage – rather than enlarging it, as this bill does. Instead, Hawai’i should follow the example of other states, such as California, Oregon, Washington, and Nevada, that have been paying tipped workers the full minimum wage while their restaurant industries thrive.

Mahalo for the opportunity to provide this testimony. Please defer this highly flawed bill.

Thank you,  
Nicole Woo, Director of Research and Economic Policy

<sup>3</sup> <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

<sup>4</sup> <https://files.hawaii.gov/dbedt/annuals/2021/2021-read-self-sufficiency.pdf>

TESTIMONY BEFORE THE HOUSE COMMITTEE ON LABOR & TOURISM

RE: HB2510 – RELATING TO INCOME  
TUESDAY, FEBRUARY 15, 2022

JOSH FROST, CHAIR  
DEMOCRATIC PARTY OF HAWAII LABOR CAUCUS

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee on Labor & Tourism,

The Democratic Party of Hawaii Labor Caucus **opposes HB2510 Relating to Income**, which makes the EITC refundable and permanent, increases and amends the refundable food/excise tax credit, increases the minimum wage to \$18 an hour by 2030, and increases the tip credit. The bill also amends the household and dependent care tax credit, and appropriates funds for outreach to educate low-income wage earners about their with holding options.

Some provisions of this bill are laudable however, there are nonetheless significant problems with it.

While making the EITC refundable and permanent is a welcome change, this bill would simultaneously eliminate the child care component of the Child and Dependent Care Tax Credit. This makes no sense when the cost of child care continues to increase and families continue to struggle just to get by.

Similarly, the changes to the food/excise tax credit creates a tax cliff; as soon as wages for struggling families rises just a single dollar above the limit, the benefit evaporates, dropping from \$150 per person to \$0.

The minimum wage provisions don't go nearly far enough fast enough to provide the substantial wage increase minimum wage earners need today. With such a painfully slow move to \$18 an hour (setting aside the substantial tip credit increase), accounting for an average inflation rate, \$18 in 2030 is the equivalent of just \$15 in today's dollars. In today's dollars, DBEDT's Self-Sufficiency report says the hourly minimum wage **in 2020** needed to be \$18.35 for an individual and more than \$20 for a family of four. **This minimum wage proposal doesn't get by the end of the decade where we needed to be two years ago.**

Once again, this minimum wage proposal seems to take into account the concerns of business owners, despite a preponderance of evidence which suggests the majority of those concerns are unfounded.



During the period of 2014-2018 when the last minimum wage increases took effect, there was no measurable job loss. In fact, each year during that period, the unemployment rate dropped. By this measure, it seems the bill strives not to lift minimum wage workers out of poverty, but rather slow the rate at which they fall behind.

Further, there's no evidence that businesses in Hawaii suffered from the last round of increases. Rather, the Federal Reserve Economic Data shows Hawaii's real GDP rose during that period. From this data, one could conclude raising the minimum wage actually helped Hawaii's economy overall.

The minimum wage is not intended to be a "starting wage," but in fact a "living wage". That the majority of minimum wage workers are teenagers is just false. According to DBEDT, four out of five workers who make less than \$17 an hour are at least 25 years old.

Also, while raising wages would likely result in an increase in prices, the benefit to workers far exceeds the resulting price increases. We're talking about a matter of cents, not dollars.

Finally, this bill dramatically increases the tip credit, which allows customers to subsidize employees' wages, while employers essentially steal labor from their workers. What's more, the tip credit can find its historic roots in racism and misogyny. Is that really the legacy this committee wishes to perpetuate?

We implore you to make substantial changes to this bill. Please correct the fallacies to the tax credits highlighted above. And please replace the minimum wage provisions with the language existing in SB2018. So many working families continue to struggle; show your support for them by making these changes. Short of that, we urge you to defer this bill.

Mahalo for the opportunity to submit testimony today.

# IRON WORKERS STABILIZATION FUND

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Chairman Richard Onishi  
Labor and Tourism Committee  
House of Representative  
State Capitol

Dear Chair Onishi & Members of the Committee:

Re: HB 2510 - Minimum Wage

The Hawaii Ironworkers Stabilization Fund opposes H.B. 2510 as it does not go far enough to help working families in Hawaii.

To be clear, we strongly support increasing the minimum wage to \$18 an hour or higher to help working families struggling to make ends meet. As we all know, Hawaii's cost of living is the highest in the nation and a single worker in Hawaii needs to earn a minimum of \$18 an hour today to simply survive at the most basic level. Unfortunately, H.B. 2510 does not reach \$18 an hour until 2030 and reduces the income of tipped earners by \$2.75 an hour; a staggering \$2.00 increase from our current \$0.75 tip credit.

We believe this is bad public policy. Seven states in the country do not have a tip credit – they include California, Nevada, Washington, Oregon, Minnesota, Montana and Alaska and the restaurant industry is doing just fine in those states. In fact, California has the most restaurants of all the states and Las Vegas is predominantly a service sector driven economy. In these states and cities, workers earn the same minimum wage regardless of their job and we believe that is the right approach.

Workers who earn below the minimum wage, which are often women in the restaurant industry, are forced to rely on tips which can be unreliable but are also forced to accept illegal and bad behavior to simply survive. Women are often sexually and verbally harassed and abused and generally this is not reported because many workers need the tips to survive. Increasing the tip credit will only make the situation worse for tipped earners and therefore, we strongly encourage eliminating the tip credit so workers, especially women have the financial freedom to report bad customers committing illegal and bad behavior. In addition, all workers should be earning the same minimum wage regardless of their profession.

Furthermore, under H.B 2510, it takes a painfully slow 8 years to reach \$18 an hour. This is simply too long as workers will fall further behind and struggle to make ends meet and will continue to need state and federal economic relief. We believe S.B. 2018 is the right approach and strongly encourage amending H.B. 2510 to increase the minimum wage to \$18 an hour by 2026 at the absolute latest.

The fact is, workers in Hawaii are struggling and quite frankly drowning. We have lost our middle class and essentially only the rich and poor exist in Hawaii today. We need strong economic policies to lift workers out of poverty and one way to help address this dire situation is by moving and passing a minimum wage bill that does just that. We need a minimum wage bill that gets to \$18 an hour as quickly as possible while also eliminating the tip credit.

Chair Onishi, Labor and Tourism

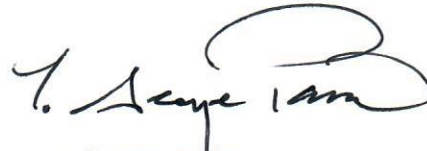
HB 2510 - Minimum Wage

Page 2

We hope the committee recognizes the urgency to help workers in Hawaii by amending H.B. 2510 to the language of S.B. 2018. Working families in Hawaii need relief.

Mahalo for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "T. George Paris". The signature is fluid and cursive, with a large loop at the end.

T. George Paris

Managing Director



**Testimony to the House Committee on Labor & Tourism  
Tuesday, February 15, 2022, at 9:30 A.M.  
Conference Room 312 & Via Videoconference**

**RE: HB 2510, RELATING TO INCOME**

Chair Onishi, Vice Chair Sayama, and Members of the Committee:

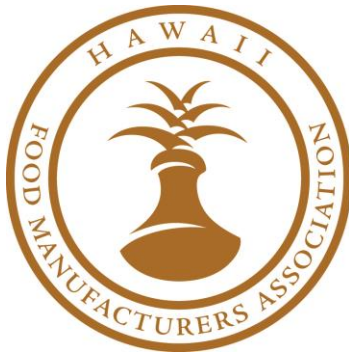
**The Hawaii Food Manufacturers Association (HFMA) respectfully opposes HB 2510**

The Hawaii Food Manufacturers Association (HFMA) is a non-profit organization of approximately 120 members that has been promoting Hawaiian grown or manufactured products since 1977. The 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 valued members and enjoyed by our valued community.

The food manufacturing industry in Hawaii generates \$900 million in annual revenue and is the largest manufacturing sector in the state using local inputs according to the Hawaii State Department of Business, Economic Development and Tourism. The industry provides over 6,100 jobs in the state and an annual payroll of more than \$160 million.

Hawaii's food manufacturers are at a breaking point -- where any additional cost increases could mean the difference between closing their businesses, laying off workers, and increasing prices which would put Hawaii food manufacturers at a disadvantage against competition in other states. COVID-19 has severely disrupted business operations, as well as further exacerbates the workforce shortage problem.

The statewide labor shortage has already forced food manufacturers to increase overall wages, which is causing strain on company's finances. The high turnover in the workforce for entry level positions are a burden business is already struggling with. By increasing the costs of hiring people who have no training, big business that have the infrastructure in place may be forced to turn to automation, which would hurt our overall economy and further worsen the unemployment rate.



The costs of raw materials have escalated dramatically due to the pandemic. Our food manufacturers have suffered due to the increase in wait times to receive materials, and it has cost their businesses tremendously over the last two years. Increasing the minimum wage to \$18 by 2030 would further devastate our food manufacturers and would risk putting some out of business.

The escalating property prices and commercial rent increases are creating stress on food manufacturers that are already struggling to survive with limited revenue due to COVID-19 restrictions. Adding this minimum wage increase to \$18 would strain most companies' financial situations and run the risk of having to lay off workers.

Also, Hawaii is the only state with a prepaid healthcare mandate for employees that work 20 hours or more with annual fixed costs averaging \$6,000 per employee. Costs continue to rise, while the percentage that an employee contributes remains the same. This adds another \$3-\$4 an hour to the hourly wage.

Additionally, an increase in wages is tied to increased costs for other mandates, such as workers' compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefit programs, so overall, the total hourly wage is much higher.

Thank you for this opportunity to provide testimony.



**Before the House Committee on Labor and Tourism**

DATE: February 15, 2022

TIME: 9:30 a.m.

PLACE: VIA VIDEOCONFERENCE

**Re: HB 2510 Relating to Income**

Aloha Chair Onishi, Chair Sayama, and members of the committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to HB 2510 relating to income.

No one has greater incentive, responsibility, or ability to lead the economy than Hawaii's small business owners. Small businesses play a major role in the economy, representing 99% of all employer firms, employing about half of private-sector employees and generating the majority of net new jobs annually. Though the initial phases of the pandemic are now behind us, there isn't much joy among small businesses as they strive to stay open and save jobs. Many small firms are challenged by pandemic-related capacity limits. At the same time, small business owners are offering record highs in compensation and still having a difficult time finding employees. This is the ideal time to work to foster small business growth rather than to increase the cost of doing business here.

Small business owners know that increasing the minimum wage as provided in this bill it may require increasing the price of their product or service or reducing labor costs elsewhere through reduced jobs, reduced hours, or reduced benefits. We respectfully 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. 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.

Thank you for the opportunity to testify.





## HB 2510, RELATING TO INCOME

FEBRUARY 15, 2022 · HOUSE LABOR AND TOURISM  
COMMITTEE · CHAIR REP. RICHARD H.K. ONISHI

**POSITION:** Opposition.

**RATIONALE:** Imua Alliance opposes HB 2510, relating to income, which makes the state earned income tax credit refundable and permanent; Pprovides for carryforward of nonrefundable credits previously claimed; increases and amends the refundable food/excise tax credit; increases the minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030; increases the tip credit over the same period; amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance; and appropriates funds for an outreach campaign to educate low-wage earners about their withholding options and to provide support when completing their withholding forms.

While we appreciate the tax credit portions of this measure, we respectfully oppose this bill's central policy conceit: increasing the minimum wage to \$18/hour over an unnecessarily lengthy span of eight years. Working families need financial relief now. They cannot afford to wait until 2030 for the chance to earn a living wage, If inflation continues at its projected pace, Hawaii's workers will need to earn an hourly wage that approaches \$25/hour in 2030 just to survive, far

more than this proposal envisions. **Accordingly, we humbly ask you to pass SB 2018, which crossed over from the State Senate with a clean date and can be sent to the governor's desk for signature immediately upon passage by the State House.** Other vehicles exist for the tax proposals contained in this measure, particularly the essential components that would make the earned income tax credit refundable and permanent. HB 1507, a Working Families Caucus priority, would make the EITC refundable and permanent, and raise our state's capital gains tax to subsidize strengthening the EITC. It passed through the Economic Development Committee unamended and would deliver tax fairness for our most economically vulnerable neighbors upon its enactment. **If we pass SB 2018 and HB 1507 this year, then we will once again establish economic justice as a guiding principle of our islands' politics.**

A living wage is a human right. According to the Department of Business, Economic Development, and Tourism, a single adult required an income of \$37,646 to achieve self-sufficiency in Hawai'i in 2020, while a single parent with one child required \$64,926. Adjusted for inflation, DBEDT's reporting shows that in 2022, a single minimum wage worker must earn at least \$19.36/hour to survive on our shores, a number that rises to \$19.94/hour for Honolulu. At our current statewide minimum wage rate of \$10.10/hour, however, full-time minimum-wage employees earn only \$21,008 annually, far less than what's needed to meet their basic needs.

Moreover, Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2021* report found that a full-time worker would need to earn \$37.69/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 114 hours per week to afford a modest one-bedroom apartment at fair market value and 149 hours per week to afford a two-bedroom—a number that is equivalent to working over 20 hours a day with no days off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 41 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), a minimum wage increase is necessary to ensure that residents can meet their basic needs.



One out of every four households in Hawai'i report that they are "doubling up" or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, over 60 percent of households are severely cost-burdened, following NLIHC data, meaning that they pay more than 30 percent of their income on housing, a number that rises to over 80 percent of extremely low-income households, with only 74 homes available for every 100 households earning 80 percent of their respective area's median income.

Notably, housing costs increased during the pandemic. In Honolulu, median single-family home prices reached a record of \$1.06 million last December, driven largely by sales to residential property investors. Unsurprisingly, our state is now experiencing population decline. Hawai'i saw domestic out-migration increase for a fifth consecutive year in 2021, as the state's high cost of living continued to push people to the mainland. Census estimates show that our state's population dropped by 10,358 people from July 2020 to July 2021, when births, deaths, and migration were accounted for. Hawai'i should have gained population because births outpaced deaths 15,510 to 11,279 during the period, creating what should have been a 4,231-person increase. Thus, in raw figures, about 14,500 people left the state between 2020 and 2021.

Additionally, prior to the pandemic, **as the minimum wage increased to \$10.10/hour over the last four years, our local economy grew.** People earning more income at the lower end of the pay scale spend money on basic goods and services (they can't afford to invest in the stock market or buy imported luxury goods), 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 four years preceding COVID-19, **we experienced record low unemployment and witnessed the number of small businesses boom.** Hawai'i will likely see the same impact under new minimum wage increases as our economy returns to normal, leading to greater prosperity for all. **We cannot allow COVID-19 to become an excuse for failing to create a living wage, since the virus wrought economic devastation that disproportionately harmed low-income families, who lost their jobs, saw their hours slashed, and are now struggling to pay for basic needs, like food and rent.** If anything, the pandemic and ensuing economic crisis have made raising the minimum wage more urgent, so that we can ensure economic security for workers who are struggling to find a path back to financial security, while

our nation's billionaires have glaringly increased their wealth by over a trillion dollars since COVID-19 was declared to be a global public health emergency.

**We additionally oppose this measure's attempt to increase the tip credit, which is nothing more than a subminimum wage credit that allows restaurants to pay tipped employees less than the minimum wage.** Tipping originated in feudal Europe and was imported back to the United States by American travelers eager to seem sophisticated. The practice spread throughout the country after the Civil War as U.S. employers, largely in the hospitality sector, looked for ways to avoid paying formerly enslaved workers. Numerous studies have shown that the tip credit not only allows employers to pay slave wages, but worsens sexual harassment in the workplace, as tipped employees become reluctant to file complaints about sexually predatory customers for fear of losing the tips on which they rely.

**Over two-thirds of Hawai'i's economy is predicated upon consumer spending.** As we work to overcome the fiscal emergency that besieged during the last two years, we should put more money in the hands of our state's workers, which will cause our entire economy to surge. A living wage is not just a financial boost for working families. It is a prescription for maintaining the prosperity of the islands' entire economy. **Again, please pass SB 2018 to uplift the well-being of the working families upon whom our economy depends.**

**Kris Coffield · Executive Director, Imua Alliance · (808) 679-7454 · [kris@imuaalliance.org](mailto:kris@imuaalliance.org)**

**HB-2510**

Submitted on: 2/14/2022 10:22:20 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Clair Mason	KoLab Coworking	Comments	Yes

Comments:

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

My name is Clair Mason and I'm writing this testimony on behalf of the KoLab, a coworking space on Hawai'i Island with a mission to elevate the status of native hawaiian people and 'aina. While Hawai'i is in dire need of an increased minimum wage, the stipulations of Speaker Saiki's bill are absolutely terrible. **The minimum wage should be increased to \$18/hour no later than 2026, and the tip credit must be repealed.** Please change the language of this bill to actually support the people of Hawai'i. Should this bill pass, it would actually be a detriment to our people.

The language of the Minimum Wage bill HB1503 of the Working Families Caucus has the capacity to truly increase the livelihood for so many people in Hawai'i nei. Please refer to the language of this bill rather than move this bill through as it stands.

Mahalo for your consideration,

Clair Mason + The KoLab 'Ohana

**HB-2510**

Submitted on: 2/12/2022 10:48:26 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
John Witeck	Hawaii Workers Center	Comments	No

Comments:

Dear members of the House Committee on Labor & Tourism,

The Hawaii Workers Center supports some of the provisions in this bill, especially the tax credits, but we must point out that the provisions and timetable in HB2510 are inadequate and will not sufficiently help low-wage workers. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that the minimum wage is raised to \$18 an hour by 2026 (as SB2018 provided) if working families are to gain some actual relief. Such a minimum wage should not provide an exemption for tip credit.

Although we support the proposal to raise the minimum wage to \$18 by 2026, we believe the minimum wage should be raised to \$25 by 2025, and even that, given the rate of inflation, will barely do the job of getting families out of poverty and making it so that one job is enough for a wage-earner to support her/his family. Anything less than \$18 to \$25 an hour is simply too low and too slow to bring thousands of struggling low-wage workers in Hawai'i to a sustainable standard of living.

The timetable for the wage increments and start date for the raises need to be moved up as the heads of major religious denominations have urged recently in their public op-ed.

Send SB2018 to the governor's desk for signature instead of this bill and do what is best for Hawai'i's hardworking families and agree to the Senate proposal.

Mahalo, John Witeck, for the Hawai'i Workers Center



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Testimony of Eric Wright  
President of the Hawaii Petroleum Marketers Association (HPMA)

**HB 2510- RELATING TO INCOME  
SUPPORTS THE INTENT WITH AMENDMENTS**

House Committee on Labor & Tourism  
The Honorable Richard H.K. Onishi, Chair  
The Honorable Jackson D. Sayama, Vice Chair

Tuesday, February 15, 2022 at 9:30 a.m.

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am Eric Wright, president of the Hawaii Petroleum Marketers Association (HPMA). HPMA is a nonprofit trade association comprised of members who market motor fuel products across Hawaii.

House Bill 2510 adjusts the minimum wage hourly rate to \$11.00 beginning on January 1, 2023 and increases \$1.00 per year until the minimum wage hourly rate reaches \$18.00 on January 1, 2030.

**HPMA supports the intent of a minimum wage increase but have concerns on the increase up to \$18.00 by year 2030.**

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

Hawaii is the only state that requires mandatory health care under the Prepaid Health Care Act which is already a state mandated benefit for employees borne by employers. In addition, a wage increase will flow across all employees known as salary and wage compression when newly hired, less experienced employees earn close to what current employees make.

Minimum wage is not a “living wage” and ultimately could lead to workers losing on-the-job training opportunities, income, and experience greater unemployment due to employers leaving jobs vacant, reducing hours, forgoing raises, and laying off worker.

In closing, workers employed are tied to costs for other mandates, such as workers’ compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefit programs. Add this up and the cost of retaining and hiring workers may be cost prohibitive.

We respectfully ask the committee reconsider mandating such steep increases at this time.

Thank you for allowing HPMA the opportunity to submit testimony on this bill.



Committee on Labor and Tourism  
Chair Onishi, Vice Chair Sayama

Tuesday, February 15, 2022, 9:30 am, Videoconference  
HB2510 — RELATING TO INCOME

TESTIMONY

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

Chair Onishi, Vice Chair Sayama, and Committee Members:

**The League of Women Voters of Hawaii offers comments on HB2510, Relating to Income.**

The League of Women Voters has long supported economic, fiscal and social policies which meet basic human needs. Consistent with this policy, we strongly support the intent of this broad bill, as expressed in Part I of HB2510.

We particularly support Part II, which makes the EITC refundable and permanent.

We also generally support Part III, amending the Food and Excise tax credit for our poorest households. We point out two concerns with the proposed simplification of the income eligibility standards:

a) The ceilings of \$30,000 for individuals and \$55,000 for households have already diminished the number of eligible families since originally proposed, due to inflation. The value of these income levels, and hence their relevance to defining “poorest”, will continue to erode over time. Adding a provision to increase these numbers periodically to compensate for increases in the Consumer Price Index, would offset this inevitable erosion.

b) The simplification creates a “tax cliff” situation where a \$1 increase in income above the proposed income eligibility would decrease the credit to zero. Generally, such

sudden and complete phase-outs are considered undesirable, if only because they potentially reduce the motivation of individuals to work harder for a small increase in income.

Part IV: We strongly support increasing our outdated and insufficient minimum wage. With Hawaii's high cost of living, and the decreasing value of our minimum wage (estimated as currently barely over \$5/hour) due to inflation, Hawaii must make substantial changes to achieve the barest level of economic justice. It is imperative for the viability of our State, that working individuals be able to meet their basic needs for housing, food, transportation, and health care.

However, the proposed schedule for increasing the minimum wage fails to meaningfully address these concerns. A bare minimum living standard would currently, in 2021, require a current minimum wage of \$18-19 per hour, depending on the source calculating this truly basic standard of living. To delay reaching this wage level until 2030 means that by the time that level is reached, it may leave too many workers again homeless, food insecure, and/or without health care. Too many children will continue to start school at a grave disadvantage and vulnerable to poor educational, mental health, social and vocational outcomes.

A living wage must be enacted more swiftly. Please amend Part IV to reach \$18 by 2026.

Part V. We are very pleased to see the attention to the needs of taxpayers with disabled dependents. HB2510 meets a very real need in this regard. But we are puzzled, and concerned, by the elimination of the credit for young children. The pandemic has made clear that if parents don't have affordable childcare, they can't participate in the work force, thus diminishing their self-sufficiency and contributions to the state economy.

The child and dependent care tax credit recognizes this vital link. Please amend HB2510 to restore the child tax credit.

Thank you for the opportunity to submit testimony.

League of Women Voters of Hawaii  
P.O. Box 235026 ♦ Honolulu, HI 96823  
Voicemail 808.377.6727 ♦ [my.lwv.org/hawaii](http://my.lwv.org/hawaii) ♦ voters@lwvhi.org



DATE: Tuesday, February 15, 2022  
TIME: 9:30 a.m.

Comments re: HB 2510, Relating to Income

Dear House Committee on Labor & Tourism

Save Medicaid Hawaii supports some of the provisions in this bill, but we must respectfully raise objections to HB2510 as written. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to provide comments.

*Doris Segal Matsunaga*  
On behalf of Save Medicaid Hawaii



## TESTIMONY on HB 2510 – Comments only

TO: Chair Onishi, Vice-Chair Sayama, & Committee Members – Labor & Tourism

FROM: Trisha Kajimura  
Deputy Director - Community

DATE: February 15, 2022 at 9:30 AM

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Hawai'i Health & Harm Reduction Center (HHRC) **offers comments on HB 2510**, which increases the minimum wage for certain employees incrementally to \$18.00 per hour by 2030, except for tipped workers and contains multiple tax credit provisions.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many of our program participants are unable to afford housing despite working full-time because their wages are too low to pay for their basic needs.

### Our comments:

- HHRC supports a minimum wage increase to at least \$18 by 2026 at the latest. The increase in this bill is not enough within a reasonable amount of time to make a dent in the cost of living in Hawai'i. Low-wage earners have to be able to survive and should not be forced to rely on public benefits to make ends meet for their families. We also support the elimination of the tip credit and tying future minimum wage increases to the consumer price increase.
- Regarding the tax credit provisions in this bill:
  - We support Part II, making the earned income tax credit refundable and permanent.
  - We do not support the changes to the Child and Dependent Care tax credit and the Food/Excise tax credit as included in this bill.

Thank you for the opportunity to testify on this measure.



# HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice  
HB 2510 – Relating to the Minimum Wage  
House Committee on Labor & Tourism  
Tuesday, February 15, 2022, at 9:30 AM via Videoconference

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Dear Chair Onishi, Vice Chair Sayama, and members of the Committee:

Thank you for the opportunity to provide testimony on HB 2510, which would: (1) make Hawai'i's Earned Income Tax Credit permanent and refundable; (2) increase the Food/Excise Tax Credit; and (3) increase our state's minimum wage.

Each of these actions has the potential to significantly improve circumstances for Hawai'i's people and economy. However, we strongly encourage you to expedite the minimum wage increase to reach **\$18 by 2026** to make up for the massive amount of ground lost to inflation, market conditions, national trends, and decades of economic policy decisions that have put Hawai'i's workers further and further behind.

### **Hawai'i's Residents Need a Significant Minimum Wage Increase to Make Ends Meet**

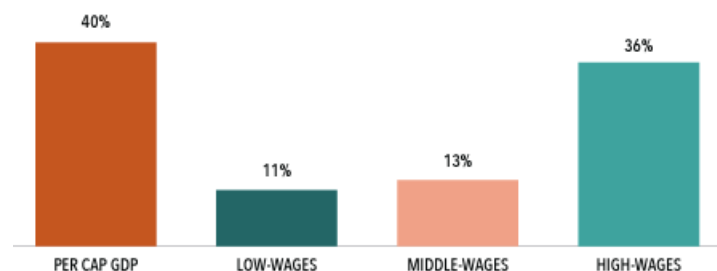
Someone who works 40 hours a week should, *at minimum*, be able to afford shelter, food, and other necessities.

Our current minimum wage—which is around half of what people need to earn to fulfill basic needs—is harming families who are strained from working multiple jobs, perpetuating generational cycles of poverty. It is weakening our society as people lack the time and resources to meaningfully participate in their communities. It is consuming precious public resources as we effectively subsidize businesses who don't adequately compensate their workers, workers who are then forced to rely on social services to bridge the gap between what they earn and what they need to survive. And it is destroying our economy as workers and consumers leave the state because they can no longer afford to stay.

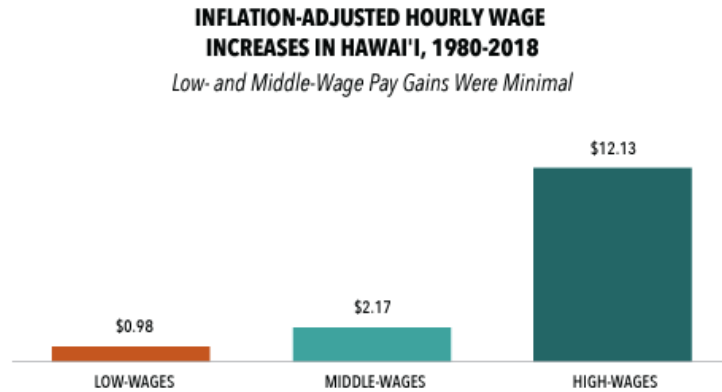
The available data clearly shows that our current economy and minimum wage isn't working for Hawai'i's residents. Over the past 40 years, we've had large gains in productivity which have not translated to higher wages for Hawai'i's low and middle-income workers. A 40 percent increase in GDP accompanied a 36 percent in high-earner wages, but only a 11 percent increase in low-earner wages.

#### **HAWAII INFLATION-ADJUSTED PER CAPITA GDP GAINS COMPARED TO WAGE INCREASES, 1980-2018**

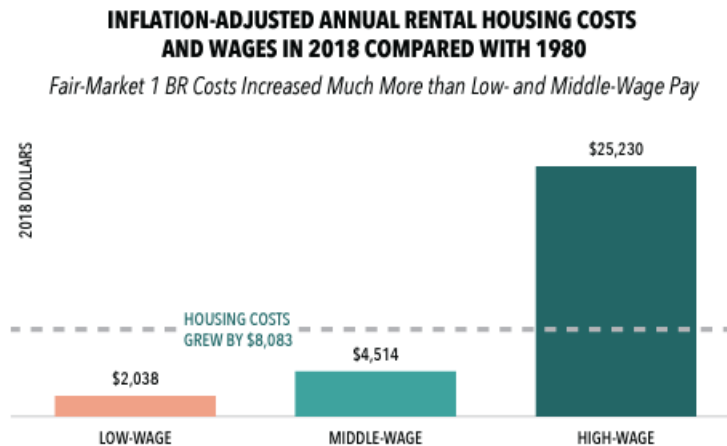
*Low- and Middle-Wage Workers Enjoyed Little of the Economic Growth*



Low-wage earners have seen their wages increase less than \$1, while high-earner wages have increased by \$12.



Low- and middle-wage earners have been left behind as their relatively small annual income increases have failed to keep up with increases in rental housing costs.<sup>i</sup>



After 40 years of economic and tax policies that have discounted the value of the work of low- and middle-income people, it is not surprising that pre-pandemic, close to half of Hawai‘i households were not earning enough to meet their basic needs. Shortly after the pandemic hit, the Hawai‘i Data Collaborative projected that the number would jump to 59 percent.<sup>ii</sup> While the exact of percentage of Hawai‘i families who can’t afford basic necessities is in flux and uncertain, it is clear that far too many people haven’t been getting paid enough to make ends meet.

Consequently, Hawai‘i residents are leaving the state. Hawai‘i has lost roughly 30,000 residents in recent years, placing it in the top three of states experiencing population decline. The departure of these households isn’t simply a sad reality for families forced to move, it is what one Hawai‘i business leader terms “an existential economic issue for the state” as workers and consumers leave.<sup>iii</sup> Continuing to undervalue the work of low and middle-income families is a threat to all of us.

### ***Increasing wages can help boost our economy***

Financial insecurity directly affects how much families can buy at local businesses. Consumer spending contributes nearly 70 percent to economic growth.<sup>iv</sup> Especially with the continued threat of a drop in spending by consumers from out-of-state, raising the minimum wage is a method to maintain consumer demand and support economic growth.

Research shows that increasing minimum wage increases spending,<sup>v</sup> putting money right back into local stores and restaurants. Raising the minimum wage helps keeps money in our state, by directing them at the wallets of local workers, rather than out-of-state corporate headquarters and stockholders.

The Hawai‘i Department of Business, Economic Development and Tourism (DBEDT) has found that there were few effects on our state’s labor market as a result of past minimum wage increases in Hawai‘i.<sup>vi</sup> This runs counter to what current opponents of significant increases to the minimum wage argue, suggesting it will result in economic collapse and job loss. They made similar arguments against Hawai‘i’s 2014 minimum wage legislation that brought the wage from \$7.25 to \$10.10. For example, the Hawai‘i Chamber of Commerce then asserted:

*“This is a huge increase for business at a time when the economic recovery for many industries and businesses is still fragile. This bill harms local businesses, the state economy and job creation because it contains a steep increase in the minimum wage.”<sup>vii</sup>*

In fact, when the minimum wage rose between 2015 and 2018, our state’s unemployment rate dropped by 52 percent, to record lows, and the number of restaurant server jobs rose by 32 percent.<sup>viii</sup>

### ***Inflation has eroded an already inadequate minimum wage***

The last time Hawai‘i’s minimum wage earners got a raise – to \$10.10 an hour – was January 1, 2018. They already have been stuck at that level – **\$21,000 a year for full-time work** – for more than 4 years.

\$10.10 is nowhere near enough to cover a person’s most basic living costs. According to the Hawai‘i Department of Business, Economic Development and Tourism (DBEDT), in 2020 a single Hawai‘i worker with no children would have needed to earn over \$37,600 a year (over \$18 an hour). After two years of inflation, the self-sufficiency wage is now over \$19 an hour.

Low-income workers, already far behind where they needed to be to cover their basic living costs, have continued to lose ground. A significant, immediate increase to the minimum wage is both sorely needed and long overdue.

### ***Hawai‘i’s minimum wage is far behind other states and our own market rates***

The “Fight for Fifteen” movement began a decade ago. Despite Hawai‘i having the highest cost of living in the nation, Hawai‘i has been slow to respond, and it’s fallen far behind other states and localities. Ten states have scheduled increases to bring their minimum wage to \$15 or more in coming years. New York City already pays \$15. Seattle already pays over \$17. Twenty-one states already have higher minimum wages than Hawai‘i, including relatively low cost-of living states such as Missouri and Arkansas.<sup>ix</sup>

Although we’ve been unable to identify precise data on current market rates for entry level jobs, Hawai‘i is experiencing a labor shortage, and businesses are already increasing their entry level wages well beyond what the minimum wage provides.<sup>x</sup>

***To make up lost ground and begin to bridge the gap between wages and cost of living, HB 2510 should be amended to include a more significant initial increase to the minimum wage, followed by additional year-upon year increases.***

Moving to an \$18 minimum wage will narrow the gap between wages and basic living costs, helping create a more sustainable economy for all residents. But doing it on the time frame proposed will be too little, too late. By 2030, because of inflation, \$18 an hour will be worth much less than it is today, and a living wage will still be far out of reach. And given the past four years of stagnation coupled with recent high inflation, minimum wage workers need a significant raise now.

We ask that you amend HB 2510 to provide for an initial increase to the minimum wage of \$2-\$3, followed by year-to-year increases of \$1-\$2 to arrive at a minimum wage of \$18 by 2026.

Additionally, we recommend eliminating the tip credit, which allows employers to pay an hourly wage below the minimum wage, increasing the likelihood of financial instability for tipped workers.

### **Making the EITC Permanent and Refundable Will Help Struggling Working Families**

The federal EITC was created in 1975 to help working families keep more of what they earn through their work. The EITC provides a boost to household tax refunds and is targeted to working families with low incomes, especially those households with children.

Largely seen as the most effective anti-poverty tool we have at our disposal, the federal EITC helped to lift 5.6 million people, including 3 million children, over the poverty threshold in 2018.<sup>xi</sup> In Hawaii, nearly 90,000 households claimed the federal EITC in 2020, with the average size of the credit being \$2,138 per household.<sup>xii</sup>

In 2017, the state of Hawaii enacted its own EITC, which provides 20% of the value of the federal EITC to qualifying households. Unlike the federal EITC, Hawaii's state credit is non-refundable, meaning that households can only use the state credit to reduce their tax liability. Households with the lowest incomes are not able to make full use of the state's EITC, since they often have little to no tax liability.

According to the state Department of Taxation, households with incomes under \$15,000 are receiving only \$83 dollars in state EITC on average, while households with incomes over \$55,000 receive \$484.<sup>xiii</sup> Making the credit refundable would allow households in the lowest income quintile to boost their credit by \$237 on average, thereby making it a much stronger anti-poverty tool at the state's disposal.<sup>xiv</sup>

Our research also shows that making the earned income tax credit refundable will be most beneficial to the Native Hawaiian, Pacific Islander, and Filipino communities. Currently, these populations have the lowest average incomes among major ethnic groups as well as the highest utilization of the credit. Making the credit fully refundable would boost the average size of the state EITC for Native Hawaiian, Pacific Islander, and Filipino households to \$497, \$536, and \$459 respectively.<sup>xv</sup>

An extra few hundred dollars every year at tax time can make a significant difference in the lives of Hawaii's working families. That increased refund can help to relieve financial pressure that working families face every day, as our cost of living continues to rise. The COVID-19 pandemic has only exacerbated these pressures and a refundable and permanent EITC will help Hawaii's hardest hit families recover, while providing a pathway to economic stability.

## **Boosting the Refundable Food/Excise Tax Credit Will Help Offset Hawai‘i’s Regressive GET**

One of the main contributing factors to Hawai‘i’s high cost of living is our high cost of food. The problem is compounded by the fact that we are one of only seven states that fully taxes groceries. In 2007, Hawai‘i created the food/excise credit to help ease the burden of taxes on basic necessities purchased by low-income and working-class households who pay such a high percentage of their income toward the General Excise Tax relative to high-earner households.

The current food/excise tax credit maxes out at \$110 per household member, for the lowest-income families, and slowly phases out as incomes rise. The proposed change to the food/excise tax credit in HB 2510 would create an across the board \$150 credit per qualified exemption. We strongly support the increase, which will help offset the GET taxes lower income families pay every time they go to the grocery store. However, we recommend that the increase be done in a way that preserves the phase-out of the credit as incomes rise in order to target the credit toward the families that are struggling the most. Phasing out the credit also avoids a “benefits cliff” where one household of four could receive a \$600 credit, while a similarly sized household that makes just a dollar more would receive nothing.

**Thank you for considering taking the important actions of boosting the minimum wage, making the EITC permanent and refundable, and increasing the Food/Excise Tax Credit to ensure that working families can make ends meet.** And thank you for considering or testimony and suggested amendments. Without taking the right actions at the right time, working-age people in Hawai‘i will continue to struggle. As their struggles increase, more and more will move to places where they can earn a decent living, damaging Hawai‘i’s economy and future. By investing in our people, we can build a stronger Hawai‘i.

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<sup>i</sup> Primary sources cited in *HAWAII WAGES AND HOUSEHOLD COSTS: A Chartbook for Building a Better Economy*, a publication of the Hawai‘i Budget & Policy Center, project of Hawai‘i Appleseed (available at <https://www.hibudget.org/publications/hawaii-wages-household-costs-chartbook>).

<sup>ii</sup> Hawai‘i Data Collaborative. “Fifty-nine Percent of Hawaii Households Estimated to Experience Significant Financial Hardship by the End of 2020.” June 19, 2020 (available at <https://www.hawaiiidata.org/news/2020/6/19/fifty-nine-percent-of-hawaii-households-estimated-to-experience-significant-financial-hardship-by-the-end-of-2020>).

<sup>iii</sup> <https://www.civilbeat.org/2022/01/hawaiis-population-drain-outpaces-most-states-again>

<sup>iv</sup> Federal Reserve Bank of St. Louis. “Shares of Gross Domestic Product: Personal Consumption Expenditures.” Accessed January 23, 2022. (<https://fred.stlouisfed.org/series/DPCERE1Q156NBEA>)

<sup>v</sup> <https://www.epi.org/blog/raising-the-minimum-wage-to-15-by-2025-will-restore-bargaining-power-to-workers-during-the-recovery-from-the-pandemic/>

<sup>vi</sup> <https://www.civilbeat.org/2020/03/minimum-wage-hikes-have-had-little-long-lasting-effect-on-business/>

<sup>vii</sup> *Chamber of Commerce Hawai‘i testimony on SB 2609 SD 1 HD 1, Relating to Minimum Wage*, April 2014 (available at [https://www.capitol.hawaii.gov/Session2014/Testimony/SB2609\\_HD1\\_TESTIMONY\\_FIN\\_04-02-14\\_PDF](https://www.capitol.hawaii.gov/Session2014/Testimony/SB2609_HD1_TESTIMONY_FIN_04-02-14_PDF))

<sup>viii</sup> <https://tinyurl.com/RUHquickfacts2020>

<sup>ix</sup> [www.epi.org/minimum-wage-tracker](http://www.epi.org/minimum-wage-tracker)

<sup>x</sup> See e.g., Star Advertiser, *Hawaii employers looking for help as coronavirus pandemic’s impact lingers*, Oct 2021 (available at <https://www.staradvertiser.com/2021/10/18/hawaii-news/hawaii-employers-looking-for-help-as-pandemics-impact-lingers/>).

<sup>xi</sup> Center on Budget and Policy Priorities “Policy Basics: The Earned Income Tax Credit,” <https://www.cbpp.org/research/federal-tax/the-earned-income-tax-credit>

<sup>xii</sup> Hawai‘i Budget and Policy Center “Refunding Hawaii,”

[https://static1.squarespace.com/static/5ef66d594879125d04f91774/t/61f207dc896d102d30606d6f/1643251680283/EITC+Report\\_REV3\\_FINAL.pdf](https://static1.squarespace.com/static/5ef66d594879125d04f91774/t/61f207dc896d102d30606d6f/1643251680283/EITC+Report_REV3_FINAL.pdf)

<sup>xiii</sup> Hawai‘i State Department of Taxation “Earned Income Tax Credit Report: Tax Year 2020,”

[https://files.hawaii.gov/tax/stats/stats/act107\\_2017/act107\\_earnedincome\\_txcredit\\_2020.pdf](https://files.hawaii.gov/tax/stats/stats/act107_2017/act107_earnedincome_txcredit_2020.pdf)

<sup>xiv</sup> Hawai‘i Budget and Policy Center “Refunding Hawaii,”

[https://static1.squarespace.com/static/5ef66d594879125d04f91774/t/61f207dc896d102d30606d6f/1643251680283/EITC+Report\\_REV3\\_FINAL.pdf](https://static1.squarespace.com/static/5ef66d594879125d04f91774/t/61f207dc896d102d30606d6f/1643251680283/EITC+Report_REV3_FINAL.pdf)

<sup>xv</sup> Ibid.



# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** INCOME, Makes EITC Refundable and Permanent, Increases Food/Excise Credit and Household and Dependent Care Credit

**BILL NUMBER:** HB 2510

**INTRODUCED BY:** SAIKI, AQUINO, BELATTI, BRANCO, CLARK, CULLEN, ELI, GANADEN, GATES, HAR, HASHEM, HASHIMOTO, ICHIYAMA, ILAGAN, JOHANSON, KITAGAWA, B. KOBAYASHI, D. KOBAYASHI, LOPRESTI, LOWEN, LUKE, MARTEN, MATAYOSHI, MCKELVEY, MIZUNO, MORIKAWA, NAKAMURA, NAKASHIMA, NISHIMOTO, OHNO, ONISHI, SAYAMA, TAKAYAMA, TAM, TARNAS, TODD, WILDBERGER, WOODSON, YAMANE, YAMASHITA

**EXECUTIVE SUMMARY:** Part II: Makes the state earned income tax credit refundable and permanent. Provides for carryforward of nonrefundable credits previously claimed. Part III: Increases and amends the refundable food/excise tax credit. Part IV: Increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030. Increases the tip credit over the same period. Part V: Amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance. Part VI: Appropriates funds for an outreach campaign to educate low-wage earners about their withholding options and to provide support when completing their withholding forms.

**SYNOPSIS:** The Foundation is taking no position on Part IV (minimum wage).

**Part II (Earned Income Tax Credit):** Amends section 235-55.75, HRS, to change the state Earned Income Tax Credit (EITC) to a refundable credit. Provides that carryover EITC (under existing law EITC isn't refundable but can be carried forward) cannot be used as a credit for a taxable year beginning in 2025 or later.

**Part III (Food/Excise Tax Credit):** Amends section 235-55.85, HRS, to provide that the credit is only available to individual taxpayers with federal adjusted gross income less than or equal to \$30,000, and to heads of household, married couples filing joint returns, and surviving spouses with a federal adjusted gross income equal to or less than \$50,000. The amount of the credit is set at \$150 per qualified exemption. A married couple filing separate tax returns for a taxable year for which a joint return could have been filed by them shall claim only the tax credit to which they would have been entitled had a joint return been filed.

**Part V (Household and Dependent Care Credit):** Amends section 235-55.6, HRS, to redefine "qualifying individual" as (A) A dependent of the taxpayer who is a recipient or eligible to be a



recipient of Social Security Disability Insurance under title 42 U.S.C. sections 1381 to 1383 and is someone the taxpayer is entitled to claim as a dependent; (B) A dependent of the taxpayer who is a recipient, or eligible to be a recipient, of Social Security Disability Insurance under title 42 U.S.C. sections 1381 to 1383 and physically or mentally incapable of caring for oneself; or (C) The spouse of the taxpayer, if the spouse is a recipient or eligible to be a recipient of Social Security Disability Insurance under title 42 United States Code sections 1381 to 1383 and physically or mentally incapable of caring for oneself.

**EFFECTIVE DATE:** The tax credit amendments apply to taxable years beginning after December 31, 2022.

**STAFF COMMENTS:** While it appears that this measure proposes tax relief to lower income taxpayers, consideration should be given to adjusting the income tax rates or the threshold amounts so those taxpayers that these credits are aimed to help will not need to claim these credits to get tax relief (or forfeit the credits if they fail to do so).

We in Hawaii have several disparate programs and tax credits aimed at poverty relief. In addition to the three credits in the current bill, income tax credits are allowed to low-income household renters (HRS section 235-55.7). The credits have non-duplication provisions and strict time limits on when they may be claimed upon pain of credit forfeiture. Apparently, lawmakers of the past had many different ideas on how to address the problem of poverty in Paradise but couldn't figure out which program to go with, so they adopted them all. The principal disadvantage of this is that people can and do get confused over which credits they can and can't claim, and as a result could expose themselves to credit disallowance, penalties, and other undesirable consequences.

Now, we simply can't afford tax credits and business as usual. Yes, we need to help those who need it, but the shotgun style used in the past has not produced results. Perhaps a better approach would be lopping off the income tax brackets that now apply to lower-income taxpayers, including taxpayers below the poverty line, and designing ONE credit to encourage social behavior necessary to lift the taxpayer out of poverty.

Digested: 2/12/2022



Feb. 15, 2022

9:30 a.m.

Hawaii State Capitol

Conference Room 312 & Videoconference

**To: House Committee on Labor & Tourism**

**Rep. Richard H.K. Onishi, Chair**

**Rep. Jackson D. Sayama, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

Re: HB2510 — RELATING TO INCOME

***Comments Only***

Dear Chair and Committee members:

The Grassroot Institute of Hawaii would like to offer its comments on the portion of [HB2510](#) that proposes increasing Hawaii's mandatory minimum wage to \$18 an hour by 2030.

In addition, the bill proposes certain amendments to state tax credits, but those are not addressed here.

The Grassroot Institute of Hawaii is concerned about the possible effect of this substantial minimum-wage hike on Hawaii's economy, especially as local businesses struggle to recover from the COVID-19 lockdowns.

The proposed wage increase represents a 78% increase in the minimum wage over the course of seven years. While the timeline for this hike is not as extreme as in other bills, it still raises serious issues for Hawaii's economy. For many local businesses — especially smaller businesses and those with thin margins — nearly doubling personnel costs would be a recipe for disaster and nearly guarantee their closure.

There is no real mystery to what will happen if this increase is passed. We urge the committee to listen to the testimony of the many businesses that have made it clear that such a substantial increase in the minimum wage would mean closing their doors or raising their prices. In one stroke, this legislation would contribute to raising the cost of living in Hawaii, destroying local businesses and putting more people out of work.

There is ample research data 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.

A 2021 [analysis](#) of minimum-wage research from the National Bureau of Economic Research debunks the claim that minimum-wage hikes do not reduce employment. On the contrary, the NBER meta-analysis found that, regardless of how researchers interpreted data to support a particular position in the minimum-wage debate, there is clearly a negative effect on employment associated with minimum-wage increases: Across all studies, 78.9% of estimated employment elasticities were negative.

The impact of wage increases was especially hard on teens, young adults and the less educated. And in studies of employees directly affected, the negative employment effects were even more obvious.<sup>1</sup>

For example, 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%.<sup>2</sup>

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 as the newest research from NBER reveals, the data demonstrates that the opposite is 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.”<sup>3</sup>

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

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<sup>1</sup> David Neumark and Peter Shirley, “[Myth or Measurement: What Does the New Minimum Wage Research Say About Minimum Wages and Job Loss in the United States?](#)” NBER Working Paper 28388, National Bureau of Economic Research, Cambridge, Mass., May 2021.

<sup>2</sup> 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., June 2017.

<sup>3</sup> David Neumark and William L. Wascher, “[Minimum Wages](#),” The MIT Press, Cambridge, Mass., August 2010.

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 simply redistributing wealth among low-income earners.<sup>4</sup>

Because the number of families that fall into poverty from a minimum-wage increase slightly outstrips the number of families that escape poverty from the minimum-wage increase, the state is likely to see a slight increase in the number of families living in poverty following a minimum-wage hike. This is a further demonstration of why minimum-wage hikes are the wrong tool to address poverty.

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 could 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 there 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. In particular, it found that every one-dollar increase in the minimum wage was accompanied by as much as a 14% increase in the likelihood of closing for certain restaurant categories."<sup>5</sup>

The Grassroot Institute of Hawaii prefers policies that would strengthen our state's economy and benefit both businesses and employees. This bill, however, may have a negative effect on employment in general. Not only would companies in Hawaii likely 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.

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.

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<sup>4</sup> David Neumark and William Wascher, ["Do Minimum Wages Fight Poverty?"](#) NBER Working Paper Series, Working Paper 6127, National Bureau of Economic Research, Cambridge, Mass., August 1997.

<sup>5</sup> 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).

Policymakers are focusing on raising the minimum wage in the effort to make the state more affordable, but the minimum wage is a poor tool for that purpose. They should focus instead on policies that increase our purchasing power — that is, lower the cost of living — and make our 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 would be the best way to move forward, to improve both our economy and the plight of low-wage workers.

In contrast, this proposed minimum-wage bill, HB2510, would more likely hurt than help Hawaii's businesses and low-income working families.

Thank you for the opportunity to submit our testimony.

Sincerely,

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii

**HB-2510**

Submitted on: 2/14/2022 9:29:10 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kristen Alice	Community Alliance Partners	Comments	Yes

Comments:

Dear House Committee on Labor & Tourism,

My name is Kristen Alice and I am testifying on behalf of Community Alliance Partners, which is a coalition working to end houselessness on Hawai'i Island.

Although I support some of the provisions in this bill, I must respectfully submit my concern regarding HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Kristen Alice, Vice Chair and Chief Advocace

Community Alliance Partners



Testimony to the House Committee on Labor and Tourism  
Tuesday, February 15th, 2022 at 9:30am

Conference Room 312, State Capitol  
RE: HB2510 Relating to the Minimum Wage

Position: Comments

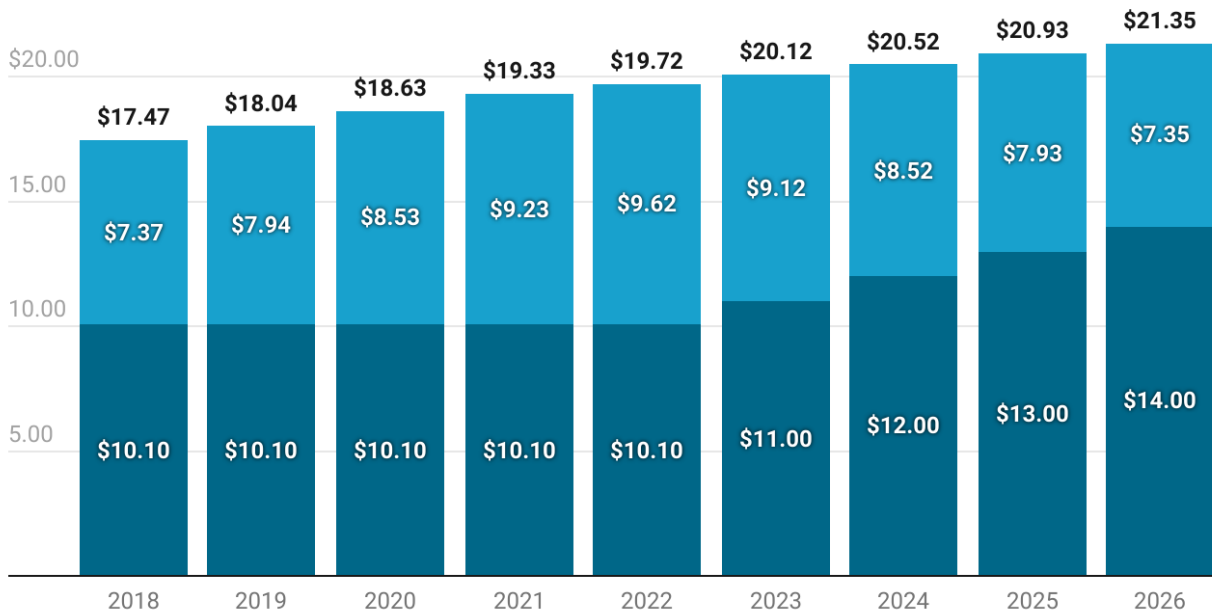
Members of the Labor Committee:

SB2018 Is Better For Workers and the Economy

In 4 years, this bill will raise the minimum wage to \$14 per hour. That is well short of the \$18 figure by 2026 in SB2018 that the Senate has already passed. Workers have already gone 4 years without any raise while costs have continued to rise. DBEDT says workers need more than \$18 now to keep a roof on their heads and food on the table. This bill will keep workers and the economy they support struggling for over a decade. Please either pass SB2018 or amend this bill to match its contents.

Workers Were \$7.37 Short of a Livable Wage in 2018 and Will Be \$7.35 Short in 2026

Minimum Wage Additional Wage Needed For A Livable Wage



CPI-U used to calculate livable wage for 2021. 2% inflation is assumed from 2021 to 2026.

Chart: Living Wage Hawaii • Source: Hawaii DBEDT • Created with Datawrapper



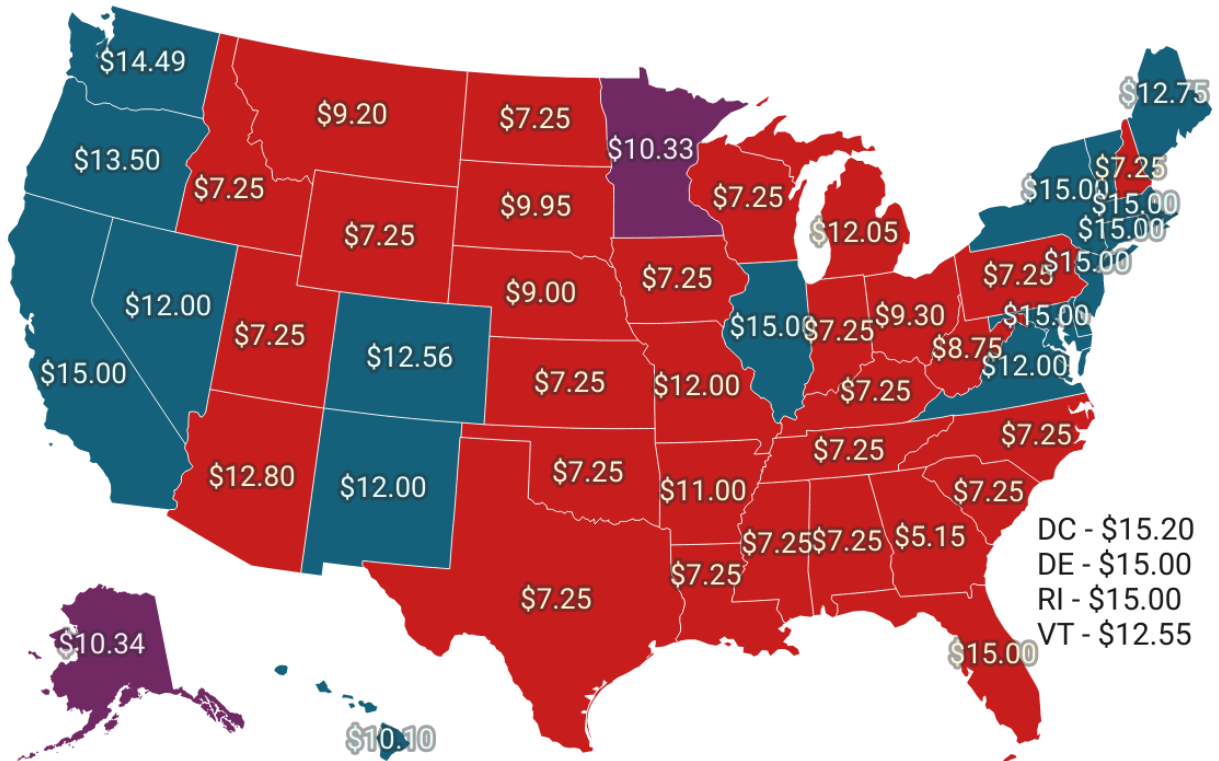
## Hawaii's Minimum Wage Falls Short

While more than [\\$18 per hour](#) was needed for full-time workers to afford their basic needs in 2020, Hawaii's minimum wage is only [\\$10.10 per hour](#). More than [150,000 full-time workers](#) in Hawaii earn less than \$35,000 per year, while more than \$38,000 is needed to make ends meet.

## Hawaii's Minimum Wage Law Lowest Among Blue States

Minimum wage laws in the United States

■ Democratic-controlled ■ Split Legislature ■ Republican-controlled







## **Raising the Wage Helps Workers, Small Businesses and our Economy**

When the minimum wage increased from \$7.25 in 2014 to \$10.10 in 2018, workers at all income levels saw their earnings [increase](#) faster than wages nationwide. This was a change from the previous four years when local wages grew [slower](#) than wages nationally.

With workers earning more money and spending it here locally, from 2014 to 2018, the number of small businesses in Hawaii [increased](#) as did their number of employees. Unemployment was also near [all time lows in 2018](#). Hawaii's economy grew at a [faster rate](#) from 2014-2018 than when the minimum wage was stagnant. Our local economy's growth was faster than the [nation's economic growth](#) over that time also.

## **Democrats Support a Large Minimum Wage Increase Nationally**

President Joe Biden and national Democrats are supportive of a \$15 minimum wage nationwide. Their [Raise the Wage Act](#) would increase the \$7.25 current minimum wage to \$15 in 5 years. This bill has 201 cosponsors. Hawaii can also increase the wage by nearly \$8 to help deal with our high cost of living in 5 years or less.

## **Workers Much Worse Off Than in 2018**

Our last minimum wage increase in 2018 left workers earning \$21,008 per year, while they needed \$36,347 to make ends meet. That's a gap of over \$15,000. Based on inflation estimates, the need in 2022 is over \$41,000 putting the gap now at \$20,000. Hawaii's failure to increase the wage since 2018 has left workers falling further and further behind. Strong action is needed now to make up for the failures of previous years.

**HB-2510**

Submitted on: 2/13/2022 12:55:00 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
John & Rita Shockley	FREE ACCESS COALITION	Comments	No

Comments:

Aloha!

Sen. Saiki's Bill needs to address more clearly the need to increase the Minimum Wage for Hawaii's poorest workers. The present SB2018 has passed the Senate and has the Governor's approval for a more direct minimum wage raise. We support that bill. If HB2510 can be amended to include a quicker increase, Hawaii's poorer workers will receive relief that is needed right now.

Mahalo for your time!

The House Labor Committee  
Chair Onishi, Vice Chair Sayama  
February 15, 2022, 9:30 AM  
HB2510 — RELATING TO INCOME  
WRITTEN TESTIMONY

Suzanne Zeng, small business owner

To the House Labor Committee,

I wish to thank Speaker Saiki and others who have proposed the necessary changes to bill HB2510, of which I am now in full support.

I have tried to express my frustrations when previous bills tried to RUSH the wage increase in ways that would not only hurt small business owners in Hawaii, but would hurt the very ones the bill is trying to help with jobs and hours having to be cut. Many businesses like mine will need to raise our prices in order to pay for the wage increases; however, companies like mine, sign one to three year contracts with other businesses, government entities, and non-profits. We work within the constraints of the contract, and must wait to the end date of those contracts before renegotiating prices. Starting the increase next year, in 2023, and making it incremental gives business time to plan. We need this!

Please know that business owners are in favor of increased wages, but in ways we can afford. This bill has been ammended where we can now support the bill. Business owners are not evil. We are what makes the economy run smoothly and many of us care about our employees. We just hope legislators understand that running a successful business takes planning.

I just gave all of my workers a raise in November of 2021 because the business was financially sound enough to do so. I also gave each employee an end-of-year bonus since we had profits. I could not have done this a couple years back, nor in 2020. And for the first time in 10 years I had enough stable profits to start a profit sharing 401K for my employees. I did not know that I would be spending so much more money on salaries, paying newly hired employees the same rate as their superiors. But if this bill passes with its amendments, then I can use the next few years to plan.

I urge you to vote YES on amended HB2510 because businesses need time to get back on their feet again and to plan for these increases.

Thank you.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

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

The Thirty-First Legislature, State of Hawaii  
House of Representatives  
Committee on Labor and Tourism  
Testimony by  
Hawaii Government Employees Association

February 15, 2022

H.B. 2510 – RELATING TO MINIMUM WAGE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports many of the components of H.B. 2510 which makes the state earned income tax credit refundable and permanent, increases the refundable food tax credit, increases the minimum wage incrementally each year until it reaches \$18 per hour in 2030, amends the household and dependent care tax, and appropriates funds for an outreach campaign to educate lower-wage earners about their withholding options. However, we cannot support the provision in this measure that annually increases the tip credit from the current rate of 75 cents to \$2.75 in 2030.

Reports from the Census Bureau and the Department of Business, Economic Development and Tourism show that our population is shrinking due to migration outflow to the mainland and economists identify our high cost of living as a driving force. The 2018 Asset Limited, Income Constrained, Employed (ALICE) Report that highlighted 48% of Hawai'i families with children are at or below the ALICE survival budget amounts has been updated during the COVID-19 pandemic to reveal a startling 59% of families in need. It is abundantly clear that a multi-pronged, wholistic approach is essential to address these problems. We cannot afford piecemeal policy changes, but rather must view, and resolve, issues at a macro-level, with attention paid equally to high housing costs, low wages, and needed tax credits. Relief in all these areas must align to have an impact on working families.

It is estimated that by 2027, if passed as is, these changes could increase the income of a family of four by \$33,000 annually. Therefore, it stands to reason that an accelerated increase to the minimum wage and deletion of the tip credit would have immediate benefit and could more quickly ease financial burdens. Further, although not contained in this measure, we are supportive of subsequent indexing to the consumer price index.

Passage of this measure with our proposed amendments will help foster economic stability and spur Hawaii's economy by generating much needed consumer spending. We are hopeful that the net result is more families staying and thriving in Hawai'i.

Thank you for the opportunity to testify in support of H.B. 2510, with a requested amendment to delete the annual increases to the tip credit.

Respectfully submitted,



Randy Perreira  
Executive Director



**Greg Maples, Chairman** – Polynesian Cultural Center    **Ryan Tanaka, Incoming Chair**- Giovanni Pastrami

**Ave Kwok, Vice Chair**- Jade Dynasty    **Tambara Garrick, Secretary** – Hawaii Farm Project

**Kahili Soon, Treasurer** – Hukilau Marketplace    **Tom Jones, Past Chair** – Gyotaku

**Sheryl Matsuoka**, Executive Director    **Chivon Garcia**, Executive Assistant    **Holly Kessler**, Director of Membership Relations

Date: February 13, 2022

To: Rep. Richard H.K. Onishi, Chair  
Rep. Jackson D. Sayama, Vice Chair  
Members of the Committee on Labor & Tourism

From: Victor Lim, Legislative Lead

Subj: HB2510 Relating to Lower Wage Workers' Tax Credits and Wages

The Hawaii Restaurant Association representing 3,400 restaurants support and commend the House's legislative body for trying to help the lower wage workers in our community with this HB 2510 in a more comprehensive way. Earned Income Tax Credit, Refundable Food/Exercise Tax Credit, Household and Dependent Care Tax Credit, and Starting Wage are all part of the Tools Chest to help solve this challenge.

Our Restaurant Industry is one of the hardest hit by the Covid-19 pandemic. Two years into this, restaurants are still struggling to keep their doors open amid a surge in coronavirus cases, record inflation, a labor shortage, and supply chain delays.

The business community looks at the minimum wage as a starting wage that basically is paid to someone entering the work force for the very first time with little or no job skills. This is not a wage that should provide a living wage as many the media has stated.

Specifically in dealing with Part IV of this Bill dealing with Minimum wage and Tip Credit, We are ok with the pay and credit schedule but from 2028 using HB 2408, the numbers will be based upon CPI.

We have never been against providing fair wages for our employees but just caution that increases be reasonable for many small businesses well as consumers to absorb.

Thank you for giving us this opportunity to share our views.





AMERICANS FOR DEMOCRATIC ACTION

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OFFICERS	DIRECTORS		MAILING ADDRESS	
John Bickel, President	Melodie Aduja	Jan Lubin	Bill South	P.O. Box 23404
Alan Burdick, Vice President	Keola Akana	John Miller	Zahava Zaidoff	Honolulu
Dave Nagajji, Treasurer	Juliet Begley	Jenny Nomura		Hawaii 96823
Doug Pyle, Secretary	Stephanie Fitzpatrick	Stephen O'Harrow		

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February 11, 2022

TO: Chair Onishi and Members of Labor & Tourism Committee

RE: HB 2510 Relating to Income

Support for hearing on February 15

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 this bill as it would make the state earned income tax credit refundable and permanent.

According to the Institute on Taxation and Economic Policy, Hawaii places the second-highest tax burden on low-income households, with Hawaii's lowest-income households paying approximately fifteen per cent of their income in state and local taxes. In comparison, Hawaii's highest earning households pay roughly nine per cent of their income in state and local taxes. The legislature additionally finds that the earned income tax credit is essential to helping local families maintain financial security. Moody's Analytics has estimated that every dollar provided through the Earned Income Tax Credit creates a net benefit to Hawaii's economy of \$1.24. Yet, Hawaii's earned income tax credit is not refundable, unlike twenty-three of the twenty-eight states that had an effective state earned income tax credit as of 2021. Making the State's earned income tax credit refundable would strengthen its ability to offset the regressivity of Hawaii's tax system and increase equity in Hawaii's tax code.

On the minimum wage side, we would like to see the bill amended to reach \$18 no later than 2026. Even this is a concession to business. Workers need and deserve \$18 an hour now!

Thank you for your favorable consideration.

Sincerely,

John Bickel, President



Randy Perreira  
President

# HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Thirty-First Legislature, State of Hawai'i  
Hawai'i State House of Representatives  
Committee on Labor & Tourism

Testimony by  
Hawai'i State AFL-CIO  
February 15, 2022

## H.B. 2510 – RELATING TO INCOME

The Hawai'i State AFL-CIO is a state federation of 74 affiliate local unions and councils with over 68,000 members across both public and private sectors. We appreciate the opportunity to testify in **strong support** of H.B. 2510.

While we strongly support an increase in the minimum wage, we acknowledge that raising the minimum wage is only one part of the equation to lifting Hawai'i's most vulnerable population of workers up to stability. The combination of tax credits and increases in the minimum wage is a solid step in the direction of stability. However, the mere increase from \$10.10 to \$11 in 2023 does not go far enough, fast enough to bolster Hawai'i's most economically vulnerable, and increases in the tip credit only serve to gut the increase in the wage and keep vulnerable workers in survival mode.

Many private employers are already paying up to \$15 per hour as well as cash bonuses to attract and retain employees. This shows that the labor market dictates a higher wage of \$15 per hour as evidenced by what employers are now paying. At this time, any raise to the minimum wage should at least match the community-driven wage of \$15 per hour without any increase in the tip credit. An increase to \$15 per hour plus tax credits will give economically vulnerable workers a chance to stabilize.

We appreciate your consideration of our testimony and strongly urge passage of H.B. 2510.

Respectfully submitted,

Randy Perreira  
President



**HOUSE OF REPRESENTATIVES  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2022**

**Committee on Labor and Tourism**  
Representative Richard H.K. Onishi, Chair  
Representative Jackson D. Sayama, Vice Chair

Tuesday, February 15, 2022, 9:30AM  
Conference Room 312 and Videoconference

**Re: Testimony in Support of HB2510 - RELATING TO INCOME**

Chair Onishi, Vice Chair Sayama, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents 1,500 members in the private sector.

UPW **supports the intent** of HB2510, which makes the state earned income tax credit refundable and permanent and increases and amends the refundable food/excise tax credit. This bill would also increase the minimum wage rate to \$11.00 per hour beginning on January 1, 2023, and incrementally increases the minimum wage each year until it reaches \$18.00 per hour beginning on January 1, 2030. Finally, this bill would also amend the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual and also appropriates funds for an outreach campaign to educate low-wage earners about their withholding options and to provide support when completing their withholding forms.

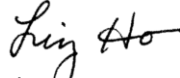
Hawaii’s current minimum wage of \$10.10 per hour was last increased on January 1, 2018. Since that time, the cost of living in Hawaii has continued to rise, with wages remaining stagnant. A recently released December 2021 Department of Business, Economic Development, and Tourism (DBEDT) “Self-Sufficiency Income Standard” report, which reports the amount needed to cover basic housing, food, transportation, and other costs estimated, that an annual salary of \$37,646 a year is needed for a single adult living in the State of Hawaii which equates to an hourly wage around \$18.09.



We stand with the State AFL-CIO in supporting its efforts to advocate for all of Hawaii's workers to earn a living wage and appreciate that this bill tries to address this issue in a wholistic approach to help Hawaii's working families.

Thank you for the opportunity to provide testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "Liz Ho". The signature is written in a cursive, flowing style.

Liz Ho  
Administrator

**HB-2510**

Submitted on: 2/12/2022 9:40:40 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Barbara L. George	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I respectfully submit my opposition to HB2510 as currently written.

A'ole! It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do the just thing and agree to the Senate proposal. **Send SB2018 to the governor's desk for signature instead of this bill.**

Mahalo for the opportunity to testify.

Will Caron  
Pālolo Valley  
[willcaronforhawaii@gmail.com](mailto:willcaronforhawaii@gmail.com)

February 12, 2022

TO: House Committee on Labor & Tourism  
RE: Testimony in Opposition to HB2510

Aloha Committee Members,

While well-intentioned, the language in this bill is problematic in a number of areas. Therefore, although I support some of the provisions in this bill, I must respectfully submit my **opposition** to HB2510.

The language expanding the state's Earned Income Tax Credit to make it permanent and refundable is this bill's best feature. However, HB2510 would also eliminate the child care component of Hawai'i's Child and Dependent Care Tax Credit. It makes no sense to eliminate such a crucial type of support for Hawai'i's working families with children.

Similarly, while HB2510 boosts Hawai'i's food/excise tax credit, it also creates a tax cliff. This bill would make families' food/excise tax credit plunge from \$150 per person to \$0 as soon as their income rises just \$1 above the income limit.

And finally, while an increase in the minimum wage is certainly needed, an increase to \$18 by 2030 is simply insufficient to adequately address the ever-widening gap between the wages people are paid and the cost of living. The Senate proposal of \$18 by 2026 in SB2018 is far superior.

It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

Each of the flawed proposals in this bill is also contained within separate pieces of legislation that are cleaner and better vehicles for these ideas:

- The EITC should be expanded and paid for by increasing the tax rate on capital gains as proposed in **HB1507**.
- The food/excise credit should be updated to reflect the reality of today, as proposed in **HB1569**, but with careful attention to the way the benefits are phased out.

- The minimum wage must be increased to no less than \$18, but it must happen by 2026 as proposed in **SB2018**.

Pass HB1507 and HB1569 (with amendments), and agree to the Senate proposal of \$18 by 2026. Send SB2018 to Governor Ige's desk for signature and **defer this bill**.

Mahalo for the opportunity to support this important measure.

**HB-2510**

Submitted on: 2/12/2022 2:41:36 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Zack Stoddard	Individual	Oppose	No

Comments:

Aloha House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. While well intentioned, the language in this bill is problematic in a number of areas.

For example, while the language expanding the EITC is welcome, this bill would also eliminate the child care component of Hawai‘i’s Child and Dependent Care Tax Credit. It makes no sense to eliminate such a crucial type of support for Hawai‘i’s working families with children.

Similarly, while HB2510 boosts Hawai‘i’s food/excise tax credit, it also creates a tax cliff. This bill would make families’ food/excise tax credit plunge from \$150 per person to \$0 as soon as their income rises just \$1 above the income limit.

And finally, while an increase in the minimum wage is certainly needed, an increase to \$18 by 2030 is simply insufficient to adequately address the ever-widening gap between the wages people are paid and the cost of living. The Senate proposal of \$18 by 2026 in SB2018 is far superior.

Considering that all the proposals contained within this bill exist in better, cleaner forms in other bills, I ask that you defer this measure and focus your support on those other legislative vehicles instead.

Mahalo.



**HB-2510**

Submitted on: 2/12/2022 3:18:08 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Deborah G. Nehmad	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

I respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

It makes much more sense to take up the clean \$18 by 2026 bill in SB201 considered by the Senate..The worthy tax credit proposals in HB2510 bill exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The House needs to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Deborah Nehmad

Hawaii Kai

**HB-2510**

Submitted on: 2/12/2022 3:26:42 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Dan Gardner	Individual	Oppose	No

Comments:

HB2510 as currently written would not acheive an \$18 per hour minimum wage until 2030. This is way to slow an increase to a much needed improvement for those workers making the current minimum wage. Hawaii's workers deserve better. Please support the proposed legislation outlined in SB2018. Thank you.



**HB-2510**

Submitted on: 2/12/2022 4:02:55 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Patricia Blair	Individual	Oppose	No

Comments:

Inadequate time frame. Instead agree to and pass, SB2018 and HB 1507.

**HB-2510**

Submitted on: 2/12/2022 4:04:54 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Nikos Leverenz	Individual	Oppose	No

Comments:

Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am writing in opposition to this measure, chiefly on the basis that a minimum wage of \$18 by 2030 is woefully inadequate. Even the timeline set forth in SB 2018, \$18 by 2026, doesn't meet the needs of Hawaii workers, especially those from under resourced communities.

Further, stripping child care from the child and dependent tax credit is not conducive to the needs of under resourced families. Nor is the benefits cliff created for the food/excise tax credit.

This Legislature should be looking for more ways to unequivocally provide a better baseline for those working in minimum wage positions.

This bill is a cynical response to the more robust vehicles passed by the other chamber.

Mahalo for the opportunity to provide testimony.

**HB-2510**

Submitted on: 2/12/2022 5:21:04 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kristen Young	Individual	Oppose	No

Comments: Dear House Committee on Labor & Tourism, Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai‘i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai‘i workers back up to a livable level. The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead. The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai‘i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill. Mahalo for the opportunity to testify. Kristen Young House District 25

**HB-2510**

Submitted on: 2/13/2022 8:39:35 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Marilyn Yamamoto	Individual	Oppose	No

Comments:

Representative Saiki,

What information does the House have the a delay in raising the minimum wage until 2030 has specific benefits?

**I strongly oppose this bill, as SB2018 has already passed the Senate and is supported by the Governor.**

**HB-2510**

Submitted on: 2/13/2022 8:52:27 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
cheryl hendrickson	Individual	Oppose	No

Comments:

HB2510 is significantly inferior to Senate SB2018 which has already passed the Senate and has the support of the governor. HB2510 delays the implementation and does not reach \$18 per hour until the year 2030 while SB2018 gets to \$18 in 2026.


**HB-2510**

Submitted on: 2/13/2022 9:05:53 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
carol lee kamekona	Individual	Oppose	No

Comments:

Our people CAN'T WAIT til 2030 to get any kind of wage increase. They need it NOW!!! With the housing prices soaring above \$1mil, our people CANNOT afford to live here. The indigenous peoples of these Islands are having to leave in droves because they cannot afford to raise a family while working two and three jobs without seeing any future for the next seven generations. We need more than \$18 by 2026! DEFINITELY BEFORE 2030. Mahalo! 

**HB-2510**

Submitted on: 2/13/2022 9:32:30 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
John Fitzpatrick	Individual	Oppose	No

Comments:

Aloha Honorable Labor Comittee,

I am happy you finally scheduled a meeting on the minimum wage bill HB 2510, but have to firmly say I oppose this bill because it falls far too short for the working poor of Hawaii. Reaching \$18 an hour over the next eight years still makes it so rich multinational corporations can take advantage of the working poor in Hawaii. We need \$18 an hour now, but the compromise is \$18 an hour by 2016.

I am an educator at Maui Waena Intermediate Students and nearly half of my students families qualify for free and reduced lunch, they can barely buy a uniform for their children, and if it were not for our federally funded breakfast and lunch program they would come to school hungry. Providing a respectable and livable wage for their parents and grand parents who work two or three jobs is vital to make sure we can educate and prepare the future of Hawaii.

Roses are red, violets are blue, ANYTHING LESS THAN \$18 by 2026 simply won't do. Senate bill SB2018 is simply more superior than this bill that house leadership proposes. I highly encourage you to adopt that language on the house side too! It is what our working poor deserve.

Mahalo,  
Fitz

**HB-2510**

Submitted on: 2/13/2022 10:39:51 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Erick Peter Ehrhorn	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

[HB2510](#) is a complicated measure that delays until the year 2030 increasing the minimum wage to \$18 and has other components that are unacceptable. The Senate Bill [SB2018](#) proposes phased-in increases that reach \$18 by 2026. SB2018 has already passed the Senate and has the support of the governor.

Why consider an inferior Bill? (HB2510) This bill seems like something fake republicans would pass. If I wanted Republican legislation, I would vote for republicans. Stop acting like republicans and be Democrats!

Thank you for your consideration.

Aloha

Peter Ehrhorn

254 Kaha St.

Kailua. Hawaii 96734



**HB-2510**

Submitted on: 2/13/2022 9:34:53 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Mark Enomoto	Individual	Oppose	No

Comments:

We need an \$18 minimum wage sooner not later. While 4 years may not seem like anything to the fortunate, it just prolongs the stress and suffering for the majority of many that work more than one job to make ends meet.

Businesses just need to raises prices OR lower costs like making smaller plate lunches that contribute to many of the medical issues like diabetes and heart disease in Hawaii. Do you really need to have a poke bowl everyday that keeps ahi prices low?

By raising the minimum wage and liberating the vast majority of Hawaii residents that earn that wage through hard work there are many ripple effects that will make our community better and healthier.

Aloha

**HB-2510**

Submitted on: 2/13/2022 9:46:46 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
KIMI ABBOTT-JACKSON	Individual	Oppose	No

Comments:

It is so expensive to live in Hawaii that many people are leaving the island. So many people live in poverty because the jobs they have which support the tourist industry pays a non liveable wage. These people should all be valued and compensated so that they can support their families and be able to afford a decent life. If there is enough money allocated for politicians to get a living wage it should be equal for the laborers too.

Dear House Committee on Labor & Tourism:

It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. HB2510 fails to even help our minimum-wage workers and neither does the other bill (SB2018). However, SB2018 is preferable since it establishes the minimum wage earlier and it has already passed the Senate. Please vote NO on HB2510. BTW, I'm a retiree, so have no self interest in this issue, but feel we should support those most in need.

Thank you for considering these comments.

Mahalo & Aloha, William R. Higa from Hilo

**HB-2510**

Submitted on: 2/13/2022 10:18:34 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Justin Wistinghausen	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

**The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.**

Mahalo for the opportunity to testify.

Justin Wistinghausen  
Kapa`a

14-4

**HB-2510**

Submitted on: 2/13/2022 11:01:13 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Marc Delorme	Individual	Oppose	No

Comments:

Please kill this bill and support SB2018 instead.

HB2510's timeline of not reaching \$18/Hour until the year 2030 is not realistic.

Non-unionized workers need a hand-up now, not in 2030.

Let's stop the slave-wage system and give people a living-wage.

**HB-2510**

Submitted on: 2/13/2022 11:18:00 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Gayle Morrison	Individual	Oppose	No

Comments:

**Thank you for this opportunity to testify about HB2510.**

**Although I support some provisions of this bill, I oppose it in general because I strongly believe the Senate has provided the House a clean \$18 by 2026 bill in SB2018. When \$18 an hour is barely a living wage in 2022, I think it is unacceptable to delay it until 2030. Studies have shown that increasing wages benefits the economy and thus benefits everybody. I urge the House to do what is best for Hawai'i's workers, especially our hardworking families, and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.**

**Mahalo.**

**Gayle Morrison (former small-business owner)**

**Wailua, Kaua'i**

**HB-2510**

Submitted on: 2/13/2022 11:20:49 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Valerie Weiss	Individual	Oppose	No

Comments:

SB2018 is the bill we want to be passed. Hawaii's workers deserve \$18 at least by 2026!

Thank you for helping our hard working poor.

**HB-2510**

Submitted on: 2/13/2022 11:32:10 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Sherry Pollack	Individual	Oppose	No

Comments:

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510 as it will not properly address the cost-of-living crisis in our State. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawaii today. We must reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow.

Mahalo for the opportunity to testify on this measure.



**HB-2510**

Submitted on: 2/13/2022 11:43:26 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
De Austin	Individual	Oppose	No

Comments:

February 13, 2022

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. I believe it only complicates the minimum wage discussion by adding additional provisions, though providing benefits for our citizens and our families, which are summarily anchored by a proposal to delay the minimum wage increase.

The following are what I understand to be true:

- **HB2510 is a bill which addresses the minimum wage increase, increasing the minimum wage to \$18/hour by 2030.**
- **SB2018, the first minimum wage bill, has already passed the Senate and has the support of Governor Ige. It increases the minimum wage to \$18/hour by 2026, four years earlier.**
- SB2018 is very simple in its language and has no additional provisions. SB2018 has one part. SB2510 has SEVEN parts.
- The other tax credits and other provisions in the bill reportedly exist in other bills, and only serve to complicate this bill - which is, as stated earlier, unneeded.

I don't understand why a second minimum wage bill is needed.

It seems the primary purpose of this new bill is delaying the minimum wage increase to 2030. What is the benefit? Who benefits from the delay?

If this bill passes as written, our workforce and their families will continue to work under a less than livable wage for far longer, with the unfortunate possibility of the wage increase being delayed yet further when we arrive in 2030, or worse, dying in a committee.

Today, it already costs more than \$19 an hour for a single adult with no keiki to make ends meet in Hawai'i.

This means our families have adult guardians who must work more than one job to provide for their families. This delay of an increase has multiple impacts on our keiki. With working parents

leaving keiki frequently in the care of extended family or home alone, our keiki have their social emotional health impacted. This type of life also affects our keiki's ability to make progress in their education as the pandemic has forced many school systems to rely fully or partially on distance learning and/or independent, unsupervised, work at home. When we impact our keiki, we impact our future.

We must reach \$18 an hour by 2026 if our working families are to find the economic relief that the legislature has promised to provide.

Mahalo for allowing me to provide testimony.

D Austin

Kihei, Maui

**Chair Richard Onishi**  
**Vice Chair Jackson Sayama**

**House Committee on Labor & Tourism**

**Tuesday, February 15, 2022**  
**9:30AM**

**TESTIMONY IN OPPOSITION TO HB2510 RELATING TO INCOME**

Aloha Chair Onishi, Vice Chair Sayama, Members of the House Committee on Labor & Tourism,

My name is Jun Shin, I am a Senior at the University of Hawai'i at Mānoa, testifying as an individual in **OPPOSITION** to **HB2510**, Relating to Income. It is inappropriate to be making us have to falsely choose between having good tax credits and a very slow increase in the minimum wage, or having nothing at all at the end of the legislative session. The tax credits in this bill exist in less complicated legislative vehicles, that's how those awesome policy solutions should be advanced.

2030 is an insult for working class families who are in dire need of a raise. It already costs more than \$19/hr for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach AT LEAST \$18/hr by 2026 if working families are to find the economic relief that the legislature had promised to provide leading into the 2022 session. Anything is less for my fellow workers who need money for groceries, rent, and other necessities to survive.

The State Senate has given your chamber a clean bill that would raise the minimum wage to \$18 by 2026. Which side are you on? Are you on the side of your working class constituents or not? Agree to Senate Bill 2018 and send it to the Governor's desk for a signature. Please **OPPOSE HB2510** and stop it in its tracks. Don't cause unnecessary conflict when there are people who need your help.

Mahalo for the opportunity to testify,

Jun Shin,  
House District 26  
Cell: 808-255-6663  
Email: junshinbusiness729@gmail.com

**HB-2510**

Submitted on: 2/13/2022 12:38:29 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Frank DeGiacomo	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. According to the MIT Living Wage Calculator, **right now** for a single working parent to support another parent and three children in the State of Hawai`i the minimum wage would need to be \$49.62 an hour and a poverty wage would be \$14.49. For a single adult with no kids it would be \$20.61 - others peg it around \$30. Poverty is radical, fighting to end it is not. A raise to \$18 by 2030 is pathetic and a clear signal of monied interests' influence.

\$18 by 2026 is the compromise position when it already costs more than that to survive in Hawai`i today.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai`i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Frank DeGiacomo

**HB-2510**

Submitted on: 2/13/2022 1:01:21 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Susan Stayton	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

**The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.**

Mahalo for the opportunity to testify.

Susan Stayton

Lawai, Kauai, HI

**HB-2510**

Submitted on: 2/13/2022 1:24:54 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jane E Arnold	Individual	Oppose	No

Comments:

HB 2510 is not good enough. Please support SB 2018 instead.

**HB-2510**

Submitted on: 2/13/2022 2:14:50 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Paul Janes-Brown	Individual	Oppose	No

Comments:

Aloha Chair Taniguchi and distinguished members of the committee,

My name is Paul Janes-Brown former precinct president, co-chair of education for the Maui Democrats and 2022 Democratic Convention Delegate. I oppose this Bill because the Senate version which should be before you soon, is much better. I gets us to the much needed \$18 minimum in 2026. I realize it is difficult to oppose a bill submitted by the Speaker, but you must do it. Don't let this bill out of this committee. Kill it here and support SB2018, which also has the support of the governor. Mahalo nui loa.

Me ka ha'aha'a,

Paul Janes-Brown

**HB-2510**

Submitted on: 2/14/2022 6:02:06 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Nanea Lo	Individual	Oppose	No

Comments:

Hello,

My name is Nanea Lo. I come from Papakōlea, O‘ahu. I'm a Kanaka Maoli born and raised in the Hawaiian Kingdom. I'm writing in full OPPOSITION to HB2510.

1. First things first: HB2510 raises the minimum wage to \$18 by 2030. That timeframe is simply inadequate to address the widening gap between wages and the cost of living. I demand that the House agree to and pass SB2018 instead, which raises the wage to \$18 by 2026.
2. Next, the tax credit proposals in HB2510 would actually make life harder for some working families. This bill will strip Childcare components from the Hawaii's Child and Dependent Care Tax Credit.

**We need more support for HB1507 instead.**

The language in HB2510 bill creates a benefits cliff, where some families would see their credit plunge from \$150 per person to \$0 as soon as their income rises just \$1 above the income limit.

**For these reasons, I strongly suggesting you OPPOSE HB2510 outright.**

me ke aloha ‘āina,

Nanea Lo



**HB-2510**

Submitted on: 2/13/2022 2:24:56 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Renee Riley	Individual	Oppose	No

Comments:

HB2510 is significantly inferior to Senate [SB2018](#) which has already passed the Senate and has the support of the governor. HB2510 delays the implementation and does not reach \$18 per hour until the year 2030 while SB2018 gets to \$18 in 2026. HB2510 has other issues that make it a much weaker choice as well.

**\$18 by 2026 is the compromise. Our citizens deserve liveable wages as soon as possible. Please support essential workers (many of whom make the lowest wages). Hawaii is a lovely but very expensive place to live. Let's put our values behind people - not profit.**

**Mahalo, Renée Riley, Kīhei voter**

**HB-2510**

Submitted on: 2/13/2022 3:22:57 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Shannon Rudolph	Individual	Oppose	No

Comments:

Oppose. SB2018 is what we need, even though that too, is a huge compromise to what is really needed to live in Hawai'i.

Please stop foot dragging, your people are hurting out in the real world. Pass the better bill.

**HB-2510**

Submitted on: 2/14/2022 11:25:13 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Katie Benioni	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

**The Senate has a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.**

Mahalo for the opportunity to testify.

Katie Benioni

House District 7

**HB-2510**

Submitted on: 2/13/2022 4:48:24 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ramona Hussey	Individual	Oppose	No

Comments:

Representative Sakai and Committee Members:

I urge you to vote NO on this bill which would DELAY the much needed increase in Minimum Wage until 2030. The Legislature has delayed WAAAY too long already -- minimum wage workers have been stuck at \$10.10/hr while in other other states the Minimum Wage is already \$15/hr. Our lowest wage workers deserve better. Much better.

Follow the Senate's lead on this issue -- pass SB 2018 which would increase the Minimum Wage to \$18/hour by 2026.

Thank you for your serious consideration of our working poor.

**HB-2510**

Submitted on: 2/13/2022 4:52:43 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Mary Lu Kelley	Individual	Oppose	No

Comments:

Aloha. No comprise - \$18 by 2026 no later. SB2018 is the right deal.

**HB-2510**

Submitted on: 2/13/2022 5:21:15 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ron Brown	Individual	Oppose	No

Comments:

I urge the rejection of HB2510 in favor SB2618. Senator Taniguchi is a thoughtful and moderate democrat who has put together a sensible and well thought out proposal; no wonder it passed the senate with strong support. Any amendment to this carefully crafted bill will look like legislative trickery to undermine a effort which is much overdue. Experience has shown that increases in the minimum wage do not case terrible economic consequences but instead provide much needed support to people who are working hard but--in our state with its high cost of living--need this help. Please keep in mind that low-wage earners send most of their money here in Hawaii, which provides an important stimulus to our economy. Please support SB2618 as it is written; it is long overdue and will provide important benefits to our people and to our state economy.

**HB-2510**

Submitted on: 2/13/2022 5:51:19 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Scott Valkenaar	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

I must respectfully submit my opposition to HB2510.

I have struggled on these islands for over a decade now and I'm still living paycheck-to-paycheck. The minimum wage compared to inflation compared to what it cost here to just live, is simply not enough. It needs to change and change immediately.

It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Scott Valkenaar,

Anahola, Kauai

**HB-2510**

Submitted on: 2/13/2022 7:07:38 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Polli Oliver	Individual	Oppose	No

Comments:

Dear House Committe on Labor and Tourism:

I respectfully submit my opposition to HB2510. It is extremely disappointing to think the workers in Hawaii should wait until 2030 for wages that even at \$18/hour is not enough, given our extremely high cost of living. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

**The Senate has handed the House a clean \$18 by 2026 bill in SB2018. Send SB2018 to the governor's desk for signature instead of this bill.**

Thank you for your consideration and I trust your reasonable action taken in this matter,

Mahalo,

Polli Oliver



**HB-2510**

Submitted on: 2/13/2022 8:38:25 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Dr.David Davis	Individual	Oppose	No

Comments:

I oppose this bill because I feel the Senate Bill, SB2018, is superior and should be supported rather than this bill which does not provide adequate income for workers in Hawaii.

**HB-2510**

Submitted on: 2/13/2022 8:42:46 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Carolyn Eaton	Individual	Oppose	Yes

Comments:

Aloha, Chair Onishi, Vice Chair Sayama and members of the Committee. My name is Carolyn Eaton, and I respectfully oppose HB 2510. Although it contains worthy tax credit proposals, these are also present in other bills. You have an alternative, a Senate bill, which will raise the minimum wage more rapidly. The incremental increases I hope you will enact, after study of SB 2018, will allow a wage earner in our State the opportunity to earn \$18/hr. by 2026, which approaches more closely Hawaii's current cost of living. Hard working families and individuals deserve this action after so many years without a raise. Mahalo for hearing my testimony.

**HB-2510**

Submitted on: 2/13/2022 10:19:50 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Maria Maitino	Individual	Oppose	No

Comments:

To Members of the House,

I strongly oppose HB2510.

Raising minimum wage to \$18 per hour should happen NOW. But Senate Bill 2018 was a compromise in which minimum wage isn't increased until 2026.

It is an insult to move the year out to 2030.

Please vote NO on HB2510.

Thank you,

Maria Maitino, Kilauea, Kauai

**HB-2510**

Submitted on: 2/13/2022 9:24:14 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
John Hodges	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

**The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.**

Mahalo for the opportunity to testify.

John Hodges  
House District 41

**HB-2510**

Submitted on: 2/13/2022 10:45:12 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Christine Heath	Individual	Oppose	No

Comments:

I am testifying in opposition to this Bill as written as the timeline is much too long. The minimum wage needs to be raised but sooner than this bill would do it. I am a small business owner and I believe this is needs to be done sooner than later. We need to address the cosst of living here and make sure that people can live on this salary.

**HB-2510**

Submitted on: 2/14/2022 6:00:21 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Randy Ching	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today.

It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Randy Ching

Honolulu

makikirandy@yahoo.com

**HB-2510**

Submitted on: 2/13/2022 10:51:23 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Christy MacPherson	Individual	Oppose	No

Comments:

Aloha Chair Onishi, Vice Chair Sayama and members of the House Committee on Labor & Tourism,

I **OPPOSE** this bill for several reasons. I support making the EITC permanent and refundable. This is the most sound inclusion in this legislation.

However, eliminating the child care component of Hawai'i's Child and Dependent Care Tax Credit is a huge mistake. We have seen how critical and expensive childcare is, especially during this pandemic. To eliminate that part of this tax credit is downright irresponsible. As a former single mother, I relied on this credit since almost a *half* of my income went to child care for my 2 young boys. It made a significant difference in my finances.

Another concern is that the food/excise tax credit is that it creates a tax cliff for our working families.

Lastly, although I appreciate the intent of raising the wage to \$18, the timeline proposed in this bill will make the wage way less impactful if you go all the way to 2030 which will be **EIGHT years from now?!** As if Hawai'i's workers can wait that long! I would like to encourage our lawmakers to create a very simple personal budget as you read all of the testimony submitted and see whether or not you can even pay **HALF** of your bills **on \$18 TODAY**. *My guess is that you won't be able to.* When I supported homeless parents who worked minimum wage jobs for over a decade, I saw them use their **ENTIRE** paycheck (give or take maybe \$100 left for **ALL** other expenses) *just* for rent at the most run-down apartments you can imagine, once housed. It became so clear to me that we need to stop paying our mothers, our fathers, our aunties and uncles, *poverty* wages.

Please restore the child care component of the Child and Dependent Care Tax Credit, adjust the food/excise tax credit to avoid the cliff, and change your minimum wage timeline to **\$18 by 2026**.

Mahalo nui for your consideration.

**HB-2510**

Submitted on: 2/13/2022 11:16:45 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Laura Ramirez	Individual	Oppose	No

Comments:

Aloha,

I am opposed to HB2510 because waiting until 2030 for \$18 is unfeasible as the gap between low wages and the cost of living just continue to widen. We need \$18/hour by no later than 2026. SB2018 is a better bill.

The tax credit proposals are also lacking in this bill as they strip away the childcare components needed by so many families. Please support HB1507 instead.

Finally, the food/excise credit changes too drastically as families try to better themselves with increased wages and ends up punishing and negating their advancement.

For these reasons I urge you to vote against this flawed bill.

Mahalo,

Laura Ramirez



**HB-2510**

Submitted on: 2/14/2022 9:30:00 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Jennifer Rodwell	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level. Anything less than \$18 by 2026 simply won't do.

Thank you for the opportunity to testify.

Jennifer Rodwell - Kaimuki

**Dale A. Head**  
1637 Ala Mahina Pl  
Honolulu, HI 96819  
[ dale.head@aol.com ]

**Aloha esteemed Hawaii House Committees on Finance, and, Labor & Tourism:**

**Subject: HB2510 Relating to Income**

1. I am writing today, as a retired 'blue collar worker', to express support for raising the minimum wage in Hawaii to **\$18** an hour as specified in the Senate Bill 2018. Regrettably HB2510 is justice delayed and I must therefore **Oppose** it.

2. A few weeks ago when I stopped into a Pizza store, I watched the industrious workers putting out a fair priced product and thought about their low wages. That, none of them will be able to afford buying a house in Hawaii, as they are now priced over a million dollars. And, if they happen to be a couple each working two jobs, trying to buy even a condominium may fall outside their reach. One job should be enough, in my option. These folks deserve a 'Living Wage' which will enable them to cope with the crushing cost of housing in Hawaii.

3. Please amend HB2510 to match SB2018 which has been endorsed by Governor David Ige and several other state officials.

Respectfully, **Dale A. Head**



**HB-2510**

Submitted on: 2/14/2022 8:27:54 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Randy Gonce	Individual	Oppose	No

Comments:

Dear Committee Members,

This bill that would increase min wage to \$18 by 2030 should be dead on arrival.

SB2018 that has been passed by the Senate is a MUCH better proposal and would assist Hawaii's workers MUCH better. HB2510 is too little too late - please use SB2018 as the vehicle and its current language to increase the quality of life for working families in Hawaii.

Thank you for the oppurtunity to testify.

**HB-2510**

Submitted on: 2/14/2022 1:28:26 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Charles Jonsson	Individual	Oppose	No

Comments:

Dear Committee Members,

I believe that the workers of Hawai‘i deserve to be fairly compensated for their labor. The present minimum wage of \$10.10 per hour is a joke and a slap in the face to everyone who has ever had to trade hours of their time for such a paltry amount, which includes myself. I would consider even \$18 an hour to be a meager salary TODAY, let alone several years from now.

The bill passed by the Senate, SB2018, would raise our minimum wage to \$18 an hour by 2026, which is less than I would have liked it to be and later than I would have liked it to be, but it is a compromise that I would be willing to accept. The bill up for discussion today, HB2510, would ask us to wait until 2030, an additional 4 years, for \$18/hr, a wage that is already too low in the year 2022! It is unconscionable and completely unacceptable to ask the workers of Hawai‘i to wait nearly a decade for a wage that will, in all certainty, be far less than adequate by 2030.

I strongly urge you to ditch HB2510 and instead vote to pass SB2018 in the House. Anything less than this would be an insult.

Thank you for your time.

Charles Jonsson

Chinatown



**HB-2510**

Submitted on: 2/14/2022 1:30:44 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Nadia Alves	Individual	Oppose	No

Comments:

Dear Members of the Committee on Labor & Tourism,

I'm writing you today to tell you that, although I am strongly in favor of raising the minimum wage to a living wage, I cannot in good conscience support the passage of HB2510 when a far superior bill has already passed in the Senate, SB2018. Speaking as someone who has worked in Hawai'i's retail industry for a wage of under \$18 per hour, I can tell you from experience, it is not nearly enough to support a comfortable living. My friends and colleagues deserve so much more than the \$18 by 2030 that HB2510 would give. Please support SB2018 instead.

Mahalo for the opportunity to testify on this important matter.

Nadia Alves

Chinatown

**HB-2510**

Submitted on: 2/14/2022 2:22:52 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
pamela burrell	Individual	Oppose	No

Comments:

Aloha House Members,

\$18 by 2026 is an absolute must! And that is a long way off as it is! If we dont expedite a wage hike there will be no workers to fill these entry jobs. They cannot afford to work or most importantly live here with the high price of living in Hawaii.

Please think of the workers..the days of cheep labor coming from the Philipines or China are over. the days of the Plantation workers are over...( but at least they generally had housing)

Times have changed.

Do not support this bill that kicks the can down the road and our local people off the island.

Regards,

Pamela Burrell, Kalihiwai,Kaua'i

**HB-2510**

Submitted on: 2/14/2022 2:18:20 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Paul Dolnick	Individual	Oppose	No

Comments:

HB2510 is significantly inferior to Senate [SB2018](#) which has already passed the Senate and has the support of the governor. HB2510 delays the implementation and does not reach \$18 per hour until the year 2030 while SB2018 gets to \$18 in 2026. HB2510 has other issues that make it a much weaker choice as well.

This is a crappy compromise to good economics.

There is only good evidence that raising the minimum wage will have greater benefits for the overall economy, and that evidence has been presented to the politicians. If they choose to ignore it in favor of political agendas, then they are being dishonest with their constituents. If they disagree with the facts, then they are misinformed or are simply ignorant.

**HB-2510**

Submitted on: 2/14/2022 1:56:41 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Esther Kim	Individual	Oppose	No

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and members of the House Committee on Labor & Tourism,

Mahalo for the opportunity to provide testimony **in opposition** of HB2510, relating to income.

While I support some of the provisions in this bill, the rate at which the minimum wage will be increased is of great concern. DEBDT's report, as well as many other economic research centers, place our living wage at \$19 per hour for a single adult in Hawaii. While some say this is a drastic move, the wage has not been increased in accordance with inflation and rising costs of living, therefore the time is now to pay a fair, livable wage, and it's imperative we reach \$18 by 2026, not 2030.

As a social work student, I not only heard from those who are making unlivable wages (that are nearly half of what is considered livable), but have interacted with their children. Poverty is a major predictor of adverse childhood experiences, and colleagues and classmates of mine study and see the effects of it every day. When we fail to pay a living wage, we fail to invest in our future generations.

The SB2018, which states an \$18 minimum wage by 2026, is the fair choice and is the compromise. I urge you to send SB2018 to the governor's desk instead of HB2510.

Mahalo for the opportunity to testify,

Esther Kim



**HB-2510**

Submitted on: 2/14/2022 5:13:35 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Monica Stone	Individual	Oppose	No

Comments:

Mahalo for receiving my testimony. While it is important to raise the minimum wage, this bill in its current form with \$18/hour by 2030 is way too long to wait!! **\$18 by 2026 is the compromise!** Anything less than \$18 by 2026 simply won't do.

In gratitude,

Monica Rott Stone

Kailua-Kona, HI

**HB-2510**

Submitted on: 2/14/2022 8:41:40 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
PATRICIA SOARES	Individual	Oppose	No

Comments:

Please kill HB2510 and pass SB2018 which has the full support of the people as well as the Governor of Hawaii! We cannot afford to wait until the year 2030 for a \$18 minimum wage! The cost of living in Hawaii is outrageous and will be even worse by 2030! Who can live on \$10.10 an hour? You have to work for at least 1-1/2 hours just to afford a plate lunch!! Let's not even mention rent, transportation and the likes!

**HB-2510**

Submitted on: 2/14/2022 8:52:58 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Maki Morinoue	Individual	Oppose	No

Comments:

Aloha

All though this HB2510 is significantly inferior to Senate [SB2018](#)!  
SB2018 has already passed the Senate and supported of the governor!

**SB2018** is the bill our residents want to see passed. Hawaii's workers deserve \$18 at least by 2026!

HB2510 delays the implementation and does not reach \$18 per hour until the year 2030 while SB2018 gets to \$18 in 2026. HB2510 has other issues that make it a much weaker choice as well.

**How does housing, business lease, land and tourism continue to go up and our wages are so low that it forces our working class residents to move out of Hawai'i State, replacing US with a bunch of retired multiple home woners not from here that lives part time on our island that places pressure on our medical system and food security. Our young adult children have no reason to come back home to a tourist and transient catering shallow mindset in legislation. I am on the edge of displaceent and I am a 4th generation kama'aina. Housing is at 1 million dollars on each island...just to remain in our own homeland.**

**\$18 by 2026 is the compromise! We need this NOW.**

Mahalo in advanced for reading.

Maki Morinoue

Holualoa

96725

**HB-2510**

Submitted on: 2/14/2022 9:55:35 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Lisa Darcy	Individual	Oppose	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Lisa Darcy

Maui County, Hawai'i



**JOSH FROST**

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Tuesday, February 15, 2022

House Bill 2510 Relating to Income  
**Testifying in Opposition**

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee on Labor & Tourism,

I am submitting testimony today in opposition to HB2510 Relating to Income, which makes the EITC refundable and permanent, increases and amends the refundable food/excise tax credit, increases the minimum wage to \$18 an hour by 2030, and increases the tip credit. The bill also amends the household and dependent care tax credit, and appropriates funds for outreach to educate low-income wage earners about their withholding options.

Some provisions of this bill are laudable however, there are nonetheless significant problems with it.

While making the EITC refundable and permanent is a welcome change, this bill would simultaneously eliminate the child care component of the Child and Dependent Care Tax Credit. This makes no sense when the cost of child care continues to increase and families continue to struggle just to get by.

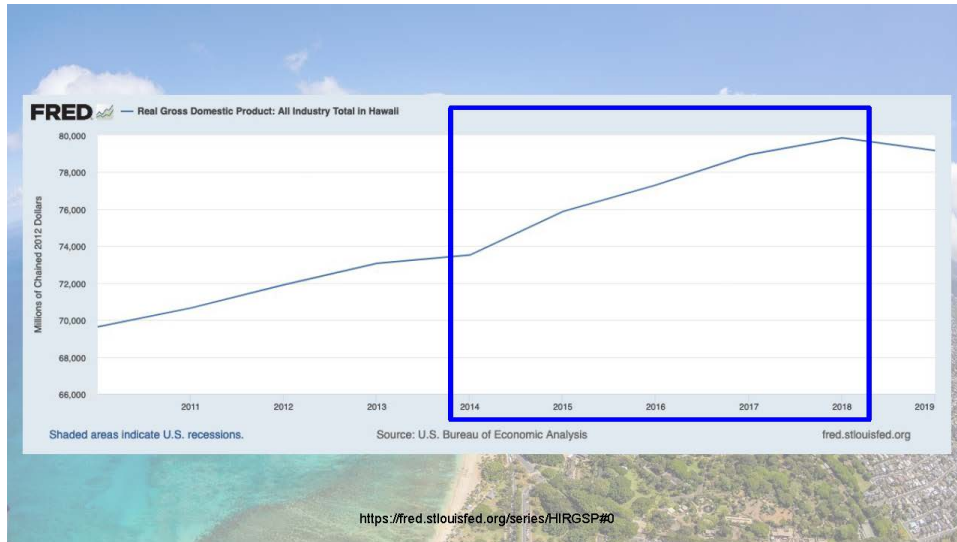
Similarly, the changes to the food/excise tax credit creates a tax cliff; as soon as wages for struggling families rises just a single dollar above the limit, the benefit evaporates, dropping from \$150 per person to \$0.

The minimum wage provisions don't go nearly far enough fast enough to provide the substantial wage increase minimum wage earners need today. With such a painfully slow move to \$18 an hour (setting aside the substantial tip credit increase), accounting for an average inflation rate, \$18 in 2030 is the equivalent of just \$15 in today's dollars. In today's dollars, DBEDT's Self-Sufficiency report says the hourly minimum wage **in 2020** needed to be \$18.35 for an individual and more than \$20 for a family of four. **This minimum wage proposal doesn't get by the end of the decade where we needed to be two years ago.**

Once again, this minimum wage proposal seems to take into account the concerns of business owners, despite a preponderance of evidence which suggests the majority of those concerns are unfounded.

During the period of 2014-2018 when the last minimum wage increases took effect, there was no measurable job loss. In fact, each year during that period, the unemployment rate dropped. By this measure, it seems the bill strives not to lift minimum wage workers out of poverty, but rather slow the rate at which they fall behind.

Further, there's no evidence that businesses in Hawaii suffered from the last round of increases. Rather, the Federal Reserve Economic Data shows Hawaii's real GDP rose during that period. From this data, one could conclude raising the minimum wage actually helped Hawaii's economy overall.



The minimum wage is not intended to be a “starting wage,” but in fact a “living wage”. That the majority of minimum wage workers are teenagers is just false. According to DBEDT, four out of five workers who make less than \$17 an hour are at least 25 years old.

Also, while raising wages would likely result in an increase in prices, the benefit to workers far exceeds the resulting price increases. Raising the wage to \$18 by 2026, as SB2018 does, would result in the following approximate price increases:

**How much could food prices go up if Hawai'i raises the minimum wage to \$18 by 2026?**

Fast Food Meal <b>45 CENTS</b>	Spam Musubi <b>9 CENTS</b>	LB of Bananas <b>5 CENTS</b>	Bag of Chips <b>16 CENTS</b>
Malasada <b>7 CENTS</b>	Gallon of Milk <b>29 CENTS</b>	Chili Bowl <b>31 CENTS</b>	Hot Dog Pack <b>23 CENTS</b>

Finally, this bill dramatically increases the tip credit, which allows customers to subsidize employees' wages, while employers essentially steal labor from their workers. What's more, the tip credit can find its historic roots in racism and misogyny. Is that really the legacy this committee wishes to perpetuate?

I implore you to make substantial changes to this bill. Please correct the fallacies to the tax credits I highlight above. And please, please replace the minimum wage provisions with the language existing in SB2018. So many working families continue to struggle; show your support for them by making these changes. Short of that, I urge you to defer this bill.

Mahalo for the opportunity to submit testimony today.

**HB-2510**

Submitted on: 2/14/2022 9:29:19 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ingrid Peterson	Individual	Oppose	Yes

Comments:

\*\$18 by 2026 is the compromise position when it already costs more than that to survive in Hawai'i today.\*

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Ingrid Peterson

from Kailua from 1963, Patrick Branco's district



**HB-2510**

Submitted on: 2/14/2022 9:30:09 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ruth Robison	Individual	Oppose	No

Comments:

This bill takes until 2030 to increase the minimum wage to \$18. That is too long. Senate Bill 2018 reaches \$18 by 2026 and is approved by the governor. I support SB 2018 instead. Thank you. Thank you.

**HB-2510**

Submitted on: 2/14/2022 9:38:57 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Meredith Buck	Individual	Oppose	No

Comments:

I submit my testimony in opposition of HB2510. My major criticism is that SB2018 is far superior in that it achieves an \$18/hr minimum wage in 2026. Hawai‘i cannot wait 4 more years to raise the minimum wage closer to a livable wage. Already there are too many Native Hawaiian people earning minimum wage or more yet still unable to afford a roof over their heads in their own homeland. I‘m sure many of us want to solve the issue of houselessness in Hawai‘i but that simply won‘t happen without raising the minimum wage. Let‘ s not delay this issue (or any of the other implicated issues to HB2510) any longer than we already have.

**HB-2510**

Submitted on: 2/12/2022 5:09:33 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Eliel Starbright	Individual	Support	No

Comments:

give workers an \$18 minimum wage by 2026.

**HB-2510**

Submitted on: 2/12/2022 7:05:10 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Greg Puppione	Individual	Support	No

Comments:

Aloha Representatives,

The Senate has passed a fantastic bill to help Hawaii's workers that would raise the minimum wage to \$18 per hour by 2026. SB2018 is now waiting to be heard and passed by the House of Representatives so it can be signed into law by the governor.

Will you please stand with the Senate and pass SB2018 to give workers the raises they deserve?

After 4 years of inaction on the minimum wage, workers have a lot of lost ground to make up. Thank you for your time, effort and commitment to helping Hawaii's workers get the justice they deserve.

**HB-2510**

Submitted on: 2/13/2022 9:33:26 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Dylan Ramos	Individual	Support	No

Comments:

Aloha,

My name is Dylan Ramos and I am a worker living in Kaimuki. I support amendments to HB2510 that will bring the bill in closer alignment with SB2018. HB2510 is a step in the right direction, but the need for such legislation demands so much more. Raising the minimum wage to \$18/hour by 2026, as proposed by SB2018, was already a compromise after years of delay and inaction. Indexing the minimum wage to adjust for inflation is arguably the most important part of any similar legislation, yet HB2510 does no such thing. And while raising tip wages is desirable in the absence of legislation to abolish them, HB2510 can do better. For all Hawaii's workers, as well as the economy that would benefit from higher wages/workers with more spending power, please strengthen HB2510.

Mahalo,

Dylan Ramos

**HB-2510**

Submitted on: 2/13/2022 9:48:31 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Tom Aitken	Individual	Support	No

Comments:

I can only support this bill if the timeline is set back to 2026. Delaying it serves no one but the wealthy, powerful, and well-connected. Why are they delaying our frontline workers who act as our servants from getting a wage that doesn't even approach a living wage? 2030 is too long -  
- Now is too long. Please amend this bill to match the Senate bill which sets the timeline to 2026. The people who serve as the foundation of our economy deserve this. Delaying it serves no one but the wealthy, powerful, and well-connected.

**HB-2510**

Submitted on: 2/13/2022 10:02:20 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Sean H Ishii	Individual	Support	No

Comments:

I am in support of raising the minimum wage. I give limited support for this bill. I am mostly in support of the portion of this bill regarding the section pertaining to the raising of the minimum wage. However, regarding this bill, I do not believe the minimum wage would be raised fast enough. I believe that SB2018 does a better job using shorter time period and also believe that bill contains cleaner text.

If you use this bill as the mechanism to raise the minimum wage, since the horizon is instead set to 2030, then the final minimum wage should be higher than \$18.

Thank you for your time.

**HB-2510**

Submitted on: 2/13/2022 10:19:00 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Dave Kisor	Individual	Support	No

Comments:

HB 2510 absolutely has to be the lower limit of the compromise, as anything less than that would shoot working Hawai'i in the proverbial foot. Let's just say I kind of sort of support it, as it's acceptably awful. When my Parents lived in central Gulf Coast Florida, they went fishing at their favorite pier. Tourists became the bane of her existence and one day one of them made the mistake of asking Staff Sergeant Mom, "what are you using for bait?" She turned and spat out, "TOURISTS!" Dad loved telling that story! For those who believe tourism is a viable economy, they aren't the ones who have to deal with those blankety blank tourists. A living wage is much better than being treated like a quaint little being, which was what pushed Mom over the edge. Those at the apex of the economic food chain make decisions for those at the bottom without knowing much about them. Peter, Paul and Mary (I'm dating myself) once sang "Too much of nothing can make a fella mean!" If you are even remotely concerned about those working low wage jobs in Hawai'i, would you please consider changing the date from 2026 to 2024? Mahalo



**HB-2510**

Submitted on: 2/13/2022 11:19:02 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ruta Jordans	Individual	Support	No

Comments:

Please align with SB2018. The workers of Hawaii deserve a living wage.

**HB-2510**

Submitted on: 2/13/2022 9:31:46 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Camile Cleveland	Individual	Support	No

Comments:

I support this bill but am requesting that the minimum wage timeline be updated to require an \$18 per hour minimum wage by 2026, not 2030 as currently written. The cost of living in Hawaii is only going to continue to increase, and the Senate bill SB2018 which stipulates an \$18 minimum wage by 2026 already has the support of the governor. This is an incredibly important opportunity to increase the statewide minimum wage, and requiring an \$18 per hour minimum wage by 2026 is the appropriate measure to take.

**HB-2510**

Submitted on: 2/13/2022 9:35:13 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ralph Boyea	Individual	Support	No

Comments:

February 13, 2022

Chairperson Onishi

and Members of the Labor and Tourism Committee.

I am writing in support of increasing Hawai'i's minimum wage.

The current minimum wage of \$10.10 is far too low for anyone to survive in Hawai'i. We are all aware of the study published by the Aloha United Was in **2020** showing that a single person in Hawai'i needed a full time job earning over **\$15.50** an hour at that time, just to survive.

That was two years ago and now we are currently experiencing a period of unprecedented inflation, clearly even \$15.50 an hour is no longer sufficient. I strongly recommend a far more aggressive timetable for reaching \$18 an hour than the one currently proposed in HB 2510.

The Legislature needs to raise the minimum wage NOW.

I urge you to pass an immediate and substantial increase in Hawai'i's minimum wage.

Mahalo

Ralph Boyea

**HB-2510**

Submitted on: 2/13/2022 10:32:24 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Justin Wistinghausen	Individual	Support	No

Comments:

Aloha,

As a Veteran of the United States Marine Corps, I submit my SUPPORT for SB355. This will bring some relief to veterans that don't meet the 100% threshold but still receive disability from the VA.

Mahalo for the opportunity to testify.

Justin Wistinghausen

Kapa`a

14-4

**HB-2510**

Submitted on: 2/14/2022 7:14:20 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Barbara Barry	Individual	Support	No

Comments:

Aloha House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. While well intentioned, the language in this bill is problematic in a number of areas.

For example, while the language expanding the EITC is welcome, this bill would also eliminate the child care component of Hawai‘i’s Child and Dependent Care Tax Credit. It makes no sense to eliminate such a crucial type of support for Hawai‘i’s working families with children.

Similarly, while HB2510 boosts Hawai‘i’s food/excise tax credit, it also creates a tax cliff. This bill would make families’ food/excise tax credit plunge from \$150 per person to \$0 as soon as their income rises just \$1 above the income limit.

And finally, while an increase in the minimum wage is certainly needed, an increase to \$18 by 2030 is simply insufficient to adequately address the ever-widening gap between the wages people are paid and the cost of living. The Senate proposal of \$18 by 2026 in SB2018 is far superior.

Considering that all the proposals contained within this bill exist in better, cleaner forms in other bills, I ask that you defer this measure and focus your support on those other legislative vehicles instead.

Mahalo nui loa,



**HB-2510**

Submitted on: 2/14/2022 9:28:19 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Lucienne de Naie	Individual	Support	No

Comments:

I support raising the minimum wage by amending this bill. This bill puts off the the minimum wage increase we all need NOW until 2030. I cannot support that timeframe. we need the timeframe found in SEnate bill SB2018.

It's a struggle for working people to survive on even \$15 an hour in these times.

Please amend this bil

Mahalo

Lucienne de Naie Huelo, Maui

**HB-2510**

Submitted on: 2/12/2022 9:58:50 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Cleota Brown	Individual	Comments	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. **It is absolutely imperative that we reach \$18 an hour by 2026** if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead. Don't distort the living wage issues by lumping other proposals together.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill. Show that you value Hawaii's residents and are vested in improving lives for our hardworking families.

Mahalo for the opportunity to testify.

Cleota Brown

Kaneohe, 96744 24th District



**HB-2510**

Submitted on: 2/12/2022 10:48:53 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Anne Leake	Individual	Comments	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Anne Leake, PhD, APRN

Family Nurse Practitioner

House Committee on Labor & Tourism

Richard H.K. Onishi, Chair

Jackson D. Sayama, Vice-Chair

HB2510

DATE: February 15, 2022

TIME: 9:30 A.M.

PLACE: Conference Room 312

VIA VIDEOCONFERENCE

### **COMMENTS FOR BILL 2510**

I am testifying with comments for HB2510. This bill demonstrates some favorable tax credit provisions in the bill. My main concern in HB2510 is in changing the gradual increase in the Hawaii State's minimum wage with the end goal of having the hourly rate be \$18 by 2030. Although it is appreciated that this bill recognizes that there is a need for change in increasing the minimum wage from the current \$10.10 per hour, it is just as important to understand the prioritization of increasing the wage at a faster rate. I am strongly testifying that HB2510 demonstrates broad support for the faster, better Senate language in SB2018. More specifically, I am asking to raise the minimum wage to \$18 by 2026, not 2030. Not only will this increase at a faster rate but also match how the cost of living here in Hawaii is just as rapidly increasing and will continue to increase over the next few years.

As somebody lucky enough to work retail for \$15 an hour, I can guarantee that this hourly wage, with it already being ABOVE the current minimum wage of \$10.10, is not enough even when working a full 40 hour week. I have had to take upon multiple jobs just to ensure that I am living close to comfortably. With that being said, the minimum wage should not only consider paying for the necessities of life but also factor in what makes a person joyous and not feel like they have to live paycheck by paycheck. It only makes sense for the increase in the minimum wage to occur at a

faster rate so that we can ensure that we are getting closer to matching the rapidly growing living wage here in Hawaii. Making this change will only benefit working families by demonstrating that our state cares enough to provide a fulfilling life by not holding concern about the status of one's income. Thank you for the opportunity to testify in support of this bill.

Thank you for your consideration,

Kristine Samonte

**HB-2510**

Submitted on: 2/12/2022 2:18:07 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
cheryl B.	Individual	Comments	No

Comments:

Comments:

**2030 is too late raise the wage to \$18 by 2026.**

The language in the bill creates a benefits cliff, where some families would see their credit plunge from \$150 per person to \$0 as soon as their income rises just \$1 above the income limit.

**HB-2510**

Submitted on: 2/12/2022 3:18:53 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marsha Hee	Individual	Comments	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, **I must respectfully submit my opposition to HB2510.**

It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

**The Senate has handed the House a clean \$18 by 2026 bill in SB2018.** It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. **Send SB2018 to the governor's desk for signature instead of this bill.**

Mahalo for the opportunity to testify.

Marsha Hee

life resident of Hawaii

born in Pauoa, Honolulu

currently on Hawaii Island, Senate District 2, House District 3

**HB-2510**

Submitted on: 2/12/2022 3:51:13 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Elizabeth Nelson	Individual	Comments	No

Comments:

Aloha,

Thank you for working on increasing a living wage for the people of Hawaii, especially those that work 2 and 3 jobs just to be able to survive.

I am more in favor of SB2018 which moves it up to \$18/hr a little faster.

Thank you for the work you are doing.

Elizabeth Nelson

Temple Valley

**HB-2510**

Submitted on: 2/13/2022 7:39:00 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ted Bohlen	Individual	Comments	No

Comments:

Minimum wage workers need real increases now!

Please substitute the cleaner SB2018 for this bill and pass an increase in the minimum wage to \$18 by 2026.

Mahalo!

**HB-2510**

Submitted on: 2/13/2022 8:26:00 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Mike Golojuch, Sr.	Individual	Comments	No

Comments:

While I support the intent of HB2510, the timeline is too long to reach \$18 per hour. Please consider the timeframe in SB2018.

Mike Golojuch, Sr.



**HB-2510**

Submitted on: 2/13/2022 9:18:00 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Janet Goodmanson	Individual	Comments	No

Comments:

I believe a minimum wage of \$18 by 2026 is a reasonable compromise. I would have supported increasing the minimum wage much sooner, but such is life.

**HB-2510**

Submitted on: 2/13/2022 10:33:58 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Mr Gary Passon	Individual	Comments	No

Comments:

\$18 by 2026 or better 2024..... we need the help!

**HB-2510**

Submitted on: 2/13/2022 11:16:21 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lee Curran	Individual	Comments	No

Comments:

Aloha Chair Onishi, Vice Chair Sayama and Committee Members,

My name is Lee Curran and I am testifying as an individual who is a co-facilitator of the Transformative Justice Task Force which is part of Faith Action for Community Equity, (FACE). I am testifying with comments on HB2510 and implore you to amend this bill to match SB2018.

Although my primary focus is cash bail reform this legislative session, I feel moved to testify in support of HB2510. All of the myriad of injustices in Hawai'i nei are intersectional and addressing classism and explitive capitalism is a great place to positively impact while dismantling some of the other injustices.

It is not a matter of whether businesses can afford to pay something that more resembles a living wage, it is a matter of supporting our people and communities and making Hawai'i a more viable place to live and raise families while building resourced communities.

My husband and I raised three sons, none of whom are able to afford to purchase a home here in Hawai'i. We ourselves as working professionals, I, an educator with HODOE, and my husband a fisheries biologist with NOAA, weren't even able to purchase a home until we were 40 years old. I say this because we all earned and are earning above minimum wage, yet still struggled and continue to do so.

There is a huge gap between wages, standard of living and basic human rights such as housing and healthcare. Without legislation mandating something that resembles a living wage (which HB2510 currently **DOES NOT**) that doesn't necessitate people working multiple jobs to survive, we are upholding the damaging narrative of profit over people.

I encourage you to dismantle this deeply damaging narrative that is grounded in exploitive capitalism to honor the people in Hawai'i nei in a way that recognizes and amplifies their dignity, well-being and humanity.

A Big mahalo for your work around this issue,

Lee Curran

Makaha, HI

**HB-2510**

Submitted on: 2/13/2022 11:49:16 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Raymond Catania	Individual	Comments	No

Comments:

Aloha LAT Chairperson and Committee Members,

We need \$18 an hour by 2026. That is a compromise, especially since we need that basic amount right now.

Mahalo,

Raymond Catania 4215 Kole Place Lihue 96766, april8nineteen18@gmail.com

**HB-2510**

Submitted on: 2/13/2022 1:45:38 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Laura Gerwitz	Individual	Comments	No

Comments:

SB2018 is the bill we want to be passed. Hawaii's workers deserve \$18 at least by 2026!

**HB-2510**

Submitted on: 2/13/2022 6:48:29 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kathy Shimata	Individual	Comments	No

Comments:

Aloha,

I much prefer SB2018. Delaying the increase in the minimum wage to 2030 will affect many families who are struggling after the disruptions of Covid. We can afford to raise up the lowest paid workers. Paying lower earners puts more money in our economy because they use it for necessities.

Please support SB2018.

Mahalo.

**HB-2510**

Submitted on: 2/14/2022 1:17:56 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Karen J Comcowich	Individual	Comments	No

Comments:

Dear House Committee on Labor & Tourism,

I oppose HB2510, because the step increases are too slow. Hawai'i needs a minimum wage of \$18 by 2026. The tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced using those legislation. The Senate has a clean \$18 by 2026 bill: SB2018. Please support SB2018 instead of this bill.

Mahalo for the opportunity to testify.

Karen Comcowich  
Lahaina, HI



**HB-2510**

Submitted on: 2/14/2022 5:47:47 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Chris Molina	Individual	Comments	No

Comments:

Dear Chair Onishi and members of the House Committee on Labor & Tourism,

Raising wages for the workers of Hawai'i is important and making the state EITC permanent and refundable is also important. However the reality is that according to reports released by the Department of Business, Economic Development, and Tourism it already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Chris Molina

Senate District 8

House District 16

**HB-2510**

Submitted on: 2/14/2022 7:56:25 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
John P Gerry	Individual	Comments	No

Comments:

HB2018 is the compromise bill. Please pass 2018 and not 2510. HB2018 will help Hawaii workers can afford housing and the cost of living in Hawaii.

**HB-2510**

Submitted on: 2/14/2022 8:01:46 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Erik Horsley	Individual	Comments	No

Comments:

\$18 by 2026.

Do it now

**HB-2510**

Submitted on: 2/14/2022 8:23:34 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Judie Hoepner	Individual	Comments	No

Comments:

\$18 by 2026! This is a fair compromise. Stand by the workers of our state.

**HB-2510**

Submitted on: 2/14/2022 9:29:59 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kathryn Braun	Individual	Comments	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Kathryn Braun, Punchbowl

**HB-2510**

Submitted on: 2/14/2022 10:03:05 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
irene kloepfer	Individual	Comments	No

Comments:

People need the money yesterday. \$18 by 2026 is the compromise. Please stop delaying. Pass the senate version now. We need leaders who are for helping the people now, not themselves

**HB-2510**

Submitted on: 2/14/2022 1:48:41 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Thomas Brandt	Individual	Comments	No

Comments:

I support a minimum wage increase, but prefer the Senate Bill [SB2018](#), which proposes phased-in increases that reach \$18 by 2026.

SB2018 has already passed the Senate and has the support of the governor.

Thank you for the opportunity to offer these comments.

**HB-2510**

Submitted on: 2/14/2022 4:04:57 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Rev. Samuel L Domingo	Individual	Oppose	No

Comments:

Aloha Chair and Members of the House Labor and Tourism Committee:

I support the intent of many provisions of this bill. However, I will oppose it because the provision for raising the minimum wage to \$18 an hour by 2030 is laughable. I question the seriousness of your attempt when you already know that it takes \$19 an hour for a single person to barely meet basic living requirements. This provision clearly misses the mark.

Other provisions in the bill such as tax credits exists in other bills and should be supported instead of in this bundle.

The Senate has already passed SB2018, a clean bill raising the minimum wage to \$18 an hour by 2026. I urge the House leadership to schedule hearings of SB2018 and move it quickly to the governor's desk.

Thank you again for the opportunity to testify urging all members of the legislature to use this session focusing on the needs of the most vulnerable of our citizenry.

Rev. Samuel L Domingo



**HB-2510**

Submitted on: 2/14/2022 3:02:25 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
karolle t. bidgood	Individual	Oppose	No

Comments:

Dear Committee Members,

With all due respect, I ask that you reject HB2510 and support, instead, SB2018.

Our minimum wage earners need help sooner rather than later. This particular year will be very hard on them with inflation hovering around 7.5%.

During the pandemic it has been heart breaking to see children lining up for free lunches during the summer and families having to avail themselves of whatever our foodbanks can offer. We can do better than this.

Please support SB2018. It's ready to go now.

Thank you.

Karolle T. (Josie) Bidgood

Kahaluu

**HB-2510**

Submitted on: 2/14/2022 3:36:51 PM

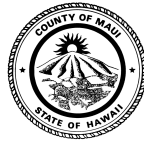
Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Angus Raff-Tierney	Individual	Support	No

Comments:

Aloha, this bill should be amended to match the senate version. Families need at least \$18 per hour now, and not in 2030. Have you been to foodland lately and seen the prices? Crazy!

Council Chair  
Alice L. Lee



Director of Council Services  
Traci N. T. Fujita, Esq.

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Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
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Yuki Lei K. Sugimura

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

February 15, 2022

House Committee on Labor & Tourism  
Rep. Richard K. Onishi, Chair  
Rep. Jackson D. Sayama, Vice Chair  
February 15, 2022

**SUBJECT: TESTIMONY IN OPPOSITION OF HB 2510, RELATING TO  
MINIMUM WAGE**

Aloha e Luna Ho'omalua Onishi, Hope Luna Ho'omalua Sayama, and honorable committee members,

Mahalo for the opportunity to testify in **opposition** of this measure, and encourage you to amend the timeline to align with SB2018. The purpose of this measure is to, beginning July 1, 2027, and each year thereafter, require the Hawai'i Department of Labor and Industrial Relations to annually adjust the minimum wage hourly rate and tip credit amount for the following January 1 based on a three-year average of the consumer price index of all urban consumers.

While the Maui County Council has not had the opportunity to take a formal position on this specific measure, through Resolution 21-154, we took a firm position that the minimum wage in Hawai'i must be increased. Today, I am providing testimony in my capacity as an individual member of the Maui County Council.

I support a more immediate plan to increase the minimum wage for the following reasons:

1. It is in the interest of all Hawai'i to support Hawai'i's workforce and essential workers by increasing the minimum wage.

February 15, 2022

Page 2

2. Increasing the minimum wage in our pae‘āina will help Hawai‘i’s economy by giving workers greater purchasing power in the local marketplace, and help prevent our community members from continuing to be priced out of their homelands.
3. According to the Department of Business, Economic Development, and Tourism, a single adult required an income of \$35,143 to achieve self-sufficiency in Hawai‘i in 2018, while a single parent with one child required \$59,428. Yet, at the minimum wage of \$10.10 per hour, a full-time employee earns only \$21,008 annually.

Please amend HB 2510 to incorporate the language from SB 2018, page 1, lines 11-15. Mahalo for this opportunity to testify.

Mahalo,

A handwritten signature in black ink, reading "Keani Rawlins-Fernandez". The signature is written in a cursive, flowing style.

KEANI RAWLINS-FERNANDEZ  
Council Vice-Chair



**TESTIMONY OF TINA YAMAKI, PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
February 15, 2022  
Re: HB 2510 RELATING TO INCOME**

Good morning, Chairperson Onishi and members of the House Committee on Labor and Tourism. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We are support of the intent of HB 2510 Income and prefer it over the SB 2018. This measure in Part II: Makes the state earned income tax credit refundable and permanent. Provides for carryforward of nonrefundable credits previously claimed. Part III: Increases and amends the refundable food/excise tax credit. Part IV: Increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030. Increases the tip credit over the same period. Part V: Amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance. Part VI: Appropriates funds for an outreach campaign to educate low-wage earners about their withholding options and to provide support when completing their withholding forms.

**We would like to see that the increase would be more gradual and not increase over \$15 per hour.** Over the past couple of years, the retail industry has been one of the hardest hit sectors during this pandemic. We continue to hear of another retail store or chain closing – from local mom and pops shops to national chain stores. Since the pandemic, those retailers who were deemed non-essential were forced to close their businesses for months due to government emergency orders. Those on Oahu were forced to close their businesses a second time with no income from online sales unless they were fulfilling the orders from home. Retailers have also had to endure cash on delivery for many of their goods ordered (no longer able to pay 60 days after receiving items); an almost 50% rate increase in interisland shipping and 300% for mainland shipping; not to mention shipping delays; supply chain disruptions; and need for employees. In addition, many stores who rely directly on the visitors are not opening at all or just a few of their locations until the customer base returns – if they can hold on that long. Since March of 2020, many retailers have also had to lay off their staff, taken pay-cuts, shortened their hours of operations, used up their personal savings as well as their children’s college fund and not to mention selling their home all in an effort to keep their doors open and their employees employed. Now they are unsure how they will survive as they are still months behind on their commercial lease rent, utilities, and other operating expenses. We would also like to mention when pandemic numbers are high, many customers stay home and do not come out to the stores to shop.

Many of our members, especially the small locally owned businesses are not able to afford \$18 an hour. RMH members were a part of the Chamber of Commerce of Hawaii recent minimum wage survey. Over 30% of the 449 respondents indicated that they would not be able to stay in business if minimum wage was increased to \$18 an hour.

Minimum wages were never intended to be a living wage. It is the entry job for many who have little or no experience. Many of the workers in retail are experiencing their first job like the many high school students and there are many looking only to work part time. Businesses must often teach new hires everything from hygiene, how to dress for work and other basic life skills in addition to working a cash register, how to open and close and customer service. As they gain skills, workers can get pay increase and/or a promotion.

There are many full-time positions open in retail, however employees work part time in our stores to spend more time with family, attend school and study or are retired and looking for something to do.

Retailers like many businesses are struggling to survive and keep their employees employed. Many small retailers have not recovered and are still in debt from the pandemic. Many retailers especially the small stores, cannot afford an increase in doing business. We hope that you will reconsider the steep increases being suggested in this measure that would harm many small businesses. We look forward to working with you to find an amicable solution.

Costs like an increase in minimum wages would be passed directly on to the customers, making Hawaii an even more expensive place to live. Retailers realize that if their products are too costly, they will lose the sale. Their customers will seek an alternative retailer online who may not have ties to Hawaii because they offer the item cheaper.

What does a raise in minimum wage mean?

- **Many local small businesses will not be able to afford the \$1.90 per hour wage increase this bill calls for in October of this year, let alone \$18 per hour in 2026.** We have heard that some people have said that “If you cannot afford the minimum wage increase, you should not be in business.” That is harsh words to suggest that we should shut the business down and layoff the hardworking employees, especially if you are that employee who needs that retail job to feed their family and the employer is doing everything they can to keep their doors open, and all of their employees employed.
- **Minimum wage increase causes a compression of wages** between newly hired/inexperienced workers and the veteran/experienced employees. Newly hired unskilled employees should not be making more than the seasoned employees who are already trained. As a result, all pay scales are increased while employees will be laid off or departments eliminated to pay for the increase.
- **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. It is not just a \$1.90 or \$2.00 increase in wages per hour that employers must pay for. All other benefit costs would also raise substantially.
- We must also factor in that **Hawaii Is the ONLY state that mandates healthcare coverage for workers.** This is also another mandated benefit that is a huge cost to employers in Hawaii.
- **Even more employee layoffs to stay solvent and keep their doors open.** Currently Hawaii’s unemployment rate is one of the highest in the nation, and the number will keep climbing as more of our friends, family and neighbors are laid-off to compensate for the increase in minimum wage.
- **Potential to cut employee hours.** Many store hours of operations are already reduced and to pay for the increase in wages, employee work hours may be reduced substantially more.
- **Businesses are looking into implementing artificial intelligence and more self-checkout lines** as ways to cut costs to cover government mandates. We are seeing this as more stores are investing in self-checkout counters.
- **Price of goods will increase to cover the increased cost of payroll, thus driving up the cost of living in Hawaii.** Anytime there is an increase in the cost of doing business, retailers pass on this cost to the customers. Our retailers no longer have competitive pricing and customers go elsewhere or purchase online and not in the stores.
- **With fewer employees, customer service will be negatively impacted** with even longer lines and less employees to assist the customers.

We would also like to point out that tip credit does NOT apply to retailers and there would be no relief or help for many businesses.

Mahalo again for this opportunity to testify.

# IATSE LOCAL 665

FILM, TELEVISION, STAGE, PROJECTION AND TRADESHOWS  
Since 1937

INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS  
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

The Thirty-First Legislature, State of Hawai'i  
Hawai'i State House of Representatives  
Committee on Labor and Tourism

Testimony by  
IATSE Local 665  
February 14th, 2022

## **H.B. 2510 - MINIMUM WAGE**

Aloha Chair Onishi, Vice Chair Sayama, and members of the House committee,

My name is Tuia'ana Scanlan, President of IATSE Local 665. Local 665 represents Entertainment Technicians in Stagecraft, Tradeshow & Conventions, and Film/TV industries across the State of Hawaii. **We submit this testimony in opposition to H.B. 2510.**

We strongly support increasing the minimum wage to \$18/hour or higher to help uplift the working families of Hawai'i, but H.B. 2510 does not get to that number until 2030. The Economic Policy Institute has stated that, for a single person with no children in Honolulu County to achieve a modest standard of living in 2020, they would have to earn \$24.78/hour. That's two years ago. Working families in Hawai'i are in the midst of much more dire straits. We believe that S.B. 2018 addresses these issues more acutely and we strongly encourage amending H.B. 2510 to reflect the language of S.B. 2018.

Furthermore, H.B. 2510 reduces the income of tipped earners by \$2.75/hour; a whopping \$2.00 per hour increase from our current \$0.75 tip credit. Workers who earn below the minimum wage are often from underrepresented communities who already struggle to overcome the systemic barriers to economic stability - Women, Native Hawaiians, LGBTQIA+, and BIPOC communities. Workers should have the right to earn the same minimum wage, regardless of the industry in which they work.

We hope the committee recognizes the urgency to help the working families of Hawaii by **amending H.B. 2510 to the language of S.B. 2018.** Thank you for the opportunity to testify.

Respectfully,



Tuia'ana Scanlan  
President, IATSE Local 665  
he/him/his

Date: February 14, 2022

To: Representative Richard Onishi, Chair  
Representative Jackson D. Sayama, Vice Chair

Members of the Committee on Labor and Tourism

My name is Carl Bonham, I am the Executive Director of UHERO, and a Professor of Economics at the University of Hawai'i at Mānoa in the College of Social Sciences, I am writing to offer comments on HB 2510 Relating to Income. My testimony is submitted as an individual and not as a representative of the University of Hawai'i.

There is much to like about this bill. First, the bill addresses important non-wage issues which will help to raise workers' take home pay independently of the minimum wage. Raising the food excise tax credit and making the earned income tax credit refundable and permanent are both very well targeted and effective tools to help Hawai'i's low-wage working families. I encourage the committee to also consider eliminating the tax brackets that apply to Hawai'i's lowest earning households.

Second, this bill raises Hawai'i's long stagnant minimum wage but in a relatively gradual manner allowing time for businesses to adjust and plan for rising costs. Using UHERO forecasts for Honolulu CPI inflation for 2022, I estimate that the real value of the current \$10.10 minimum wage is \$7.10 in 2007 dollars. In other words, the buying power of the current minimum wage is similar to the \$7.25 minimum wage from 15 years earlier. Over that same time period, I estimate that the real value of the 2022 median hourly wage (\$17.40) will be 12% higher than its 2007 value. Raising the minimum wage gradually, and then indexing the resulting wage will quickly help a small number of workers currently earning less than \$11 per hour. Over time the number of impacted workers will grow as will the benefits. Contrary to the views of opponents and proponents, raising the minimum wage incrementally will neither destroy large numbers of jobs and businesses, nor will it dramatically improve the living standards of low income workers. The truth lies somewhere in the middle, and suggests that a gradual approach is warranted. Raising the minimum more rapidly will of course reach a larger number of workers faster, but it also raises the risk of constraining the ability of the lowest paid workers to move from unemployment to employment, the risk that worker will have hours reduced or other benefits curtailed.

I hope this testimony is helpful.



Carl Bonham  
Executive Director, UHERO  
Professor of Economics, University of Hawai'i at Mānoa





LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

President

Gary Nuber  
Director of Field Services

1600 Ala Moana Blvd Suite 100  
Honolulu, HI 96815

Tel: (808) 531-1628  
Fax: (808) 524-2760

The Thirty-First Legislature, State of Hawai'i  
Hawai'i State House  
Committee on Labor & Tourism

Testimony by  
Hawaii Nurses Association  
February 15 , 2022

H. B. 2510 – RELATING TO INCOME

The Hawaii Nurses Association -OPEIU Local 50 is affiliated with the AFL-CIO and was founded in 1917 and represents 4,000 nurses in the State of Hawaii. We are grateful to testify in **SUPPORT** of H.B. 2510

While we support an increase in the minimum wage, we acknowledge that raising the minimum wage is only one part of the equation in lifting Hawai'i's most at risk population of workers to stability. The combination of tax credits and increases in the minimum wage is a great step in the direction of stability. However, the mere increase from \$10.10 to \$11.00 in 2023 does not go far enough to bolster Hawai'i's most economically vulnerable and increases in the tip credit only serve to guy the increase in the wage and keep vulnerable workers in survival mode.

Many private employers are unable to find people willing to work for even \$15 an hour even with tips. The labor market is already dictating a higher wage than even \$15 per hour. At this time, any raise to the minimum wage should at least match the community-drive wage of \$15 per hour without an increase in the tip credit. An increase to \$15 per hour plus tax credits will give economically vulnerable workers a chance to stabilize.

Thank you for your consideration and we urge you to vote in support of H.B. 2510

Respectfully,

Daniel Ross  
President



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

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**Eddie Asato**, Pint Size Hawaii, *Vice Chair*  
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**Lauren Zirbel**, HFIA, *Executive Director*  
**John Schliff**, Rainbow Sales and Marketing, *Advisor*  
**Stan Brown**, Acosta Sales & Marketing, *Advisor*  
**Paul Kosasa**, ABC Stores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*  
**Joe Carter**, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

TO: Committee on Labor and Tourism  
Rep. Richard H.K. Onishi, Chair  
Rep. Jackson D. Sayama, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: February 15, 2022  
TIME: 9:30am  
PLACE: Via Videoconference

RE: HB2510 Relating to Income

Position: Comments

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 is in support of the intent of this measure to help working families succeed. We are in strong support of Part II to make the earned income tax credit refundable and permanent, as well as Part III to increase the refundable food excise tax credit.

We also suggest that one of the most immediate and straightforward ways to help working families succeed is to bring down their cost of living by eliminating the regressive GET on groceries and other essential items.

**We have concerns about some of the specifics of Part IV of this measure. Increasing minimum wage by nearly 80% is unprecedented. As such, data is not available to help us understand how such an extreme increase might impact labor costs, business costs, prices, and job numbers.**

To reiterate some points that we have made in other testimony and which we believe the legislature is aware of:

- Hawaii is consistently ranked as one of the worst states to do business,
- Minimum wage increases have been tied to price increases,
- The covid-19 pandemic and economic downturn hit our state harder than any other and for those businesses that survived full recovery will take years.

We believe that an increase to \$15 enacted incrementally would accomplish the goals of this measure and has less potential to compromise the economic recovery that our business community is working towards.

Here is an example of a schedule that would lessen the negative impact on small local businesses which will be disproportionately injured by a rapid increase in the minimum wage:

\$11/hr on 1/1/23

\$12/hr on 1/1/24

\$13/hr on 1/1/25

\$14/hr on 1/1/26

\$15/hr on 1/1/27

We thank you for putting forward a thoughtful proposal that take a multifaceted approach to helping working families. We appreciate your continued attention to all the consequences of increasing labor costs in our State, and we thank you for the opportunity to provide testimony.



**HAWAI'I LODGING & TOURISM**  
**A S S O C I A T I O N**

Testimony of  
Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association

House Committee on Labor & Tourism  
House Bill 2510: Relating to the Minimum Wage  
February 15, 2022

Chair Onishi, and members of the Committee, mahalo for the opportunity to submit testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers—takes immense pride in the fact that the vast majority of our workers are paid well above the current minimum wage. We also recognize the fact that many local residents are not so fortunate and are not paid nearly enough to be considered a living wage. Despite this, we would like to offer the following comments.

HLTA supports a measured approach to any minimum wage increase. While we appreciate the efforts to have this proposed measure set forth a clear path for these increases and for the tip credit, we feel that the rate of increase is too steep. Establishing that the minimum wage will reach \$18 by 2030—especially with the current variability in cost of living and inflation—will ultimately hurt numerous businesses in all sectors and will hinder the economic recovery efforts currently underway around the state.

Mahalo for the opportunity to offer these comments.

---

The Hawai'i County Committee (HCC) of the Democratic Party of Hawai'i is disheartened to have to speak against this bill, which defers until 2030 the urgent incremental increase of minimum wage to \$18 per hour. As recently as 2018, the HCC made raising Hawai'i's painfully low minimum wage our highest priority. Note that in 2018 we set the target minimum wage at \$15 per hour – for 2018.

Economic conditions for Hawai'i's working people have plummeted since then, only partly because of the devastation caused by the Covid pandemic. Wide-ranging issues largely beyond local control include supply chain disruptions, soaring transportation costs for all sectors of the Big Island economy, and the astronomical rise in healthcare and housing costs. Just last week, the federal government reported a 7.5% jump in consumer prices for January 2022 over the previous January—the biggest one-year increase in forty years. All indications are that this pace of inflation will not ease any time soon.

The bulk of HB2510 addresses taxes, with a drawn-out schedule to enact an \$18-per-hour minimum wage inexplicably inserted in Part IV, directly contradicting the schedule recently passed by the Senate in SB2018. The HCC finds SB2018's mandate to increase minimum wage to \$18 by 2026 vastly superior to the meandering timeline suggested in SB2510 as well as preferable in its singular and exclusive focus on minimum wage alone.

Granted, there is no silver bullet to remedy the economic hardship faced by so many in our state, but a critical part of the solution **MUST** include raising minimum wage immediately. After listening to the severe economic hardship experienced by constituents of all ages and carefully considering the pros and cons of elevating minimum wage, the HCC concludes that Hawai'i must raise the minimum to no less than \$18 per hour as soon as possible. Yes, certain considerations or carve-outs need to be negotiated but HB2510 seriously disregards the needs of most residents as we begin to bounce back from the economic constraints of the past several years.

This issue is a litmus test of state legislators' commitment to seriously consider the urgent needs of all citizens.

Thank you for the opportunity to testify in opposition to HB2510.



## House Committee on Labor & Tourism

**Representative Richard Onishi, Chair**  
**Representative Jackson Sayama, Vice Chair**  
**Tuesday, February 15, 2022 at 9:30 A.M.**

### **RE: HB 2510, RELATING TO INCOME**

Chair Onishi, Vice Chair Sayama, and Members of the Committee:

#### **The Society of Human Resource Management (SHRM) Hawaii respectfully opposes HB 2510**

Makes the state earned income tax credit refundable and permanent. Provides for carryforward of nonrefundable credits previously claimed. Part III: Increases and amends the refundable food/excise tax credit. Part IV: Increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030. Increases the tip credit over the same period. Part V: Amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance. Part VI: Appropriates funds for an outreach campaign to educate low-wage earners about their withholding options and to provide support when completing their withholding forms.

SHRM Hawaii serves and represents nearly 600 members and employers' statewide and human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the needs of both the employers and employees and caring for businesses' most valuable asset: the working people of our state.

We appreciate and understand the intent of this bill to increase minimum wage to help our most vulnerable citizens of Hawaii. When speaking with our SHRM Hawaii employers, the majority of





them already pay over the minimum wage. Our smallest businesses who are members would be greatly impacted by this legislation, that is why SHRM Hawaii respectfully opposes.

Our members are already stretched thin with the increased costs of other mandates, like workers' compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefits. That does not include the high cost of the prepaid healthcare mandate for employees that work more than 20 hours. The annual fixed costs average about \$6,000 per employee.

The main concern SHRM Hawaii has when increasing the minimum wage is the effects it will have on the pay compression of management and other positions that make over the minimum wage. By increasing the minimum wage, this could have a ripple effect on our local employers as they would need to consider review and potential adjustment of their entire compensation structure. Taking into account pay compression, the potential impacts of the pandemic on healthcare costs, and other financial strains of the economy, SHRM Hawaii members cannot afford a mandate that would increase costs to all levels of the employment ladder.

Increasing the minimum wage to \$18 by 2030 would greatly hurt SHRM Hawaii and our members ability to hire and retain their workforce. We ask that you consider a smaller increase that would help workers, but not force some businesses to shut down.

Thank you for this opportunity to provide testimony.

Kalani Morse  
Legislative Affairs Committee Co-Chair

Dailyn Yanagida  
Legislative Affairs Committee Co-Chair



SHRM Hawaii, P. O. Box 3175, Honolulu, Hawaii (808) 447-1840



**HB-2510**

Submitted on: 2/14/2022 7:15:31 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Carolina Carreira	Individual	Oppose	No

Comments:

I oppose this bill. Raising the minimum wage now when our local small businesses are already crippled and on life support from nonsensical "emergency" Covid limitations will be the proverbial nail in the coffin. Not to mention that businesses will have to raise the price of goods and services to offset the wage raise. As a Hawaii consumer I am already taking a gut punch trying to make a living and paying for a cost of living that is one of the highest in the nation. Inflation is the highest it's been in 40 YEARS! The effects of this bill will trickle down and harm Hawaii families. It is not the time for this.

**HB-2510**

Submitted on: 2/14/2022 10:56:39 PM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Sidney Bandy	Individual	Support	No

Comments:

Dear House Committee on Labor & Tourism,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

The worthy tax credit proposals in this bill also exist in other, less complicated bills, and should be advanced forward using those legislative vehicles instead.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify,

Sidney Bandy

**HB-2510**

Submitted on: 2/15/2022 8:00:43 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Lawrence S Franco	Individual	Oppose	No

Comments:

I believe that SB 2018 is better legislation for the minimum wage provision of this bill. News outlets have shared how much less disposable income local residents over their mainland counterparts. We need to have a \$18 per hour minimum wage by 2026. Please use the language in SB 2018 and not the one in HB 2510. Thanks.

**HB-2510**

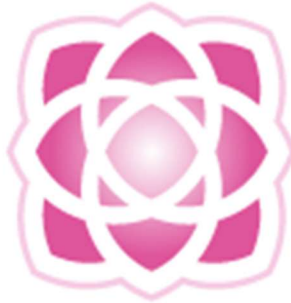
Submitted on: 2/15/2022 8:23:49 AM

Testimony for LAT on 2/15/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Joelle Seashell	Individual	Oppose	No

Comments:

This is economic suicide. Government does not need to be killing the ability for small businesses to flourish. Government should lower taxes and deregulate to small businesses can thrive. This is not headed in a direction that will bode well for anyone if you push this bill through.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON  
LABOR AND TOURISM  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 312  
TUESDAY, FEBRUARY 15, 2022 AT 9:30 A.M.**

To The Honorable Richard H.K. Onishi, Chair  
The Honorable Jackson D. Sayama, Vice Chair  
Members of the committee on Labor and Tourism

## **COMMENTS ON HB2510 RELATING TO INCOME**

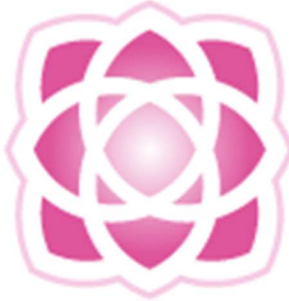
The Maui Chamber of Commerce would like to share our comments on HB2510 which makes the state earned income tax credit refundable and permanent; provides for carryforward of nonrefundable credits previously claimed; increases and amends the refundable food/excise tax credit; increases minimum wage rate incrementally each year until 1/1/2030; increases the tip credit over the same period; amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance.

While the tax credits are commendable, it is imperative that you hear the voice of businesses on this bill's minimum wage rate increases. We acknowledge that there are industries who are paying more than the minimum now and that there may be room for an increase, but a minimum wage does not hit all business equally and tends to hurt smaller mom and pop operations most. Keep in mind, most businesses who raised their wages above the minimum wage were able to do so because they had received federal assistance with COVID related funds.

While many people comment that the pandemic is being used as an excuse not to raise the minimum wage, we don't understand that rationale as we are in an unprecedented global pandemic that many thought would be over last July. There were good economic periods this past year, but many are still struggling to recover from the devastation in 2020 and 2021 and our economic future is still uncertain as COVID continues with new variants and major workforce and supply chain issues.

There are a number of bills that have been introduced that are harmful to businesses and increase their cost, such as expanded family leave bills, etc. While, individually, the bills may not add much to a small business' expenses, the cumulative effect can be described as "death by a thousand cuts."

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.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

## COMMENTS ON HB2510 RELATING TO MINIMUM WAGE PAGE 2.

Additionally, we don't feel the broader public fully understands: how unique Hawaii is, with businesses paying nearly the full amount of their employees' healthcare costs for those that work 20 hours or more, which is dramatically different from other states; that businesses may be hit with a significant UI rate increase in 2023; the challenges cause by wage compression; and impacts to businesses under long-term contracts. However, we do appreciate the staggered approach and think any increase should be staggered.

Lastly, it is important for the public and government to recognize the difference between a minimum wage and living wage, as there are many ways government can bring down our living wage (starting with the development of affordable housing and rentals) and that increases in the cost of doing business get passed down to all consumers, further increasing the living wage. We look forward to getting back to you with additional input from our members as soon as possible and working with you on solutions to create a healthy and sustainable environment for businesses and their employees.

Mahalo for the opportunity to comment on HB2510.

Sincerely,

Pamela Tumpap  
President

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