

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

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 SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 2018

**January 27, 2022  
10:45 a.m.  
Room 211 and Videoconference**

**RELATING TO MINIMUM WAGE**

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 2018.

S.B. No. 2018 proposes to amend Chapter 387-2, HRS, by increasing the minimum wage rate from \$10.10 to \$12.00 per hour beginning on October 1, 2022; \$15.00 per hour beginning January 1, 2024; and \$18.00 per hour beginning January 1, 2026.

B&F is currently working on estimates of increased costs due to this measure. Most of the costs are related to student employees of the Department of Education and University of Hawai'i. The first two increases will have only a small impact on other State departments. The final increase could have a larger impact. Currently, over 6,000 included and excluded State employees' wage rates are below \$18.00 per hour. However, this number is expected to be reduced substantially due to the impact of regular negotiated collective bargaining increases between now and the implementation of the proposed final increase.

Thank you for your consideration of our comments.



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

January 27, 2022

To: The Honorable Donovan M. Dela Cruz, Chair,  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and  
Members of the Senate Committee on Ways and Means

Date: Thursday, January 27, 2022  
Time: 10:45 AM  
Place: Conference Room 211, & Videoconference

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

**Re: S.B. 2018 RELATING TO MINIMUM WAGE**

**I. OVERVIEW OF PROPOSED LEGISLATION**

SB2018 proposes to amend Chapter 387-2, Hawaii Revised Statutes (HRS), by increasing the minimum wage rate from \$10.10 to \$12.00 per hour beginning on October 1, 2022; \$15.00 per hour beginning January 1, 2024; and \$18.00 per hour beginning January 1, 2026.

The DLIR supports increasing the minimum wage rate.

**II. CURRENT LAW**

The current minimum wage rate 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 (2015-2018).

**III. COMMENTS ON THE SENATE 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..."

Currently, twenty-two states and the District of Columbia currently have minimum wage rates higher than Hawaii.



**STATE OF HAWAII**  
**Executive Office on Early Learning**  
2759 South King Street  
HONOLULU, HAWAII 96826

January 26, 2022

**TO:** Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

**FROM:** Coleen Momohara, Interim Director  
Executive Office on Early Learning

**SUBJECT:** **Measure:** S.B. No. 2018 – RELATING TO MINIMUM WAGE  
**Hearing Date:** Thursday January 27, 2022  
**Time:** 10:45 a.m.  
**Location:** Videoconference

**Bill Description:** Increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

**EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support**

Aloha. I am Coleen Momohara, Interim Director of the Executive Office on Early Learning (EOEL). EOEL supports S.B. No. 2018.

EOEL is statutorily responsible for the development of the State's early childhood system that shall ensure a spectrum of high-quality development and learning opportunities for children throughout the state, from prenatal care until the time they enter kindergarten, with priority given to underserved or at-risk children.

EOEL appreciates the Legislature's effort to improve the lives and economic stability of working families in Hawaii. Economic stability has tremendous benefits for overall health and well-being and reduces risks associated with poverty and stress, which can have detrimental impacts to both adults and children within families. Moreover, the field of early childhood care and education has and continues to experience the loss of providers and educators who cannot continue to work earning poverty level wages. Increasing the minimum wage provides a jumpstart for the field's efforts towards comparable and equitable pay for those who engage in the important work of caring for and educating our youngest children.

Increasing the minimum wage will support the economic stability of working families, many of whom have young children, as well as the early care and education workforce. Thank you for the opportunity to provide testimony on this bill.

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Gabe Johnson  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura




Director of Council Services  
Traci N. T. Fujita, Esq.

Deputy Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

January 25, 2022

TO: Honorable Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Alice L. Lee  
Council Chair 

DATE: January 25, 2022

SUBJECT: **SUPPORT OF SB 2018, RELATING TO MINIMUM WAGE**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure is to increase the hourly minimum wage for certain employees incrementally to \$12 on October 1, 2022, \$15 on January 1, 2024, and \$18 on January 1, 2026.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **SUPPORT** this measure 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.
2. Increasing the State's minimum wage will help Hawai'i's economy by giving workers greater purchasing power in the local marketplace.
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.

For the foregoing reasons, I **SUPPORT** this measure.

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HAWAII

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
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Dave Nagajji, Treasurer	Juliet Begley	Jenny Nomura		Hawaii 96823
Doug Pyle, Secretary	Stephanie Fitzpatrick	Stephen O'Harrow		

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January 25, 2022

TO: Chair Dela Cruz and Members of the WAM Committee

RE: SB 2018 Relating to Minimum Wage

Support for a Hearing on January 27

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.

Americans for Democratic Action Hawaii supports this bill as it brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. We attach a graph of other expensive cities and their minimum wage levels.

We would, however, politely request two amendments to the bill, the language for which can be borrowed from HB 1503:

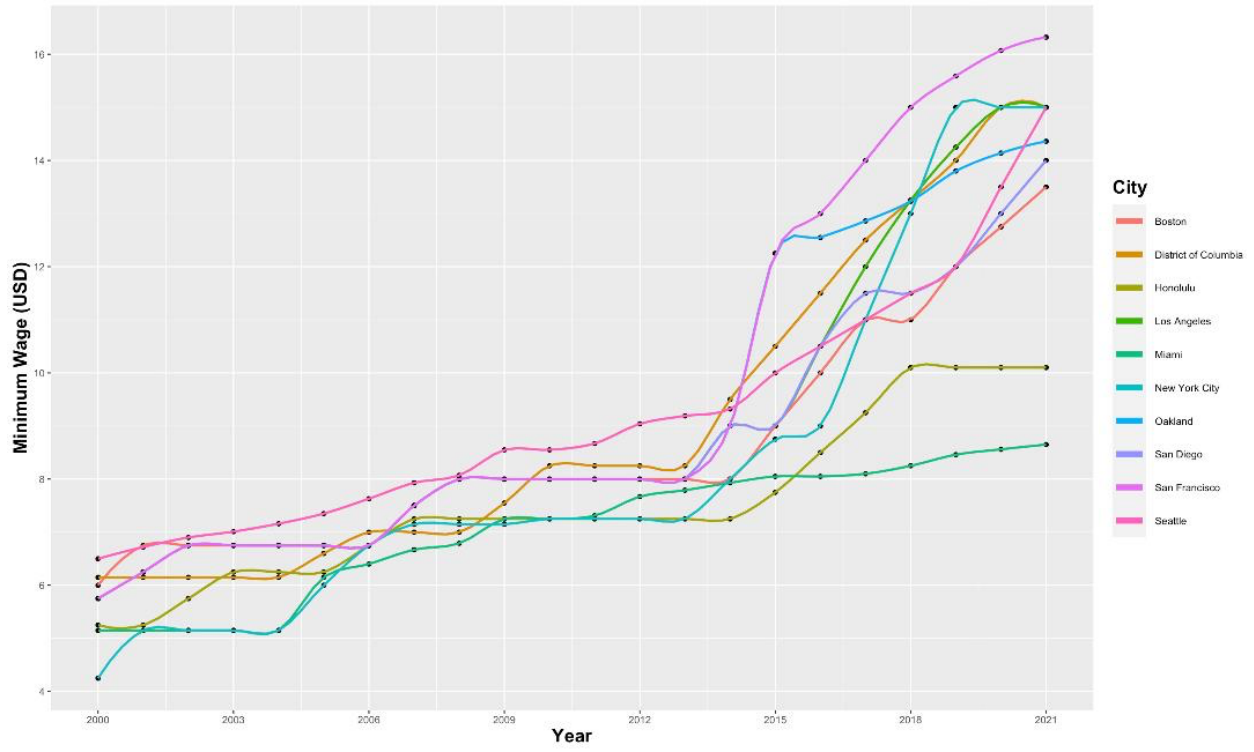
1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Thank you for your consideration.

Sincerely,

John Bickel, President

The Minimum Wage in Notable Expensive U.S. Cities From 2000-2021





**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  
The Senate  
Committee on Ways and Means

Testimony by  
Hawaii Government Employees Association

January 27, 2022

S.B. 2018 – RELATING TO MINIMUM WAGE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 2018 which increases the minimum wage incrementally to \$12 per hour in October 2022, then \$15 per hour beginning in January 2024, and culminating at \$18 per hour in January 2026. Additionally, we support indexing the minimum wage to the consumer price index for future years.

Prior to the incremental increases that began in 2015, the minimum wage had not changed since January 1, 2007, which equated to 8 years of salary stagnation for minimum wage employees. The current minimum wage is now \$10.10 per hour, yet Hawaii's high cost of living continues to significantly outpace wage increases and the COVID-19 worldwide pandemic has exacerbated this even further. Swift action must be taken to directly benefit those who need it the most – the working class, and we believe increasing the minimum wage is one of many important components that will help.

Although not contained in this specific measure, we are supportive of subsequent indexing to the Honolulu Consumer Price Index. We believe these salary increases will help spur Hawaii's economy and generate much needed consumer spending.

Thank you for the opportunity to testify in support of S.B. 2018.

Respectfully submitted,

Randy Perreira  
Executive Director

**STONEWALL  
CAUCUS**  
FORMED IN 2001



THE FIRST CAUCUS OF THE  
**DEMOCRATIC PARTY  
OF HAWAII**

January 25, 2022

Senate's Committees on Ways and Means  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

Hearing: Thursday, January 27, 2022 – 10:45 a.m.

**RE: STRONG SUPPORT for Senate Bill 2018**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and fellow committee members,

I am writing in STRONG SUPPORT to Senate Bill 2018 on behalf of the Stonewall Caucus of the Democratic Party of Hawai'i (formerly the LGBT Caucus). SB 2018 will increase the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

SB 2018 is greatly needed for our economy and the state. When employees are not paid a living wage, it is a drain on the economy and the State's budget. Because it is we the tax payers that end up help subsidizing business profits for those employers that refuse to pay a living wage.

The Stonewall Caucus respectfully asks that SB 2018 be amended to eliminate the "tip-credit". Not just because of the racist history of tipping in the United States but also because those that work in tipped jobs have too much uncertainty. A tipped worker should not have to rely on a customer if they are able to put food on their table and roof over their head.

We hope you all will support this important piece of legislation.

Mahalo nui loa,

Michael Golojuch, Jr.  
Chair and SCC Representative  
Stonewall Caucus for the DPH





**Where LGBTQIA+ Rights Meet Labor Movement  
A constituency group of the Hawai'i State AFL-CIO**

January 27, 2022

Senate's Committees on Ways and Means  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

Hearing: Thursday, January 27, 2022 – 10:45 a.m.

**RE: STRONG SUPPORT for Senate Bill 2018**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and fellow committee members,

Pride at Work – Hawai'i is an official chapter of Pride at Work which is a national nonprofit organization that represents LGBTQIA+ union members and their allies. We are an officially recognized constituency group of the AFL-CIO that organizes mutual support between the organized Labor Movement and the LGBTQIA+ Community to further social and economic justice.

Pride at Work – Hawai'i is proud to stand in stand in strong support with Hawai'i's Labor 'ohana in calling for a much-needed increase to Hawai'i's minimum wage by supporting Senate Bill 2018 which will increase the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

Pride at Work – Hawai'i is requesting that SB 2018 be amended to strike out the tip-credit. We are making this request because the tip-credit hurts the worker. No employee should have to rely on if a customer will tip or not to ensure that they will have the money for the basics.

Please do not believe the mis-information out there that raising the minimum wage closer to a living wage or eliminating the tip credit will hurt the worker. This is not base in reality and as we have seen in other jurisdictions across the country that have done both of these things have actually seen an stronger economy after making these positive changes.

Pride at Work – Hawai'i fully supports SB 2018 with the requested amendment to help ensure all workers have dignity and that starts with a living wage.

In solidarity,

Pride at Work – Hawai'i

TO: Chair Donovan M. Dela Cruz; Vice Chair Gilbert S.C. Keith-Agaran; and Committee

FROM: Adrian Hong, President of Island Plastic Bags, Inc.

RE: SB 2018 RELATING TO MINIMUM WAGE

POSITION: OPPOSE

Thank you for the opportunity to submit testimony in opposition of SB 2018. My name is Adrian Hong and I am the president of Island Plastic Bags Inc., a second-generation, family business in Halawa Valley that manufactures trash liners and food grade bags. If SB 2018 passes, it would lead to job losses in Hawaii and greater inflation.

As a trash liner manufacturer, we compete with bags manufactured in Vietnam, Malaysia, China, and the U.S. mainland. Customers expect us to be price competitive to win their business. Pricing from Vietnam is already cheaper than ours. If we are forced to pay a minimum wage of \$18/hour, we will be priced out of the market. At that point I would need to source my bags from lower cost jurisdictions and stop manufacturing locally.

I also foresee automation taking more jobs as the minimum wage rises. The more costly employees are to businesses, the more attractive automation becomes. Faster equipment, process improvements, and productivity software are not affected by minimum wage rises or rising health care costs. Skilled workers have and will continue to command higher wages, but lower skilled workers will be replaced by automation as labor costs rise. Process improvements and equipment upgrades have allowed our company to go from seventeen employees to twelve. This will happen at other companies as well (ex. restaurants using order kiosks instead of waiters).

Another danger of raising the minimum wage to \$18/hour is inflation. Businesses already suffering from the effects of the pandemic will not be able to absorb the vast increases in labor costs needed to meet this new minimum wage. Businesses will increase their prices, reducing the overall value of the minimum wage hike. This could lead to a spiral where businesses keep increasing their prices to meet labor costs and employees keep demanding raises because the money they earn is worth less and less.

The solution to the high cost of living in Hawaii is not to raise the minimum wage but to increase the stock of housing in Hawaii by scraping restrictive zoning laws in Hawaii, dramatically speeding up the permitting process, and confronting Nimbyism.

Thank you again for the opportunity to testify. Should you have any questions or comments about my testimony you can contact me by email at [dhong@islandplasticbags.com](mailto:dhong@islandplasticbags.com) or by phone at 808-484-4046.

Sincerely,

Adrian Hong

# HAWAII YOUTH SERVICES NETWORK

677 Ala Moana Boulevard, Suite 904 Honolulu, Hawaii 96813

Phone: (808) 489-9549

Web site: <http://www.hysn.org> E-mail: [info@hysn.org](mailto:info@hysn.org)

Carole Gruskin, President

Judith F. Clark, Executive  
Director

Bay Clinic

Big Brothers Big Sisters Hawaii

Big Island Substance Abuse  
Council

Bobby Benson Center

Child and Family Service

Coalition for a Drug Free Hawaii

Collins Consulting, LLC

Domestic Violence Action Center

EPIC, Inc.

Family Programs Hawaii

Family Support Hawaii

Friends of the Children's Justice  
Center of Maui

Get Ready Hawai'i

Hale Kipa, Inc.

Hale 'Opio Kauai, Inc.

Hawaii Children's Action  
Network

Hawaii Health & Harm

Reduction Center

Ho'ola Na Pua

Kahi Mohala

Kokua Kalihi Valley

Kokua Ohana Aloha (KOA)

Maui Youth and Family Services

Na Pu'uwai Molokai Native

Hawaiian Health Care  
Systems

P.A.R.E.N.T.S., Inc.

Parents and Children Together  
(PACT)

PHOCUSED

PFLAG - Kona Big Island

Planned Parenthood of the

Great Northwest and

Hawaiian Islands

Residential Youth Services

& Empowerment (RYSE)

Salvation Army Family

Intervention Services

Sex Abuse Treatment Center

Susannah Wesley Community

Center

The Catalyst Group

January 25, 2022

To: Senator Donovan Dela Cruz, Chair  
And members of the Committee on Ways and Means

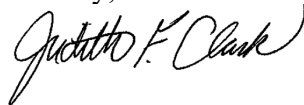
## TESTIMONY IN SUPPORT OF SB 2018 RELATING TO MINIMUM WAGE

Hawaii Youth Services Network, a statewide coalition of youth-serving organizations, supports SB 2018 Relating to Minimum Wage.

The disparity between the cost of living and the minimum wage continues to grow. Families and young wage earners are unable to afford the basic necessities of life including food, shelter, and medical care.

Thank you for this opportunity to testify.

Sincerely,



Judith F. Clark, MPH  
Executive Director



## TESTIMONY IN SUPPORT OF SB 2018 WITH AMENDMENTS

TO: Chair Dela Cruz, Vice Chair Keith-Agaran, & Members – Senate Committee on Ways and Means

FROM: Trisha Kajimura  
Deputy Director - Community

DATE: January 27, 2022 at 10:45 AM

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Hawai'i Health & Harm Reduction Center (HHRC) **supports** SB 2018 which increases the minimum wage for certain employees incrementally to \$18.00 per hour in 2026, requesting amendments that would eliminate the tip credit and include annual cost of living increases after 2026.

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.

Hawai'i is overdue for an increase to the minimum wage. Furthermore, we cannot allow the injustice of the tip credit to continue. Our service industry employees (customarily tipped workers) must be able to rely on a decent minimum wage from their employers. We also support inserting language to allow for annual adjustments to the minimum wage based on the Consumer Price Index. (See language from HB 1503) This will prevent the large gaps in time between minimum wage increases in Hawai'i.

Thank you for the opportunity to testify on this measure.



**THE SENATE  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2022**

**Committee on Ways and Means**  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Thursday, January 27, 2022, 10:45AM  
Conference Room 211 and Videoconference

**Re: Testimony in Support of SB2018 - RELATING TO THE MINIMUM WAGE**

Chair Dela Cruz, Vice Chair Keith-Agaran, 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** SB2018, which increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning on October 1, 2022, \$15.00 per hour beginning January 1, 2024, and \$18.00 per hour beginning on January 1, 2026.

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.

While many union workers are not in low-wage occupations, we stand with the State AFL-CIO in supporting its efforts to advocate for all of Hawaii’s workers to earn a living wage.

Thank you for the opportunity to provide testimony.

**UNITED PUBLIC WORKERS  
AFSCME Local 646, AFL-CIO**





**Testimony to the Senate Committee on Ways and Means  
Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair  
January 27, 2022, 10:45 a.m.  
Via Videoconference  
SB 2018, Relating to Minimum Wage**

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Dear Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the WAM Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations (HANO), I would like to express our support for **SB 2018, Relating to Minimum Wage**.

HANO is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Our member organizations provide essential services to every community in the state.

HANO polled its nonprofit members on the topic of minimum wage, and nearly 91% of respondents said HANO should support minimum wage increase legislation. Respondents represented a diverse cross section of nonprofits, varying in organization/budget size, island and mission. HANO recognizes that to effectively carry out its missions, nonprofit organizations must pay its employees a livable wage. As one respondent simply stated, "It's a matter of prioritizing people first. Without them the organization would not be able to accomplish our strategic goals."

Furthermore, the nonprofit sector shares the goal of improving our broader community. Many of our nonprofit organizations service people with needs stemming from poverty and systemic inequity. Living wages are necessary to ensure Hawaii's families can thrive and lessen the need for publicly funded services.

For these reasons, HANO supports efforts to increase the minimum wage.

We note that some State contracts with nonprofits for the provision of services to the community have not kept up with increasing wage costs over the years. Similar to ensuring a livable wage for residents, we hope that funders of nonprofit services, in both the executive and legislative branches, acknowledge the need to reflect realistic labor costs in contracts and payments so that nonprofit providers can continue to deliver the same level of quality services.

Thank you for the opportunity to provide written testimony.

Mahalo,

Lisa Maruyama  
President and CEO

**SB-2018**

Submitted on: 1/25/2022 3:21:30 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Laurie Field	Testifying for Planned Parenthood Alliance Advocates	Support	No

Comments:

Planned Parenthood Alliance Advocates writes in support of SB 2018 with amendments as requested by Raise Up Hawaii. Thank your hearing this important bill.



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

Osa Tui, Jr.  
President

Logan Okita.  
Vice President

Lisa Morrison  
Secretary-Treasurer

Wilbert Holck  
Executive Director

## TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

RE: SB 2018 - RELATING TO MINIMUM WAGE

THURSDAY, JANUARY 27, 2022

OSA TUI, JR., PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Dela Cruz and Members of the Committee:

The Hawaii State Teachers Association **supports SB 2018, with the suggested amendments**, relating to minimum wage.

Our minimum wage workers earn only \$21,000 a year (working full time at \$10.10 per hour) while facing the highest cost of living in the nation. For example, a Hawai'i minimum wage worker in 2019 would have to work 109 hours per week just to pay rent for a 1-bedroom apartment. **As you can imagine, rent is even higher now, three years later.**

The working families in Hawai'i are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system that many have already slipped through. HSTA **supports** the passage of this bill and applaud the committee chair for introducing this measure.

**We politely request two amendments to the bill**, the language for which can be borrowed from the HB 1503, written below.

1. **Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage.** There is no good reason hard working people should earn a sub-minimum wage based on the type of work they do for a living.
2. **Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT** to ensure working families never again fall behind on being able to afford the basics.





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

Osa Tui, Jr.  
President

Logan Okita.  
Vice President

Lisa Morrison  
Secretary-Treasurer

Wilbert Holck  
Executive Director

Other states have eliminated this sub-minimum wage for tipped workers and pay all of their workers the same minimum wage.

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

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

RE: SB 2018 - RELATING TO MINIMUM WAGE

THURSDAY, JANUARY 27, 2022

MITZIE HIGA, LEGISLATIVE CHAIR  
DEMOCRATIC PARTY OF HAWAII LABOR CAUCUS

Chair Dela Cruz and Members of the Committee:

The Democratic Party of Hawaii Labor Caucus **supports SB 2018, with the suggested amendments**, relating to minimum wage.

Mahalo for introducing a strong minimum wage increase bill that brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **We strongly support** passage of this bill and applaud the committee chair for introducing this measure.

**We would, however, politely request two amendments to the bill, the language for which can be borrowed from HB 1503:**

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

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

**SB-2018**

Submitted on: 1/25/2022 4:40:19 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

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

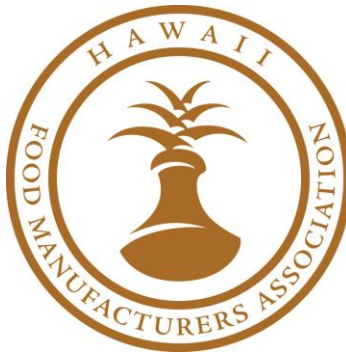
Comments:

Please pass SB2018 out of the committee so that it can receive a full vote on the Senate floor. The Hawaii Workers Center strongly supports this measure but feels that the minimum wage should be hiked to at least \$15 by this October (2022) and be raised in annual increments so that the minimum wage would be set at \$25 an hour by 2025.

We also urge you to end the exemption for tip credit--this encroaches on both customers and workers. Please also add a CPI provision to automatically raise the minimum wage rate in line with increases in the cost of living. The language for these amendments can be found in Rep. Jeanne Kapela's bill HB1503.

Mahalo for considering our testimony!

John Witeck, for the Hawaii Workers Center



**Testimony to the Senate Committee on Ways and Means  
Thursday, January 27, 2022, at 10:30 A.M.**

**RE: SB 2018, RELATING TO THE MINIMUM WAGE**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

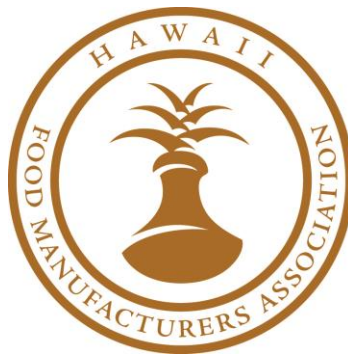
**The Hawaii Food Manufacturers Association (HFMA) respectfully opposes SB 2018 which increases the minimum wage.**

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 now would hurt an already suffering industry and some of our small businesses will not be able to stay open with the proposed minimum wage increase of \$12 this year, and \$18 by 2026.

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 \$12 by this year and \$18 by 2026 would further increase the stress and limit companies' growth.

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.



## Senate Committee on Ways and Means

Senator Brian T. Taniguchi, Chair

Senator Les Ihara, Jr., Vice Chair

Thursday, January 27, 2022 at 10:45 P.M.

### **RE: SB 2018, RELATING TO THE MINIMUM WAGE INCREASE**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

**The Society of Human Resource Management (SHRM) Hawaii respectfully opposes SB 2018** which increases the minimum wage.

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 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 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.

Increasing the minimum wage to \$18 by 2026 would greatly hurt SHRM and our members ability to hire and retain human resource professionals. 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

**SB-2018**

Submitted on: 1/25/2022 4:54:06 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Eric Sarrafian	Testifying for Leeward Community College Student Government	Support	No

Comments:

I believe that the minimum wage should be increased. The cost of living is extremely high and the students of LCC need more money to deal with tuition bills and student loans.

That said there should be an exemption for small local businesses. We have not even gotten past all the covid lockdowns and restrictions on small businesses and I believe that we could end up forcing more locally owned businesses out of business that have been struggling since the start of the lockdown and in the process force students out of a job. Along with the side effect of giving large corporations even more control and power on the island. The minimum wage should be increased for large chains like Walmart and Mcdonalds and far sooner than 2026 and more than 18\$





To: Hawaii State Senate Committee on Ways and Means  
Hearing Date/Time: Thursday January 27, 10:45AM  
Re: Testimony in SUPPORT of SB2018

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and the Members of Committee,

Members of AAUW of Hawaii thank you for this opportunity to testify in support of SB2018 which would increase the minimum wage to \$18 per hour by 2026.

Six in 10 of Hawaii's minimum wage workers are women, as they are overrepresented in low-wage industries like restaurants, food service, and retail. As you know, low-wage workers were disproportionately harmed by Hawaii's economic downturn caused by the COVID-19 pandemic. They need a living wage now more than ever before.

Minimum wage should be adjusted automatically to keep pace with the rising cost of living, and adjusted automatically with the Consumer Price Index. We request that you amend SB2018 as such.

We believe our economy would grow as the low-wage workers' income grows. Consumer spending makes up about two-thirds of our economy, so putting more dollars in the pockets of local workers means more money being spent at local businesses and supporting our local economy.

The American Association of University Women (AAUW) of Hawaii is an all volunteer, statewide chapter of a national organization and is made up of six branches: Hilo, Honolulu, Kaua'i, Kona, Maui, and Windward Oahu. UH Hilo, UH Manoa, UH Maui College, and Windward Community College are also AAUW partners. AAUW's mission is to advance gender equity for equal opportunities in education, at workplace and for economic security, and in leadership.

Please pass this important measure to ensure all workers in Hawaii have a living wage.  
Mahalo.

Sincerely,

A handwritten signature in blue ink, appearing to read "Younghee Overly".

Younghee Overly  
Public Policy Chair, AAUW of Hawaii  
publicpolicy-hi@aauw.net



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Brent N. Kakesako

*Executive Director*

Merri Keli'ikuli

*Office Manager & Program  
Support*

Corin Thornberg

*Project Associate*

Date: January 23, 2022

To: Senator Donovan M. Dela Cruz, Chair, Senator Gilbert S.C. Keith-Agaran,  
Vice-Chair, and members of the Committees on Ways and Means

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic  
Development (HACBED)

Re: Support for SB 2018 with amendments

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports SB 2018, with amendments, which increases the minimum wage to \$12 per hour beginning October 1, 2022, \$15 per hour beginning November 1, 2024, and \$18 per hour beginning January 1, 2026. We ask that the bill be improved to mandate subsequent minimum wage increases after 2026 indexed to annual minimum self-sufficiency calculation made by the Department of Business, Economic Development and Tourism (DBEDT) and eliminate the tip credit.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map. HACBED also facilitated the Family & Individual Self-Sufficiency Program (FISSP), which administers the Internal Revenues Services' Volunteer Income Tax Assistance (VITA) program as a part of its larger asset building and financial education initiatives for families in Hawai'i. As such, HACBED supports the proposed bill with amendments, that would provide an incremental increase in the minimum wage to support working families while supporting local businesses with an easier transition.

Through HACBED's efforts with providing VITA services, we have heard countless stories of the importance that a stable wage provides. SB 2018 and the requested amendments would increase our state's minimum wage to \$18 by 2026, mandate subsequent minimum wage increases after 2026 indexed to the annual minimum self-sufficiency calculation made by DBEDT, and eliminate the tip credit to support families in better making ends meet while increasing purchasing power that would support local businesses across the state.

Mahalo for this opportunity to testify,

Brent N. Kakesako

Executive Director

Hawai'i Alliance for Community-Based Economic Development



**Before the Senate Committee on Ways and Means**

DATE: January 27, 2022

TIME: 10:45 AM

PLACE: VIA VIDEOCONFERENCE

**Re: SB 2018 Relating to the Minimum Wage**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to SB 2018 relating to the minimum wage.

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 for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26 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.



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Connect via email: [info@hopeserviceshawaii.org](mailto:info@hopeserviceshawaii.org)

HOPE Help Line: 808-935-3050

## TESTIMONY IN SUPPORT OF SB 2018: RELATING TO THE MINIMUM WAGE

TO: Committee Chair, Vice-Chair and Committee Members  
FROM: Brandee Menino, CEO, Hope Services Hawai'i, Inc.  
Hearing: WAM, 1-27-22 at 10:45

Aloha,

My name is Brandee Menino and I am the CEO of HOPE Services Hawai'i, which is the largest provider of houseless services on Hawai'i Island.

The State of Hawai'i currently has the highest cost of living in the United States, but nearly half of our families struggle to make ends meet. In our work, we deal with the consequences of low wages every day, as more and more of our neighbors are priced out of their homes. This is why I am in **strong support** of SB 2018, which would increase the minimum wage to \$18 by 2026. Although passing this bill would be a step in the right direction, we strongly recommend amendments to 1) eliminate the tip credit, and 2) tie the minimum wage to future cost of living increases.

The implications of our current inadequate minimum wage leave lasting negative consequences throughout many different facets of our society. To provide a realistic narrative of what this looks like: in 2021, the housing wage was estimated at \$37.69/hr to afford rent for a 2-bedroom apartment. However, the current minimum wage at \$10.10 is less than half that amount. At this rate, individuals earning the minimum wage would need to work 114 hours per week in order to afford a 2-bedroom rental apartment. A client of HOPE Services Hawai'i in Kailua, Kona recounted his family's challenges with affording rent: A husband and father providing for his wife and 3 kids labored at two part-time jobs **and** a full-time job in order to pay the bills. After leaving one of his jobs, he could no longer afford the rent and his family was nearly evicted. Despite being employed full-time, he was still unable to overcome the discrepancy that lies between the minimum wage and the housing wage. HOPE Services was able to assist them with their rental payments, and he shared, "Because of HOPE Services, we still have a roof over our heads."

Although we help where we can, we cannot do this alone. We need your support to keep our local residents housed, and give our keiki the opportunity to continue to call Hawai'i home. Please pass SB 2018 with amendments.

Mahalo nui for your consideration.

Brandee Menino  
CEO, HOPE Services Hawai'i



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

Date: January 25, 2022

To: Sen. Donovan M. Dela Cruz, Chair  
Sen. Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the Committee on Ways and Means

From: Victor Lim, Legislative Lead

Subj: SB 2018 Relating to Minimum Wage

The Hawaii Restaurant Association representing 3,400 restaurants here in Hawaii agrees with increasing the state's minimum wage(starting wage) but opposes the schedule and timeline as laid out in SB2018 which will be very difficult for our members.

Two years into the pandemic, restaurants are still struggling to keep doors open amid a surge in coronavirus cases, inflation, labor shortage, and supply chain delays. Many well known legacy restaurant had closed here in Hawaii and for those that are still in operation, they are barely surviving on shoe strings margins. We feel that SB2018's schedule of starting at \$12/hr in 10/1/22, \$15/hr by 1/1/24, and \$18/hr by 1/1/26 with \$3 incremental jumps will be devastating. When you increase that starting (minimum) wage, please bear in mind that we also have to do a compression of the majority of our current workforce that are making over the new starting wage, affecting your whole payroll. We have to keep reasonable gaps between rookies and tenured staff.

Hawaii is also one of a very few places where employers have to provide for employee's medical insurance and we all know how big and fast those costs continue to escalate every year - a single coverage is now about \$400 per month.

The Chamber of Hawaii most recent survey results as of 1/25/22 shows that over half of the businesses in Hawaii said that at \$15/hr, over 50% said that they will have to reduce staff. At \$18/hr, 67% said they will have to reduce staff and 28% will lay off half of their staff.

The following is our proposal that we hope you consider.

\$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 strongly believe that a reasonable increase over time give us the best vehicle. We are very willing to work with you and your team on this very important issue. Thank you.





Committee on Ways and Means  
Chair Dela Cruz, Vice Chair Keith-Agaran

January 27, 2022, 10:45 AM Room 211 and Videoconference  
SB2018 — RELATING TO MINIMUM WAGE

TESTIMONY

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

Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

**The League of Women Voters of Hawaii supports SB2018, which increases the minimum wage for certain employees incrementally: \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26. We respectfully suggest consideration of amending the bill to include automatic adjustments for cost of living increases.**

The League of Women Voters has long supported economic, fiscal and social policies which meet basic human needs, and acknowledges that one way of meeting many of those needs is through a “livable” minimum wage. A “living” wage allows the employed individual and dependents to purchase basic nutritionally adequate food; access transportation between home, work, and school – by public transportation where that is available; rent housing which meets certain minimal standards; and pay for health care when needed.

In **2018** DBEDT established the level of minimum wage which supports these basic human needs at \$17/hour, for a single wage earner without dependents. Inflation increased that to \$17.63 per hour in 2020; current rising inflation rates will mean that the proposed increase still leaves low-wage workers well short of a bare-bones living wage.

California and several local jurisdictions with lower costs of living have raised their minimum wage to \$15/hour by 2021. To do less in Hawaii is heartless, and sentences the tens of thousands of people in Hawaii, many of them with dependents, who currently earn less than \$15/hour, to a life of multiple jobs, reliance on government support, inadequate shared housing, and postponed health care.

Raising the minimum wage will exert pressure to increase wages for other workers who make more than minimum wage but less than a living wage. Adding these workers to the beneficiaries of SB2018 increases the population which will benefit.

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](mailto:voters@lwvhi.org)

All of these lower income individuals will add to excise tax collections by spending their increased wages on basic necessities such as groceries, clothing, household supplies etc.

A very important reason to raise the minimum wage substantially is the effect that will have on the physical and mental health, and educational success of children in families affected by a somewhat higher income.

**Suggested amendment:** If SB2018 as written becomes law, and the minimum wage in 2026 is \$18/hour, which is less than a living wage today, our low-wage earners will continue to suffer the stresses of inadequate incomes. To address, though not fully compensate for, the gap, we urge you to amend the bill to include automatic annual adjustments tied to increases in the cost of living.

Thank you for the opportunity to submit testimony.

**SB-2018**

Submitted on: 1/25/2022 8:27:07 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rev. Samuel L Domingo	Testifying for Faith Action for Community Equity, Hawaii Workers Center, Raise Up Hawaii	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.







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: Senate Committee on Ways and Means

Re: **SB 2018 - Relating to minimum wage**  
Hawai'i State Capitol, Conference Room 211 & Videoconference  
January 27, 2022, 10:45 AM

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members,

**On behalf of Hawai'i Children's Action Network Speaks!, I am writing in STRONG SUPPORT with SUGGESTED AMENDMENTS to SB 2018, relating to minimum wage.** This bill would increase the minimum wage to \$18 per hour by 2026, in three steps starting in October 2022.

It is well known that Hawai'i's families with children face the highest cost of living in the nation.<sup>1</sup> But working parents who earn the minimum wage can't make ends meet with only \$10.10 per hour, or \$21,000 per year for full-time work. Meanwhile 22 other states – all with lower costs of living – have minimum wages that are higher than here in Hawai'i.

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>2</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.

It is also 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.

For these reasons, HCAN Speaks! supports raising the minimum wage to \$18 by 2026. **We suggest adding automatic inflation adjustments after 2026**, in order to prevent the wage from becoming so deficient again.

**We also urge the removal of the credit that allows employers to pay tipped workers less than the full minimum wage.** 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 pass SB 2018 with our suggested amendments.

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

<sup>1</sup> <https://www.bea.gov/news/2021/real-personal-consumption-expenditures-and-personal-income-state-2020>

<sup>2</sup> <https://files.hawaii.gov/dbedt/annuals/2021/2021-read-self-sufficiency.pdf>

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



## SB 2018, RELATING TO MINIMUM WAGE

JANUARY 27, 2022 · SENATE WAYS AND MEANS  
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

**POSITION:** Support with amendments.

**RATIONALE:** Imua Alliance supports and suggests amendments for SB 2018, relating to minimum wage, which increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

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.

That said, we suggest **amending this measure to eliminate the tip credit and tie future minimum wage increases to the consumer price index,** The tip credit 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. Moreover, linking future minimum wage increases to the consumer price index would ensure that our minimum wage becomes a living wage that keeps pace with Hawai'i's rising cost of living, while preventing the financial security of working families from being weaponized for political gain.

**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.

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



## SENATE BILL 2018, RELATING TO MINIMUM WAGE

JANUARY 27, 2022 · SENATE WAYS AND MEANS  
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

**POSITION:** Support with amendments.

**RATIONALE:** The Democratic Party of Hawai'i Education Caucus supports and **suggests amendments** for SB 2018, relating to minimum wage, which increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

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.

That said, we suggest **amending this measure to eliminate the tip credit and tie future minimum wage increases to the consumer price index,** The tip credit 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. Moreover, linking future minimum wage increases to the consumer price index would ensure that our minimum wage becomes a living wage that keeps pace with Hawai'i's rising cost of living, while preventing the financial security of working families from being weaponized for political gain.

**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.

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



**SB-2018**

Submitted on: 1/26/2022 6:41:46 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Shirley David	Testifying for St. Michael the Archangel Parish	Support	No

Comments:

Our young people can no longer afford to live in Hawaii due to low wages and high rents. Families struggle to house multiple generations in overcrowded housing.

Raising the minimum wage is a much needed partial solution to solve the affordable housing and loss of our youth to the mainland crises.

Shirley David, Pastoral Council Chair

St. Michael the Archangel Parish, Kaiua Kona

Statement Before The  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Thursday, January 27, 2022  
10:45 AM  
Conference Room 211 & Videoconference

in consideration of  
**SB 2018**  
**RELATING TO THE MINIMUM WAGE.**

Chair DELA CRUZ, Vice Chair KEITH-AGARAN, and Members of the Senate Ways and Means Committee

Common Cause Hawaii provides comments in support of SB 2018 which Increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

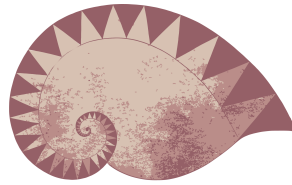
Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy - one that works for everyone and not just the special interests.

Common Cause Hawaii understands that when every employee is paid a minimum wage that is a living wage, the benefits flow to families, communities, and our state as a whole. Increasing the minimum wage to \$12 per hour beginning October 1, 2022 is a good start and will align Hawaii with many other states that have already raised the minimum wage. See <https://minimumwage.com/2020/12/80-states-and-localities-will-see-minimum-wage-hikes-in-2021/> (retrieved Jan. 22, 2022). Raising the minimum wage will help Hawaii's people and help to ensure a healthy, vibrant democracy. Please consider for SB 2018, after the final 2026 fixed minimum wage increase, tying future increases to the Urban Hawaii Consumer Price Index.

Thank you for the opportunity to comment in support of SB 2018 and to request consideration of tying future increases to the minimum wage, after 2026, to the Urban Hawaii Consumer Price Index. If you have further questions of me, please contact me at [sma@commoncause.org](mailto:sma@commoncause.org).

Very respectfully yours,

Sandy Ma  
Executive Director, Common Cause Hawaii



Pono Hawai'i Initiative

Patrick Shea - Treasurer • Lena Mochimaru - Secretary  
Nelson Ho • Summer Starr

Wednesday, January 26, 2022

Relating to Minimum Wage  
Testifying in Strong Support with Amendments

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) strongly supports SB2018 – Relating to Minimum Wage. This measure would phase in an increase to minimum wage beginning with an increase to \$12.00 an hour in 2022 and incrementally increases to \$18.00 an hour by 2026.

This increase is long overdue and PHI thanks the Committee for scheduling the measure and moving it swiftly along so that we can help Hawaii's minimum wage workers and their families. PHI also supports the two amendments proposed by Raise Up Hawaii:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the sub minimum wage now paid to restaurant employees. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

For these reasons, we urge the Committee to **pass SB2018**.

Mahalo for the opportunity to testify,

Gary Hooser  
Executive Director  
Pono Hawai'i Initiative



Hawaii Geophysical Services  
Chairman

**Malcolm Barcarse, Jr.**  
A&B Electric Co., Inc.  
Past Chairman

**Kevin Schmid**  
Oceanic Companies, Inc.  
Chairman Elect

**Ross Kawano**  
ECA, LLP  
Treasurer/Secretary

**Kat Mashima**  
Mashima Electric

**Jarrett Walters**  
Hawaiian Building  
Maintenance

**Ralph Sakauye**  
Bora, Inc.

**Christine Lanning**  
Integrated Security  
Technologies, Inc.

**Paulina Baker**  
Redhammer LLC



**Geoffrey Chu**  
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Helix Electric  
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**David Tsuda**  
First Hawaiian Bank  
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ECA, LLP  
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**Maurice Torigoe**  
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**Michelle Taketa**  
StarCom Builders, Inc.

**2022 CEF ETTF Board of  
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**Leonard Tanaka**  
T&T Electric, Inc.

**Casey Reed**  
Helix Electric

January 27, 2022

To: Committee on Ways and Means  
Sen. Donovan M. Dela Cruz, Chair  
Sen. Gilbert S.C. Keith-Agaran, Vice Chair

From: Malcolm Barcarse, Jr. ABC Hawaii Legislative Committee Chair.

Associated Builders and Contractors Hawaii's Testimony in **OPPOSITION** to SB 2018.

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Thank you for the opportunity to testify, my name is Malcolm Barcarse, Jr. I am currently the Legislative Committee Chair of Associated Builders and Contractors, Hawaii Chapter which represents over 150 member companies in the Construction Industry. We also have a State Approved Trade Apprenticeship Program in the trades of Carpentry, Electrical, Painting, Plumbing and Roofing.

While we appreciate the changing economic conditions which are pushing up the cost of living, we are concerned that having large increases in the minimum wage set on an automatic schedule in an uncertain economic environment is unwise. Passing this bill risks the health of many small businesses and workers, including companies like our members whose workers are normally paid well above minimum wage but may find themselves of having entry workers at the minimum wage level because under this bill the minimum wage will rise just under 80% in only four years, without any assurance that the economy and inflation will justify that aggressive of a minimum wage hike.

We are also very concerned at the speed in which this bill is moving through the legislature. Business groups such as ours have not had the opportunity to provide meaningful feedback on the impacts of a bill such as this. We ask that this bill be HELD in committee so that all sides of this issue have the opportunity to tell their stories about the impacts of this bill.

Thank you for the opportunity to testify.



## Senate Committee on Ways & Means

Thursday, January 27, 2022, 10:45 a.m. Conference Room 211

### **Hawai'i Alliance for Progressive Action Supports: SB 2018 with amendments**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in support of SB 2018 with amendments. HAPA is a state-wide organization that engages approximately 10,000 local residents annually.

Mahalo for introducing a strong minimum wage increase bill that brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **We strongly support** passage of this bill and applaud the committee chair for introducing this measure.

We would, respectfully request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

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 2 years. Additionally minimum wage workers in Hawai'i are losing the equivalent of over \$500 per year to inflation.

Hawai'i's current minimum wage is already lower than in all other highest cost-of-living states. And Hawai'i will be falling further behind. The next 8 most expensive states have passed laws to raise their minimum wages to at least \$15 over the next 5 years—and the cost of living in all of those states is *lower* than in Hawai'i.

In the most expensive state to live in the nation, our struggling low-wage families need bigger tax credits AND a robust boost to the minimum wage. Otherwise working-age people in Hawai'i will keep moving away to other states, where they'll be paid more and be able to afford a decent standard of living.

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

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Anne Frederick". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anne Frederick  
Executive Director



**Testimony to the Senate Committee on Ways and Means  
Thursday, January 27, 2022, at 10:45 A.M.**

**RE: SB 2018, RELATING TO THE MINIMUM WAGE**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

While the Chamber of Commerce Hawaii ("The Chamber") supports an increase in the minimum wage, at this time, we have concerns about the level it 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.

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 a \$12 minimum wage this year, and an \$18 minimum wage by 2026 will likely undermine efforts made 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 the Maui, Kauai, Kona-Kohala, Hawaii Island, and Molokai Chamber of Commerce conducted a survey of our members to get data on the affects that increasing the minimum wage would have on their businesses. A total of 355 business participated in the survey, with over 50% of the businesses being companies with 25 employees or less. Below are some noteworthy takeaways from the survey:

- Over half of businesses said they would need to reduce staff if the minimum wage was increased to \$15 or more
- 67% of businesses said they would need to reduce staff if the minimum wage increased to \$18.
- 28% of businesses said they would need to lay off half of their staff if it went up to \$18.
- **33.61%** of respondents said they would need to **shut down their business entirely** if the minimum wage increased to \$18



# Chamber of Commerce HAWAII

*The Voice of Business*

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 Omnicron variant has severely disrupted business operations, as well as further exacerbates the workforce shortage problem. The supply chain issue and inflation are additional challenges.

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.

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.





Testimony to the Senate Committee on Labor, Culture and the Arts  
Monday, January 24th, 2022 at 3:00pm

Conference Room 225, State Capitol  
RE: SB2018 Relating to the Minimum Wage

**Position: Strong Support**

Members of the Labor Committee:

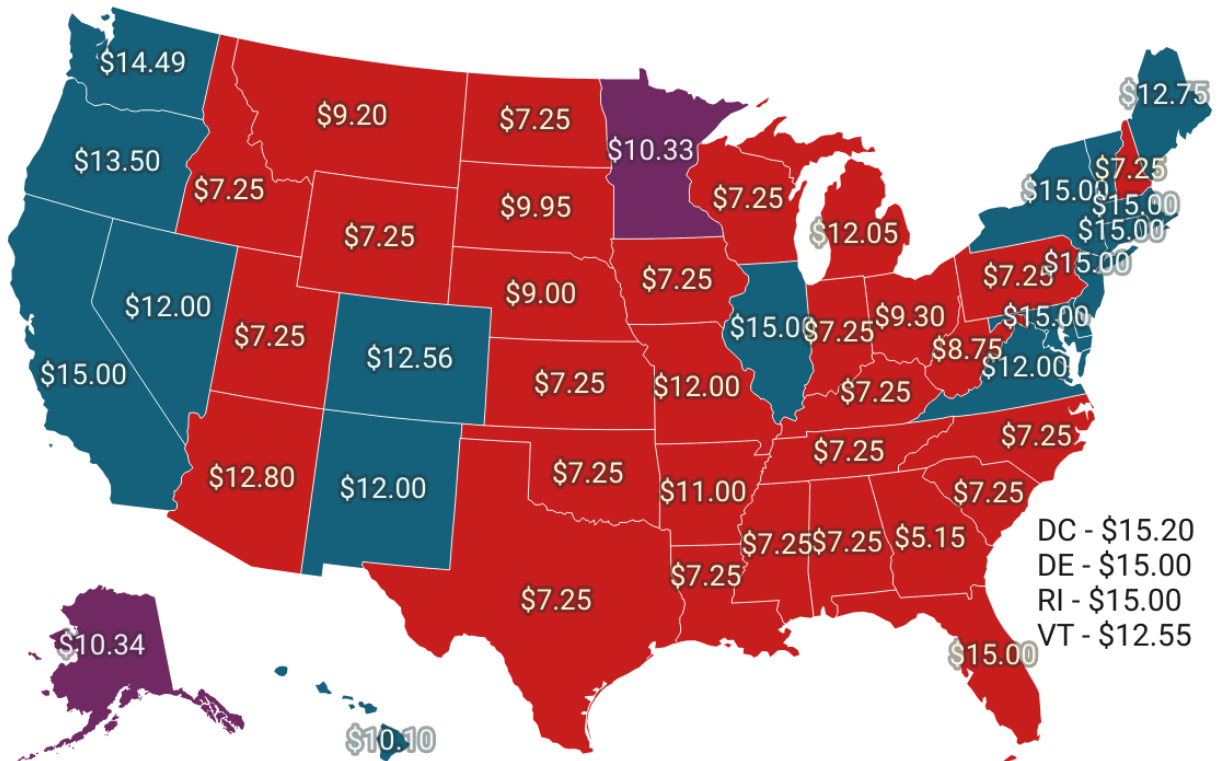
**Hawaii's Minimum Wage Falls Short**

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. This bill has 201 cosponsors. Hawaii can also increase the wage by nearly \$8 to help deal with our high cost of living.

## **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.

# COMMUNITY ALLIANCE ON PRISONS

P.O. Box 37158, Honolulu, HI 96837-0158

Phone/E-Mail: (808) 927-1214 / [kat.caphi@gmail.com](mailto:kat.caphi@gmail.com)



## COMMITTEE ON WAYS AND MEANS

Senator Donovan Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Thursday, January 27, 2022

10:45 AM

## SB 2018 SUPPORT WITH CONCERNS

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai`i for more than two decades. This testimony is respectfully offered on behalf of the more than 4,034 Hawai`i individuals living behind bars or under the “care and custody” of the Department of Public Safety or the corporate vendor on any given day. We are always mindful that 1,114 of Hawai`i’s imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Kanaka Maoli, far, far from their ancestral lands.

Community Alliance on Prisons appreciates your committee discussing the importance of minimum wage to our people. SB 2018 increases the minimum wage for *certain* employees incrementally to \$12 per hour beginning in January 2024, and \$18 per hour beginning January 2026. Here are our concerns and suggestions:

**RAISE THE MINIMUM WAGE TO A DECENT WAGE NOW!** We have several concerns with this measure that increases the minimum wage to \$12 per hour in October of this year. This will still keep people struggling and \$18 in 2026, at the rate that prices are rising, won’t help people achieve anywhere near self-sufficiency. *In 2018 DBEDT reported that to achieve self-sufficiency a single adult required an income of \$35,143 (approximately \$17 per hour) and a single parent with one preschool-age child required an income of \$59,428 (approximately \$29 per hour).*

**REPEAL THE TIP CREDIT!** This bill also keeps the tip credit, allowing employers to penalize those whose work earns them tips for good service by paying those workers below minimum wage. Auwe!

**TIE THE MINIMUM WAGE TO THE CONSUMER PRICE INDEX!** This measure ignores the fact that prices on basic essentials are rising, impacting the nutritional needs of human beings while rents are rising with the inclusion of remote workers from other places.

The cost of living is a huge issue for our communities across Hawai`i nei, especially those struggling to survive at multiple minimum wage jobs. If a person worked one job at minimum wage, they would be making a little more than \$21,000 a year. We know many people who work multiple part-time minimum wage jobs just to stay afloat. And many of these people are the ones who kept - and continue to keep - Hawai`i going throughout this public health crisis. We owe them a debt of gratitude and a decent living.

The next time you are in the grocery store, remember the person who is packing or ringing up your purchases - they have braved the pandemic for you and to help their communities! Please thank them and pass a decent wage bill that doesn't insult their integrity.

Mahalo nui for this opportunity to share our testimony.



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 Senate  
Committee on Ways and Means

Testimony by  
Hawai'i State AFL-CIO  
January 27, 2022

## S.B. 2018 – RELATING TO MINIMUM WAGE

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 S.B. 2018.

Hawai'i's most economically vulnerable workers are job insecure, and low-wage occupations require making a living across multiple jobs. While it is true that the floor for employee benefits in Hawai'i includes employee health insurance, hourly workers who are routinely scheduled for less than the requisite number of hours to be covered are deprived of that employee benefit. Workers who are misclassified as independent contractors are deprived of *all* employee benefits. Employee benefits are important to worker retention and reducing the high cost of turnover.<sup>1</sup> If benefits are not made available, then the hourly wage is all workers have.

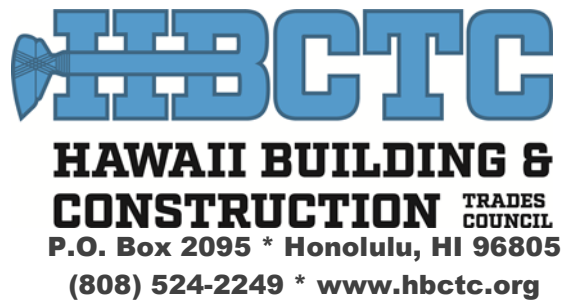
This issue is not new. Employers could have stayed ahead of this increase by using market data to inform their compensation plan to stay competitive and avoid future wage compression.<sup>2</sup>

We appreciate your consideration of our testimony and strongly urge passage of S.B. 2018.

Respectfully submitted,

Randy Perreira  
President

1. Rusli Ahmad, Eileen Toh Pei Yei & Sopian Bujang, *Relationship between Types of Benefit (leave, loan and retirement plan) and Employees' Retention.*, 1 14 (2013).
2. 3 Common Types of Pay Compression, , Payscale - SALARY COMPARISON, SALARY SURVEY, SEARCH WAGES , <https://www.payscale.com/compensation-trends/pay-compression-2/> (last visited Jan 26, 2022).



January 26, 2022

Hawaii State Legislature  
Senate Committee on Ways & Means  
415 South Beretainia Street  
Honolulu, Hawaii 96813

**RE: SB 2018 Relating to Minimum Wage**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

The Hawaii Building & Construction Trades Council (HBCTC) would like to offer written testimony in **SUPPORT** of SB2018 which would raise the minimum wage for workers in Hawaii.

HBCTC Affiliates continuously supports efforts for better wages and benefits for their members and would also support any efforts to improve a livable wage for all workers across the State. The cost of living in Hawaii is one of the highest in the nation. It is only fair that every worker in Hawaii receive a livable wage.

For these reasons, the HBCTC **SUPPORTS** SB 2018 and we hope for a favorable decision by your committee.

Mahalo Nui Loa,

*Gino Soquena*

Gino Soquena  
Executive Director  
Hawaii Building & Construction Trades Council

**SB-2018**

Submitted on: 1/26/2022 10:28:30 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Alex Williamson	Testifying for Leeward Community College Student Government	Support	No

Comments:

Raising the minimum wage should not be opposed in the slightest. The cost of living has gone up considerably, and the pay should follow. It is a simple way to help the people of Hawai'i live successful lives. Ones where they can continue to inspire others, and raise families. Please raise the minimum wage, it will only help Hawai'i's future. Thank you for your time.



# HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice  
In Support with Amendments of SB 2018 – Relating to the Minimum Wage  
Senate Committee on Ways and Means  
Thursday, January 27, 2022, at 10:45 AM via Videoconference

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Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Thank you for the opportunity to provide testimony in **SUPPORT of SB 2018**, which would increase our state’s minimum wage to \$18 by 2026.

Financial insecurity directly affects how much families can buy at local businesses. Consumer spending contributes nearly 70 percent to economic growth.<sup>i</sup> Especially with 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>ii</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 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 closer to \$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. **SB 2018 will narrow the gap between wages and basic living costs, helping create a more sustainable economy for all residents.**

Hawai‘i’s current minimum wage is already lower than in the other highest cost-of-living states. Twenty-one states already have higher minimum wages than Hawai‘i, including relatively low cost-of living states such as Missouri.<sup>iii</sup>

We should feel confident that **raising the wage will not harm the job market** in our state. DBEDT recent study of past minimum wage increases in Hawai‘i finds that there were few effects on our state’s labor market.<sup>iv</sup> In fact, during our most recent period 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>v</sup>

**To improve what is already a tremendous proposed step forward for Hawai‘i’s minimum wage, we suggest two amendments:** (1) indexing the minimum wage to inflation after it reaches the \$18

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



mark (following the lead of 18 other states that have already done the same); and (2) eliminating the tip credit.

**Thank you for considering this testimony and our suggested amendments.** Boosting minimum wage is key to helping ensure that working families can make ends meet. Without such an increase, working-age people in Hawai‘i will continue to struggle. As their struggles increase, and more and more will move to places where they can afford to live, 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> 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>ii</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>iii</sup> [www.epi.org/minimum-wage-tracker](http://www.epi.org/minimum-wage-tracker)

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

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



January 26, 2022

To: Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the Committee on Ways and Means

Date: Thursday, January 27, 2022  
Time: 10:45 am  
Place: State Capitol  
415 South Beretania Street  
Conferene Room 211

From: Wayne Hikiji, President  
*Envisions Entertainment & Productions, Inc.*

**RE: Opposition to SB 2018 Relating to the Minimum Wage**

My name is Wayne Hikiji and I am president of *Envisions Entertainment & Productions, Inc.* ("Envisions"), an event production company based in Kahului, Maui. We have been in business for 26 years. Prior to the pandemic, we employed 20 full-time employees who have been us between 16-25 years, 20-25 part-time seasonal workers, and contracted between 115-120 independent contractors annually. Because of the Pandemic, we have furloughed all but 11 of our full-time key employees and reinstated only a few part-time seasonal employees.

We oppose SB 2018 which would increase the minimum wage to \$12 per hour beginning October 1, 2022, \$15 per hour beginning January 1, 2024, and \$18 per hour beginning January 1, 2026. Such an increase under normal circumstances may arguably be reasonable and sustainable. However, we are still in the midst of this unprecedented pandemic and economic crisis, and many economists predict that our economy will take several years to recover. Consequently, without reliable scientific and economic data that projects a sustained return to normal in 2022 and beyond, the proposed minimum wage schedule would be premature and ill-advised.

Such an increase would be especially devastating to businesses like ours in the special events and tourism industries who have been literally shuttered from mid-March to December of 2020. *Envisions* experienced a 97.5% drop in revenue from April through December, 2020, and others in the live events industry have experienced similar unprecedented revenue reductions.

While there was an uptick in transpacific travel in the fall or 2021, business in 2022 is all but unpredictable, especially with the ongoing Omicron variant which has already resulted in multiple cancellations for Q1 & 2 of 2022. As such, we are seeing only a fraction of the transpacific group and wedding business we rely on annually to sustain ourselves. And while PPP provided temporary relief in 2020 and 2021, we are on our own in 2022, with no federal assistance being considered if business does not rebound in a meaningful and sustainable way.

*Envisions Entertainment & Productions, Inc.*

Re: SB 2018

January 26, 2022

Page 2 of 2

Furthermore, we cannot emphasize that such an untimely wage increase would result in *wage compression* during a time when we are trying desperately to stay afloat. *Envisions* has always paid its workers well above the minimum wage to attract those with the aptitude, work ethic, and character traits we require. Raising the minimum wage to \$12, \$15 & \$18 an hour, respectively, will force us to increase our entry-level pay as well as the wages of our long-time employees who spent years working their way up to their current wage level simply because the difference in pay would no longer be equitable. This dynamic will likely lead to widespread dissatisfaction and prove to be a “demotivating” force. This can impact productivity and lead to increased turnover, as well as decreased employee morale and potential resentment among co-workers.

And it goes without saying that the notion that we can simply raise our prices to off-set this significant cost increase is neither tenable nor sustainable. Proponents of this argument would have you believe that this added expense can be passed on to consumers by simply raising prices. In the midst of this Pandemic, this argument simply does not hold water. And for non-essential services like ours, the flawed argument of passing any increase to our consumers is even more apparent. Any price increase can quickly reach a breaking point where our client will either scale back considerably, contract a competitor who doesn't have our overhead, decide to do it themselves, or worse yet, do without. In other words, our business niche is *demand-elastic*, meaning if our prices keep going up, demand for our services will plummet, something we cannot afford as we try to recover from this pandemic.

Given the foregoing, I humbly ask that this Legislature pause any bill to increase the minimum wage until the economy recovers from this Pandemic and becomes robust enough to justify any reasonable increase.

Respectfully submitted,

*ENVISIONS ENTERTAINMENT & PRODUCTIONS, INC.*

A handwritten signature in black ink, appearing to read "Wayne Hikiji", is written over a horizontal line. The signature is stylized and cursive.

Wayne Hikiji  
Its President



**Local 665**  
**HAWAII'S TECHNICIANS**  
for  
**FILM, TELEVISION, STAGE AND PROJECTION**  
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 Senate, Regular Session 2022  
Hawaii State Capitol,  
415 South Beretania Street

**COMMITTEE ON WAYS AND MEANS**

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Thursday, January 27, 2022  
TIME: 10:45AM  
PLACE: Conference Room 211 & Videoconference

**RE: SENATE BILL 2018 – RELATING TO MINIMUM WAGE**

Mahalo Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Senate Committee for allowing us to testify in **STRONG SUPPORT of S.B. 2018**.

IATSE Local 665 represents Entertainment Technicians in the Stagecraft, Tradeshow, Conventions, Film and TV industries across the State of Hawaii. Our industry was completely shut down during 2020, and, like everyone else, we are still reeling from the effects of the pandemic. Although our stagehands and tradeshow technicians are still not back to work, when work returns, they will be blessed to make a living wage. Some of their families and friends, however, are still living just above poverty level.

Hard choices are being made between bills, food and healthcare. Working families are struggling to keep their heads above water now. With the recent **doubling of inflation to over 7%**, vulnerable workers will find that their dollars will be stretched even further, making the idea of homelessness a dire possibility.

**Please pass S.B. 2018** to help stabilize the economy, help local families survive this devastating crisis, and take bold strides toward creating a thriving Hawai'i Nei.

Respectfully submitted,

Irish Barber  
Business Representative

January 26, 2022

RE: SB 2018 RELATING TO MINIMUM WAGE

Dear Chair Dela Cruz and the Senate Committee on Ways and Means,

The Kona-Kohala Chamber of Commerce exists to provide leadership and advocacy for a successful business environment in West Hawai'i. With 430 member businesses and organizations, we strive to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island.

We know that Hawai'i's high cost of living adversely impacts our local residents and appreciate that legislators aim to address this issue. However, the minimum wage increases presented in SB 2018 are simply too much too soon. We know that other minimum wage legislation is looking at increments with smaller increases over longer periods of time.

It's important to look at the cost of doing business and how this legislation impacts businesses that pay wages and provide jobs. SB 2018 has the first increase go from the current rate of \$10.10 to \$12 per hour on October 1, 2022 which may be doable for businesses because many are paying above the minimum in the current labor market. However, in four short years, this legislation calls for an 80% increase to \$18 per hour! This timeline is not reasonable. Businesses are struggling with multiple issues now and into the foreseeable future due to the lingering pandemic, labor shortages at all levels, increased costs, and supply chain disruptions. This large hike would be disastrous for businesses, especially small businesses.

Preliminary data from a statewide survey conducted by chambers of commerce and business associations show that over half of the businesses would need to reduce staff if minimum wage was increased to \$15 or more and 67% would reduce staff if the increase went to \$18. In addition, 33% indicated they would need to shut down their company entirely if the minimum wage was increased to \$18 per hour. So far, 355 businesses have participated in this survey.

For these reasons, the Kona-Kohala Chamber of Commerce **opposes SB 2018** Relating to Minimum Wage.

We ask that you examine alternative approaches to Hawai'i's high cost of living such as finding ways to increase the inventory of affordable workforce housing.

Mahalo for this opportunity to testify.

Sincerely,



Wendy J. Laros, President and CEO of the Kona-Kohala Chamber of Commerce

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Jan. 27, 2022

10:45 a.m.

Hawaii State Capitol

Conference Room 211 & Videoconference

**To: Senate Committee on Ways and Means**  
**Sen. Donovan M. Dela Cruz, Chair**  
**Sen. Gilbert S.C. Keith-Agaran, Vice Chair**

**From: Grassroot Institute of Hawaii**  
**Joe Kent, Executive vice president**

Re: SB2018 — RELATING TO MINIMUM WAGE

***Comments Only***

Dear Chair and Committee members:

The Grassroot Institute of Hawaii would like to offer its comments on the portion of SB2018 which proposes increasing Hawaii's mandatory minimum wage to \$18 an hour by 2026.

The Grassroot Institute of Hawaii is concerned about the possible effect of this legislation 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 in less than four years. 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 who have made it clear that this bill 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 a clearly 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 the teens, young adults and the less educated. And in studies of directly affected workers, 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 demonstrates, 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 gains are offset by loss of employment or hours for other workers. The researchers [found](#) that

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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., May 2018, <https://www.nber.org/papers/w23532>.

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

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 can be sufficient to drive them out of business.

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

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

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<sup>4</sup> David Neumark and William Wascher, "[Do Minimum Wages Fight Poverty?](#)" NBER Working Paper Series, Working Paper 6217, 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).




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, SB2018, would more likely hurt than help Hawaii's businesses and low-income working families.

Thank you for the opportunity to submit our testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Kent', with a stylized flourish extending to the right.

Joe Kent  
Executive vice president  
Grassroot Institute of Hawaii

**SB-2018**

Submitted on: 1/26/2022 11:49:59 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Doris Segal Matsunaga	Testifying for Save Medicaid Hawaii	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. We **strongly support** passage of this bill and ask the committee to support its passage.

In addition, we politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Doris Segal Matsunaga, on behalf of Save Medicaid Hawaii



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**HEARING BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
THURSDAY, JANUARY 27, 2022 AT 10:45 A.M.**

To The Honorable Donovan M. Dela Cruz, Chair;  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and  
Members of the Committee on Ways and Means,

**COMMENTS ON SB2018 RELATING TO MINIMUM WAGE**

Mahalo for the opportunity to share our comments on SB2018. It is imperative that you hear the voice of businesses on this bill. 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. We are currently surveying our members on this as \$6 is a significant jump in 4 years. 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. However, we do appreciate the staggered approach and think any increase should be staggered.

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. Maui County is the most reliant county on the visitor industry, and we are currently seeing hotel capacities at 20-30% compared to 75% in January 2019, which means not only is the accommodations industry down but those connected to the accommodations industry will also be seeing lower sales in this period.

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.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

## COMMENTS ON SB2018 RELATING TO MINIMUM WAGE PAGE 2.

Increasing the minimum wage also increases other wage-based expenses like workers compensation, temporary disability insurance and more. 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 are continuing to survey our members on this issue, but our early results show if an increase started at \$11 per hour in 2023 with a staggered increase of \$1 per year, ending at \$15 per hour in 2027 (as the Hawaii Restaurant Association and Hawaii Food Industry Association have suggested), a higher percentage of businesses can absorb that amount. On the other hand, 21% of businesses who have taken our survey so far said increasing the minimum wage to \$18 per hour would put them out of business.

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.

Sincerely,

Pamela Tumpap  
President

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



TESTIMONY OF TINA YAMAKI, PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
January 27, 2022  
Re: SB 2018 Relating to Minimum Wage

Good morning, Chair Dela Cruz and members of the Senate Committee on Ways and Means. 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.

While the Retail Merchants of Hawaii appreciates the intent of SB 2018 Relating to Minimum Wage; we have some major concerns. This measure increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

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.

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.

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.

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.

Mahalo again for this opportunity to testify.

**LATE**

**SB-2018**

Submitted on: 1/26/2022 2:50:30 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Vince Kana`i Dodge	Testifying for `Ai Pohaku	Support	No

Comments:

Aloha kakou!

As a small business owner we strongly support SB2018.

Please pass it with 2 amendments:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo Nui for your support of working people.

Aloha Nui!

Vince Kana`i Dodge



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

#### Executive Officers

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**Derek Kurisu**, KTA Superstores, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*  
**Joe Carter**, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

**LATE**

TO: Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: January 27, 2022  
TIME: 10:45am  
PLACE: Via Videoconference

RE: SB2018 Relating to Minimum Wage

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 offers comments on this measure. HFIA strongly supports the intent of this measure to help working families, we believe the most common-sense way to improve the cost of living for all Hawaii families is to remove the GET from groceries and other necessities. Taxing groceries is the most regressive way to tax. We support the provisions of this measure to increase the food excise tax credit and make it more functional for those who are hit hardest by our state's regressive food taxes.

While business organization typically prefer to allow the market to set wage rates, we understand that the government is also under pressure to address the minimum wage. We appreciate the legislature's consideration of our business community's major concerns:

- 1) Hawaii is consistently ranked one of the worst states in the US to do business.
- 2) Hawaii employers shoulder the burden of paying full medical insurance coverage, this is a very costly mandate which should be considered when looking at the minimum wage.



- 3) The minimum wage is not intended to set a living wage. It is intended to allow for workforce training of unskilled labor.
- 4) Employers can and do pay skilled labor well above the minimum wage and will continue to do so with or without legislation changing the minimum wage.

As the legislature is aware an excessively high minimum wage is detrimental to small businesses, particularly those in small or rural island communities because they are less able to absorb the additional cost. When wages get too high many small business owners are forced to fire employees and work shifts without paying themselves wages. Other businesses that can't meet increased labor costs may be forced to close. Hawaii businesses are already facing a labor shortage and employees are in a good position to command high wages without government intervention.

Increasing the cost of labor can have wide ranging impacts on consumers as well. As we all know Hawaii residents already pay substantially more than many other states for food. With inflation at historic levels prices have gone up significantly in the past year. The U.S. Commerce Department Bureau of Economic Analysis lists Hawaii as having the second largest regional price parity<sup>1</sup> (RPP) in the US<sup>2</sup>. Likewise, the Council for Community and Economic Research cites Hawaii's cost of living as 83.8%<sup>3</sup> higher than the national average, just below New York (Manhattan), New York (second quarter of 2015).

Profit margins are already quite sparse for grocers and restaurants in our State. When labor costs increase businesses are forced to make adjustments in other areas. This can mean things like reducing capital investment in their businesses, hiring of fewer employees, potentially laying off employees, which in turn would mean requiring remaining workers to do more and/or raising prices on goods and services. As the Washington Examiner points out, "(I)f customers must spend ... more on one thing, they will have less to spend on another, which can cause job losses."<sup>4</sup>

A correlation between prices and minimum wage increases has been documented. A report from William Blair, a global investment banking and management firm, concluded that when San Francisco's minimum wage increased 14% from \$10.74 to \$12.25 per hour<sup>5</sup> (May 1, 2015), prices at Chipotle increased proportionately. According to the report:

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<sup>1</sup> The RPP measure the differences in the price levels of goods and services across states and metropolitan areas for a given year. It is calculated using price quotes for a wide array of items from the CPI, which are aggregated into broader expenditure categories (such as food, transportation, or education) (see footnote 2 for source).

<sup>2</sup> US Dept of Commerce, Bureau of Economic Analysis. *Real Personal Income for States and Metropolitan Areas, 2013*. Washington, DC, 2015. [https://www.bea.gov/newsreleases/regional/rpp/rpp\\_newsrelease.htm](https://www.bea.gov/newsreleases/regional/rpp/rpp_newsrelease.htm) (accessed Oct. 7, 2015).

<sup>3</sup> The Council for Community & Economic Research. *Cost of Living Index*. Arlington, VA, 2015. <https://www.coli.org/ReleaseHighlights.asp> (assessed Oct. 9, 2015).

<sup>4</sup> Emilie Padgett, *Study: Minimum Wage Hike Boosted Price of Chipotle Burritos*, Washington Examiner, July 7, 2015. <http://www.washingtonexaminer.com/at-chipotle-increase-in-minimum-wage-means-pricier-burritos-study/article/2567752> (accessed Oct. 6, 2015).

<sup>5</sup> City & County of San Francisco Office of Labor Standards Enforcement. *Minimum Wage Ordinance*. San Francisco, CA, 2015. <http://sfgsa.org/index.aspx?page=411> (accessed Oct. 9, 2015).

All of the Chipotles in the area saw an "across-the-board" price increase. The hike included the chicken, pork, tofu and vegetarian prices, all of which increased 10 percent. The cost of steak and barbacoa rose 14 percent.

The price increases at Chipotle potentially suggest what is to come for Hawaii consumers and businesses. If the Chipotle model indicates the consequences of raising the minimum wage by 14% to \$12.25 in San Francisco, we need to be mindful of the impact on local jobs and prices from a 34% increase, as is being proposed in this bill.

**Food retailers generally operate at a profit margin of around 1%, and it is not easy to quickly adjust to increases in costs.**

**With the current minimum wage at \$10.10 an hour an increase to \$18 is an almost 80% increase over just a few years.**

**We believe that an increase to \$15 enacted incrementally would accomplish the goals of this measure while minimizing some of the worst negative impacts on local consumers and businesses. 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**

Again, thank you for putting forward a thoughtful proposal that keeps in mind the concerns of employers and employees. 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.



**LATE**

**HAWAI'I LODGING & TOURISM**  
**ASSOCIATION**

Testimony of  
Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association

Committee on Ways & Means  
Senate Bill 2018: Relating to Minimum Wage  
January 27, 2022

Chair Dela Cruz and members of the Senate Committee on Ways & Means, 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—would like to offer comments on Senate Bill 2018 relating to the minimum wage.

The local tourism industry is proud to be able to say that the vast majority of our workers are paid above the minimum wage. As an industry, we recognize that the thousands of men and women who comprise the local tourism sector are the backbone of the overall product that we offer to visitors, and we compensate them accordingly. Over the past three years, the pandemic has made plain just how sensitive our statewide community is to inflation, and we have watched as inflation has significantly outpaced wages here in Hawai'i and across the nation. Hawai'i is experiencing a mass migration of workers of all types who found it implausible to afford living here, and this can be tied directly to the growing rift between our cost of living and what Hawai'i residents are paid.

These things being said, we also recognize that businesses of all types do pay their workers the minimum wage for a variety of reasons. Small businesses in particular are often operating with razor thin profit margins and pay their workers what they can afford. These are the types of businesses that will struggle to survive if the state minimum wage is increased at too rapid of a rate, and they will be forced to close like thousands of others who shut their doors throughout the pandemic. This, like many other factors, must be considered in the overarching discussion surrounding any changes to the minimum wage.

Mahalo for the opportunity to provide these comments.

Date: January 25, 2022

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

From: Mattson Davis- President Magics Beach Grill – Kailua-Kona, Hawaii  
Former CEO Kona Brewing Company

Subj: SB 2018 Relating to Minimum Wage

The restaurant business is the backbone to the visitor experience in Hawaii and my livelihood. This bill puts a huge amount of added pressure on the visitor industry ON TOP OF A 30% INCREASE IN TAT and 7% INFLATION.  
Do Not Kill The Goose That Lays the Golden Eggs!!

- The COVID Pandemic has been devastating to the local restaurant industry over the past 2 years.
- 15% of the restaurants in Hawaii have closed, many of them well known legacy restaurant.
- The Restaurant Industry has to be one of the hardest hit by the Covid Pandemic and we have yet to recover.

The incremental jumps this bill introduces just not sustainable to our local restaurants, consumer acceptance, or manageable menu price inflation. This would also further create a larger GAP between Tipped and non-Tipped employees and will drive operators to automation and decreasing employment in Hawaii.

We need a bill that creates more wage parity while increasing the starting wage. Create a higher wage for those at the low end of the scale, not just an increase for all.

Hawaii is also one of a very few states where employers must provide for employee’s medical insurance, and we all know how big and fast those costs continue to escalate - a single coverage is now about \$400-\$500 per month. That equates to between \$2-\$4/hr.

The following is our proposal that we hope you consider.

	Hourly Min Wage	Tip Credit	Min Total Hourly
1/1/23	\$11/hr	\$1.50/hr	\$18/hr
1/1/24	\$12/hr	\$2.25/hr	\$20/hr
1/25/25	\$13/hr	\$3.00/hr	\$22/hr
1/1/26	\$14/hr	\$3.75/hr	\$24/hr
1/1/27	\$15/hr	\$4.50/hr	\$26/hr

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



**LATE**

To: Sen. Donovan M. Dela Cruz, Chair,  
Sen. Gilbert S.C. Keith-Agaran, Vice Chair  
Members on Ways and Means

From: Michael Miller, Tiki's Grill & Bar

Subject: SB 2018 Relating to Minimum wage

Date: January 26, 2022

Thank you for the opportunity to provide testimony. We, at Tiki's Grill & Bar, hereby oppose the current rate schedule and amounts listed in the bill.

**We do support the following increases** suggested by the Hawaii Restaurant Association HRA proposal:

\$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

**The suggested tip credit increase to 15% will help us with wage equity with front and back the house.**

We strongly believe that a reasonable increase over time will give us a fighting chance.

Locals and visitors alike are already complaining that things are not the same, including: reduced hours and/or operations, limited staff, less service, limited products and smaller menus, and increasing mandated regulations. Local restaurants and related businesses have had to bear the majority of impact of the State and County restrictive policies over the last two years, resulting in many closures, scaling back and many small businesses still at risk of shutting down. Recovery has been difficult, inconsistent, and slow for most.

Prices have been raised to cover the higher costs for products and services, as well as to comply with the new government rules. These are not discretionary costs, these are costs that restaurant operators have to pay just to stay in business. Restaurants already have low margins, especially in Hawaii, where the cost of food, beverage, supplies and labor are **much higher than in almost all other states**.

Restaurants historically carry slim profit margins, and this is even more challenging in Hawaii, with its existing regulations and high cost of living.

We urge you **amend to this bill in committee** and say, "Mahalo" for considering our point of view.

Mahalo,

Michael Miller / Director of Operations / [michaelm@tikisgrill.com](mailto:michaelm@tikisgrill.com)

ATTACHMENT: Partial list of restaurants that have closed since COVID

## Closed Restaurants Since COVID 19 Hit Hawaii

Ahi Assassins  
Alan Wong's Restaurant  
Aloha Gelato- Ala Moana 3rd floor  
Arancino on Beachwalk  
Art Cafe Hemingway  
Artizen by MW  
Beijing Garden  
Bob's Sports Bar Kailua  
Bongo Ben's Island Cafe  
Brewseum  
Captain Cook Baking  
Cheeseburger Waikiki (Prime)  
Cheeseburger Waikiki Beach Walk  
Chinatown neighborhood eatery and bar Smith & Kings  
Chuck's Cellar  
Da Kitchen Kahului  
Da Kitchen Kihei  
Dillingham Saimin  
Fish Honolulu  
Formaggio Honolulu  
Harpo's Pizza and Pasta  
Holuakoa Gardens & Cafe  
House of Pure Aloha Ala Moana  
Hyung Jae Restaurant  
Islands Fine Burgers  
Italica Cafe  
Izakaya Kei  
Jimbo Restaurant  
Jini's Curry – Fiji Indian Food  
Kailua Candy Company  
Kaka'ako Kitchen  
Kalaheo Steakhouse  
Kaneohe restaraunt/ maples.  
Kapiolani Spaghetti House  
Kawailoa Tavern  
Kobe Japanese Steak House  
Like Like Drive In  
Limon Rotisserie (Kapolei)  
Malee Thai Restaurant  
Mi's Waterfront Bistro  
Mehe's Ka'u Bar and Grill  
Mexico Fiesta Hawaii Kai  
Miyako Japanese Restaurant  
Monterey Bay Cannery  
Moon and Turtle  
Nobu Honolulu  
Otoro Hawaii Fusion  
Phoenix Chinese Restaurant  
Plantation Tavern Kapolei  
Pomaikai Ballrooms  
Real Gastropub  
Restaurant Epic  
Rock & Brews Paia  
Ruth's Chris Kauai  
Ruth's Chris Lahaina  
Smith & Kings  
Tempura Kaneko Hannosuke  
The Brewseum  
The Street Food Hall by Michael Mina  
Top of Waikiki  
Tokyo Noodle House  
Town Kaimuki  
Two Scoops  
Uncle's Fish Market at Pier 38  
Viaggio  
Yamagen Restaurant  
Zippy's Pearlridge  
Bubba Gump  
Kabuki - Kapiolani  
P & L in Kaneohe  
Meg's Drive In  
Outback Waikiki



**LATE**

Date: January 26, 2022

To: Sen. Donovan M. Dela Cruz, Chair  
Sen. Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the Committee on Ways and Means

From: Alan Wiltshire; Vice President Operations Shorefyre/Skybox Taphouse

Subj: SB 2018 Relating to Minimum Wage

Shorefyre and Skybox Taphouse currently employ 170 employees in Waikiki. While we agree that increasing the state's minimum wage over time is something required in order to keep up with cost of living increases as well as inflation, the amounts proposed in SB 2018 would be devastating for our small businesses due to the amounts proposed as well as the timeline.

Shorefyre and Skybox barely survived the pandemic that we are currently in, and it took a lot of gutsy calls as well as government intervention. We are happy to still be here after a virus nearly killed the tourism industry we rely on day in and day out to pay our staff and bills. SB2018 is now proposing starting at \$12/hr on 10/1/22, \$15/hr by 1/1/24, and \$18/hr by 1/1/26. This timeline as well as the amounts proposed would be devastating for our business and we would shutter our doors causing all 170 of our employees to lose their employment and well being.

These increases along with the State of Hawaii requirement of mandatory health care coverage would surely put an end to all three of our restaurants. We are happy to provide health care to our full time staff, and are happy to offer liveable wages to our staff. We are creative in the ways we compensate our staff as all small business owners must be in order to survive during a global pandemic. This Bill as currently written would surely cause us to shutter our doors.

I currently sit on the Board of Directors for Hawaii Restaurant Association and we propose the following that I hope you will consider:

\$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

This slow staggering or pay increases allows small businesses to plan and continue to get creative to ensure we survive into the future. At Shorefyre and Skybox we thank you for taking this into consideration and either voting against or amending SB 2018.



**To:** Sen. Donovan M. Dela Cruz, Chair  
Sen. Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the Committee on Ways and Means

**Date:** January 26, 2022

**From:** Lawrence Ozoa, Owner/Operator: Da Sugar Mill Bistro

**Subject:** SB 2018 Relating to Minimum Wage

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Mahalo Members of the Committee for considering our testimony. We at Da' Sugar Mill Bistro strongly oppose the current rate schedule and minimum wage amounts in the bill as it stands. We DO support the increases suggested by the Hawaii Restaurant Association (HRA) proposal on Senate Bill 2018.

As a small new local business, we cannot feasibly afford the rates proposed in this bill, especially when we consider the public's buying behavior because of the recent surge in coronavirus cases, inflation, industry wide labor shortages, and supply chain delays and the increasing cost of raw goods.

We are a new business trying to stay afloat during these still trying times. As you know, two years into this pandemic, many restaurants are still struggling to keep their doors open. In fact, several people have said that I am crazy for trying to open a restaurant during these bizarre times. However, I feel that I can make a well needed and important contribution to our local economy by more creating jobs with a business model focused on the sustainability of Hawaii's economy.

We feel that SB2018's schedule of \$3 incremental jumps in the minimum wage will be destructive to small businesses that are the "bread and butter" of Hawaii's local economy.

Hawaii residents are even now protesting our reduced hours of operations, limited staff so less services, limited products, and smaller menus at higher prices, as well as the increasing state mandated regulations. Local restaurants and related businesses have had to endure the brunt of impact imposed by the State and County's restrictive policies - resulting in many restaurant closures. Numerous small businesses are still at risk of shutting down.

Also, our State is unique in that employers must support employee's medical insurance and those costs continue to escalate annually – it is a fair estimate that a single coverage is now at an average of \$400 per month.

As told by The Chamber of Hawaii's most recent survey results (as of 1/25/22); Over half of Hawaii's businesses report that at a rate of \$15 an hour, over 50% of surveyed businesses said that they will have





to reduce staff. At \$18 an hour, 67% of businesses said they will have to reduce staff, and 28% reported having to lay off half of their staff.

Overall, our industry's prices have been raised to cover the higher costs for products and services, as well as our mandated compliance with new government rules (e.g., Ordinance 19-30). These are not discretionary costs; these are costs that restaurant operators must pay to stay in business. Restaurants already have low margins, especially in Hawaii, where the cost of food, beverage, supplies, and labor are much higher most other States. Restaurants historically carry slim profit margins, and this is even more challenging in Hawaii, with its existing regulations and excessive cost of living.

The following is our proposal that we hope you will consider.

\$11 an hour on January 1<sup>st</sup>, 2023  
\$12 an hour on January 1<sup>st</sup>, 2024  
\$13 an hour on January 1<sup>st</sup>, 2025  
\$14 an hour on January 1<sup>st</sup>, 2026  
\$15 an hour on January 1<sup>st</sup>, 2027

We also support the suggested tip credit increase to 15% which will help the wage impartiality between both the front and back the house departments in our restaurants. Eventually, It is our belief that a sensible boost over time will help lots of us to stay open and in business.

We firmly urge you to amend this bill in committee to help both Hawaii's restaurants and the people we employ. Thank you again for your time and consideration.

Mahalo nui loa,

*Lawrence Ozoa*

Lawrence Ozoa

## HIPHI Board

Kilikina Mahi, MBA  
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KM Consulting LLC

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

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Treasurer  
Kamehameha Schools

Keshia Adolpho, LCSW  
Molokai Community Health Center

Camonia Graham - Tutt, PhD  
University of Hawai'i - West O'ahu

Carissa Holley, MEd  
Hale Makua Health Services

May Okihiro, MD, MS  
John A. Burns School of Medicine,  
Department of Pediatrics

Misty Pacheco, DrPH  
University of Hawai'i at Hilo

Michael Robinson, MBA, MA  
Hawai'i Pacific Health

Kathleen Roche, MS, RN, CENP  
Kaiser Permanente

Dina Shek, JD  
Medical-Legal Partnership  
For Children in Hawai'i

Garret Sugai  
MDX Hawai'i

Titimaewa Ta'ase, JD  
State of Hawai'i, Deputy Public Defender

## HIPHI Initiatives

Coalition for a  
Tobacco-Free Hawai'i

Community Health  
Worker Initiative

COVID-19 Response

Hawai'i Drug & Alcohol Free  
Coalitions

Hawai'i Farm to School Hui

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Food Security Coalition

Date: January 26, 2022

To: Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the Committee on Ways and Means

Re: Support, with amendments, for SB 2018, Relating to Minimum  
Wage

Hrg: January 27, 2022 at 10:45 AM via Videoconference

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The Hawai'i Public Health Institute<sup>i</sup> is in **support of SB 2018 and offers an amendment**. SB 2018 increases the minimum wage to \$18 per hour by 2026.

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

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

Minimum wage workers are critical to our economy, but with Hawai'i's current minimum wage at \$10.10/hour, they are falling further and further behind in their ability to make ends meet. The Department of Business, Economic Development & Tourism (DBEDT) estimated that a single person with no children in Hawai'i needed to earn \$17.63 an hour to "meet their basic needs" in 2020<sup>ii</sup>, and MIT's updated living wage calculator<sup>iii</sup> estimates that a single adult in Hawai'i needs to earn **\$19.43/hour** to meet their most basic needs.

Hawai'i workers need a raise to build economic opportunity and a better future for our families.

To further improve health outcomes for minimum wage workers, we request that the bill be amended to include automatic cost of living adjustments, and for the tip credit to be eliminated.

Thank you for the opportunity to provide testimony.

Mahalo,



Amanda Fernandes, JD  
Policy and Advocacy Director

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<sup>i</sup> Created by the legislature in 2012, the Obesity Prevention Task Force is comprised of over 60 statewide organizations, and works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents. The Hawai'i Public Health Institute (HIPHI) convenes the Task Force and supports and promotes policy efforts to create a healthy Hawai'i.

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

<sup>ii</sup> Department of Business, Economic Development and Tourism. SELF-SUFFICIENCY INCOME STANDARD Estimates for Hawaii 2016. December 2017.

<sup>iii</sup> Glasmeier, Amy K. Living Wage Calculator. 2020. Massachusetts Institute of Technology. 2020-2021 update. [livingwage.mit.edu](https://livingwage.mit.edu).



**LATE**

January 27, 2022

Chair Lynn Finnegan  
Hawaii Republican Party  
725 Kapiolani Boulevard #C105  
Honolulu, Hawaii 96813

To: Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means

RE: Opposition to SB2018

“Because they are part of the backbone of our community, helping businesses and employers is one of the State’s highest priorities.” - Governor David Ige, Budget in Brief 2023

SB2018 mandates a minimum wage increase from \$10.10 to \$18.00 over 3 years and 3 months without regard to whether or not a business can afford to do so. Not all businesses are created equal and therefore should not be treated the same. The conversation to increase the minimum wage is more complex than writing and passing a bill.

Hawaii’s people and businesses are seeing rising costs and government requirements will make it worse. During a time of uncertainty and without knowing if we will see continued infusions of federal money to support our economy during Covid-19 interruptions, Hawaii Republicans believe that it is of utmost importance to:

- keep the cost of living from increasing even further, the major reason why our families are leaving Hawaii
- keep every job, especially for the vulnerable worker
- keep every small business, especially those that did not get the benefit of federal government’s Paycheck Protection Program (PPP) and forgiveness loan
- grow our economy as federal funding and support may not continue
- address the high cost of housing and food, the root cause of the problem

Raising the minimum wage is an illusion.

- The hike to \$18/hr is a false floor for wages. It will not take long for the pay increase to disappear while the pressure to increase wages for those making more than \$18/hr to then also demand higher wages. This outside force that pits employers against

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employees in a time for cooperation is unfortunate and will continue to increase costs for businesses. The cost of food and housing will continue to increase for Hawaii's people and the problem starts all over again.

- Local housing markets should be aligned with local wages and they are not. Hawaii is an international housing market that prices Hawaii residents out of housing. We need to address this root cause.

This bill has terrible unintended consequences.

- Businesses, especially small businesses who are already on life support, will be straddling significant increases in labor costs versus what their customers will pay, leaving some businesses no way out but to close.
- It will raise hourly wages for some wage earners, however, there are other vulnerable workers – those who have physical or mental limitations or challenges – whose positions could very well be eliminated. Should lower level positions be eliminated, the workers who remain are then left to take up the slack.
- The minimum wage is largely attributed to entry level work and is a great way for young people to learn work ethic and responsibility. We should not equivocate an entry level worker's wage of \$10.10 to one that makes \$18/hr.
- SB2018 disregards any merit pay or other incentives and benefit package that are currently available to lower wage earners

Republicans believe that it is better to teach a person to fish instead of giving a person a fish and also believe in a hand up instead of a hand out for those who are able to work. This bill, no matter how good it might feel to pass or how good it sounds, is not good for our economy, businesses, or our people.

Please reconsider passing this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Finnegan".

Lynn Finnegan  
State Chair

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**LATE**

Committee on Ways and Means  
Chair Dela Cruz, Vice Chair Keith-Agaran  
January 27, 2022, 10:45 AM Room 211 and Videoconference  
SB2018 — RELATING TO MINIMUM WAGE  
TESTIMONY

Suzanne Zeng, small business owner

SLOW DOWN!

While I support a wage increase for employees, running a business takes planning! Business owners understand how to run a business and the planning it takes, especially small business owners. All those in support of this bill are not the ones who need to pay for it, neither are they the business owners. Please listen to the reasons for why this bill needs to be amended.

Please understand that not all businesses can just raise our prices immediately in order to pay for the wage increases. Many companies such as mine, sign contracts with other businesses, government entities, and non-profits, and these contracts are anywhere from one year to three years. These businesses work off of contracts, and we must wait to the end date of those contracts before renegotiating. Companies cannot survive by running at a loss for a whole year because you have mandated we pay higher wages in the same year the bill was introduced! You are shooting us in the foot! Please, give us time! Start in 2023, not this year, and give us 4-5 years to reach this goal.

In almost every business, higher wages will mean higher prices for goods and services. I just gave all of my workers a raise in November of 2021 because I was financially sound and could do so. I give raises when I can afford it and when the business is doing well, along with other reasons. But to suddenly force every business who has their own growth plans based on their type of business income, to pay a higher wage in the very same year you pass the bill, without any time to plan on how we are going to afford it, shows a lack of understanding on how businesses are run. The haste with which this bill is being pushed through is on the backs of businesses and it is unfair not to take our concerns and pleas into consideration. GIVE US TIME TO PLAN! 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 in the same year I would be spending so much more money on their salaries, paying newly hired employees the same rate as their superiors. I did not know I would be faced with the financial burden you are forcing on me this very year of 2022.. Please, GIVE US TIME TO PLAN THIS!

We need time to raise our prices in our contracts with those we do business with, including state and city government, in order to cover this cost. Good planning means successful businesses, which in turn means rewards for employees. Please PLAN this bill! We are the ones who have to come up with the money—ideally we will have 5 years to incrementally raise wages, and it will not begin till next year.

I urge you to do the right thing and give us another year to start. Do NOT pass this bill as is, just because you, the government, do not have to "foot the bill." Please support small businesses, help us succeed so our employees and Hawaii succeed. Give us more time to plan this out!

Thank you,

Suzanne Zeng  
Business Owner  
Honolulu, Hawaii

**SB-2018**

Submitted on: 1/27/2022 7:06:59 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dirk Koeppenkastrop	Testifying for IL Gelato Hawaii	Oppose	No

Comments:

Date: January 26, 2022

To: Sen. Donovan M. Dela Cruz, Chair

Sen. Gilbert S.C. Keith-Agaran, Vice Chair

Members of the Committee on Ways and Means

From: Dirk Koeppenkastrop, Ph.D.

Subj: SB 2018 Relating to Minimum Wage

My name Dirk Koeppenkastrop is and I am the owner of several small businesses in Hawaii. Our biggest business is IL Gelato Hawaii. We have a whole sale, a catering business and four retail locations around Oahu and one in Waikiki that is still closed due to COVID. We used to employ over 75 people and due to COVID-19 are down to less than 35. We pay rent in 5 locations and suffer great losses from the shut downs and restricting regulations and lack of tourism. Our revenues are down to less than 60 to 70% from prior year and we are losing money in retail every month.

In our retail stores we hire students and entry-level employees with no skills or experience. We invest into training them. Increasing minimum wages from \$7.25 to \$10.10 had been hurting our

business already in the recent years. Rents increased, food cost increased and our profit margins are dropping year by year. Due to the high inflation, we had no other option to increase our scoop prices to \$6.50 with the result that our sales have gone down. We simply have less people buying gelato from us, as the prices are perceived to be too high.

With COVID all of Hawaii's small businesses are in jeopardy. Bill 40 has been a big blow for small restaurants and adds no value to the environment. Adding more legislative stress on small businesses by increasing labor cost will be detrimental to our businesses and livelihood. It is not a good time to increase minimum wage and as it will kill a lot of small businesses and restaurants.

**SMALL BUSINESSES NEED HELP AND NOT MORE CHALLENGES. GIVE SMALL BUSINESSES A BREAK FOR ONE OR TWO TEARS SO THEY CAN SURVIVE!**

Thank you for your time and consideration of my concerns.

Dirk Koeppenkastrop



**SB-2018**

Submitted on: 1/25/2022 11:50:18 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
lynne matusow	Individual	Support	No

Comments:

I am in full support. Workers deserve a living wage. This is a first step to getting there. On Monday Bank of Hawaii announced it was giving a 5% merit increase to employees this year. They are not the only business increasing workers' wages. The writing is on the wall. Workers are still needed in many businesses. Some will leave for higher paying jobs and not be replaced because no one will want the poor pay. Time for Hawaii to get this message, which has been accelerated by COVID.

**SB-2018**

Submitted on: 1/25/2022 11:56:17 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
CODY LOPEZ	Individual	Oppose	No

Comments:

Over the past two years, the restaurant industry has been devastated by the effects of the COVID-19 pandemic. Hawaii in particular, a state whose main industry is tourism and hospitality, has been hit especially hard; many restaurants were shuttered as a result of decreased visitor numbers and increased product cost, and many that are still open are still operating in the red. An increase in the minimum wage to \$15.00 would amount to an approximate 50% increase in labor costs and would force many more restaurants to shut down as this is simply unfeasible at this point in time.

Most, if not all restaurants are operating on paper-thin profit margins, but are aided by the help of the tip credit to curtail labor costs. In certain states in the United States, employers are allowed to use the credit and pay their employees \$2.13 an hour as the front of house staff will make in excess of \$30/hr when tips are included, however, in Hawaii, our tip credit only amounts to a \$0.75/hr reduction (employers are responsible for \$9.35 an hour); increasing the minimum wage would devastate many restaurants here without a comparable increase in credit to employers. While passing on the increased cost to guests and reducing staffing hours may seem like an easy solution to the increase in minimum wage, many of our guests are also struggling financially due to the pandemic and may simply opt to not go out to eat; reducing staff hours also results in a reduction in the level of service many establishments try so hard to provide resulting in a less than standard dining experience.

In the interests of restaurants, restaurant workers, and restaurant guests across the United States, I implore you to reconsider any increase to the minimum wage at this point in time.

**SB-2018**

Submitted on: 1/25/2022 12:01:15 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lee Curran	Individual	Support	No

Comments:

Aloha Legislators and thank you for your careful consideration of SB2018!

I am in full and unequivocal support of this bill. 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.

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 HIDOE, 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 are earning above minimum wage, yet still struggled.

There is a huge gap between wages, standard of living and basic human rights such as housing. **Without legislation mandating something that resembles a living wage that doesn't necessitate people working multiple jobs to survive, we are upholding the damaging narrative of profit over people.**

I implore you to get this bill across the finish line and take a step forward in holding up our people in Hawai'i nei in a way that recognizes and amplifies their dignity and humanity.

A Big mahalo for your work around this issue,

Lee Curran

Makaha, HI

**SB-2018**

Submitted on: 1/25/2022 2:02:06 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Colleen Rost-Banik	Individual	Support	No

Comments:

Aloha. My name is Colleen Rost-Banik. I am an adjunct lecturer within the University of Hawai'i system as well as a resident of Honolulu. I urge you to pass SB2018, which impacts many students (across multiple age ranges) in the UH system, but also residents all across the state. We need to raise the minimum wage to ensure that the workers are able to afford to live and stay in the state. I look forward to your passage of SB2018.

Respectfully,  
Colleen Rost-Banik, Ph.D.

**SB-2018**

Submitted on: 1/25/2022 2:15:58 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
William Albritton	Individual	Support	No

Comments:

**Hi,  
Please approve bill SB 2018 raising the minimum wage.**

**Although I do not represent Leeward Community College, I do work there, and we are having difficulties hiring Student Help for numerous on-campus jobs, as students can find jobs elsewhere that pay better. Students generally do better academically if their work and their classes are in the same location. Also, many of our campus programs and services are dependent on Student Help workers.**

**Furthermore, it's hard enough already for local residents to get by on the current minimum wage, so increasing the minimum wage would be beneficial for many local residents.**

**Thank you,  
William Albritton  
Makakilo, HI**

**SB-2018**

Submitted on: 1/25/2022 2:35:53 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Mike Golojuch, Sr.	Individual	Support	No

Comments:

Dear Senators, as I have stated in previous testimony on minimum wage bills, SB2018 needs to be passed so workers will be paid for the hard work they do. We want all workers to reach a living wage, and this bill will help them reach that goal. Please pass SB2018. Thank you.

Mike Golojuch, Sr.

**SB-2018**

Submitted on: 1/25/2022 2:52:53 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Christy MacPherson	Individual	Support	No

Comments:

Aloha Members of the Committee on Ways and Means,

I support SB 2018 with two amendments: 1) repeal the tip credit and 2) include wage increases that are indexed according to DBEDT's annual self-sufficiency calculations (currently \$18.10 for a single adult with pre-paid healthcare).

We've heard the arguments on both sides for years now, but the fact remains....we cannot afford to lose any more of our beloved Kama`aina to the continent. Working 2 or 3 jobs and not being able to spend valuable time with `ohana in order to support them and survive here is completely unacceptable and so *against* our embraced culture of Aloha.

It is certain that Hawai`i's families need and deserve a living wage. Mahalo for your support of your hard-working, extremely underpaid constituents.

**SB-2018**

Submitted on: 1/25/2022 3:19:37 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
ANDREW ISODA	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Andrew Isoda

Lahaina, Mau'i





Will Caron  
1647 9th Avenue  
Honolulu, Hawai'i

January 25, 2022

TO: Senate Committee on Ways & Means  
RE: Testimony in Strong Support of SB2018

Dear Senators,

Mahalo for SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system.

At just \$21,000 a year, the current minimum wage of \$10.10 an hour is a poverty wage in the State of Hawai'i, worth barely half of a minimum survival budget and providing only a third of the required wage to rent a fair market apartment. If the minimum wage had kept pace with productivity and the cost of living, it would be well over \$18 an hour already.

I therefore **strongly support** passage of this bill and applaud the committee chair for introducing this measure. The fact that nearly the entire senate, including its lone Republican legislator, has signed onto this bill is great to see.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by the Department of Business, Economic Development and Tourism (DBEDT) to ensure working families never again fall behind on being able to afford the basics; and
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Adding these additional provisions would only expand the positive impacts of this already strong bill.

As we saw after the last minimum wage increase period ended in 2018, Hawai'i's working families have been forced to wait years as politics got in the way of passing any kind of wage increase. During the subsequent years, as an already severe economic recession was deepened by the COVID-19 pandemic, the financial stability and wellbeing of these families

suffered greatly. That financial instability and the costs of its impact on wellbeing, health and happiness, in turn, has acted as an economic drag on the state. In short, when working class folks don't have enough money to even cover their basic needs, they aren't going to be able to patronize their favorite local businesses as much, or at all.

That's why an automatic annual minimum wage increase, indexed to DBEDT's self-sufficiency level, is so important. Keeping the minimum wage at a basic survival rate is in-line with the original purpose of the federal minimum wage as it was envisioned by President Franklin D. Roosevelt who, in his 1933 address following the passage of the National Industrial Recovery Act, stated clearly that "no business which depends for existence on paying less than living wages to its workers has any right to continue in this country."

He continued, saying, "By 'business' I mean the whole of commerce as well as the whole of industry; by workers I mean all workers, the white collar class as well as the men in overalls; and by living wages I mean more than a bare subsistence level—I mean the wages of decent living."

And that should include all workers. Excluding service industry workers from a true living wage by allowing their employers to pay them sub-minimum wages via the tip credit is unjust and unethical, especially when studies show that workers that are forced to survive off the tips they earn are at an increased risk of sexual harassment and other forms of violence in the workplace. When we say all workers deserve to earn living wages, we must mean *all* workers. That's why I'd love to see an elimination of the tip credit added to this bill as well.

Mahalo for the opportunity to testify.

**SB-2018**

Submitted on: 1/25/2022 3:26:04 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kathryn Braun	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Kathryn Braun, Senate District 11

**SB-2018**

Submitted on: 1/25/2022 3:37:39 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
James Padgett	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

James Padgett

Maui County

**SB-2018**

Submitted on: 1/25/2022 3:40:58 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Dawn Morais Webster Ph.D.	Individual	Support	No

Comments:

**I strongly support** passage of this bill and ask the committee to support its passage. It is LONG overdue.

However please consider two amendments to the bill to improve it significantly. Please incorporate language from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit. This harmful policy allows some business owners to pay their workers a sub-minimum wage. Everything about our culture of aloha should make this unacceptable..Studies show that workers who depend on the tips they earn to survive suffer a greater risk of sexual harassment and other forms of violence. The state should not be condoning the practice of paying a sub-minimum wage. Thank you for moving this critically needed bill forward.

**SB-2018**

Submitted on: 1/25/2022 3:44:11 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rebecca DiLiberto	Individual	Support	No

Comments:

Dear Senate Committee on Way and Means,

Mahalo for introducing such a strong minimum wage bill. **I strongly support** the passage of this bill that would support local families struggling to keep up with the swiftly rising cost of living here in Hawai'i. I know raising the minimum wage would go a long way to supporting families like my own that work in the restaurant and tourism industry here on Maui.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

I commend this committee for considering this measure and would love to see it passed with the above amendments. Mahalo for the opportunity to testify.

Rebecca DiLiberto

Kahului, Maui

**SB-2018**

Submitted on: 1/25/2022 3:45:12 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
robin knox	Individual	Support	No

Comments:

I strongly support passage of this bill. A full time worker paid \$18/hr only makes \$2880 a month. With rents skyrocketing, it is hard to find even a one bedroom or studio for less than \$2000 a month. Workers need to make a living wage.

Please consider the amendments introduced by Rep. Jeanné Kapela (HB1503)

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for considering my testimony

Robin S. Knox

Kihei, HI



**SB-2018**

Submitted on: 1/25/2022 3:59:32 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Anne Leake	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill supported by Raise Up Hawaii. This language is borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

**SB-2018**

Submitted on: 1/25/2022 4:00:04 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Larry Alfrey	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in NEED of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. You personally need to try and exist on \$10.10/hr. You can't do it alone. Rent is way too much money, food costs are outrageous... so one crams many people into a small dwelling and work multiple jobs to survive. It's not fair. Hawaii people deserve to live where they were born and raised, not move away because of poor income. Living expenses here in Hawaii are among the highest in the nation. **I strongly support** passage of this bill and ask the committee to support its passage.

However, I personally believe that the minimum wage here in Hawaii should start NOW at \$15/hr... and then work it's way up.. Let the people who live here in Hawaii and are struggling an opportunity to breathe... there is no need to make them struggle any more. Enough is enough,

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. I had that happen to me back in the 1960s and 1970s and I worked in the back of a kitchen and they still deducted tip money from us... but I didn't get a choice.. I made \$1.00/hr and still had tip money taken out! I had to work multiple jobs because of unfair employer policies. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Fair pay is all I ask for the STATE of Hawaii to give its working class citizens.... citizens of THIS state.

Sincerely,

Larry Alfrey

Downtown Honolulu, Sen Kharl Rhoads district

**SB-2018**

Submitted on: 1/25/2022 4:39:17 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Bradford Baang	Individual	Support	No

Comments:

Even if it's a \$15 minimum wage, it is only 61.6% of Hawaii's median income while \$17 is still just 69.8%.

We have too many houseless/homeless individuals and families with children unable to afford Hawaii's high cost of rent. It's nothing to be proud of being ranked No. 2 of 50 states.

Raising the minimum wage is not only the right thing to do for Hawaii's financially struggling people, it means we care and are committed to reducing their pain and struggle while many of us are living comfortably

**SB-2018**

Submitted on: 1/25/2022 4:39:25 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
John Fitzpatrick	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

3. I would also like the \$15 minimum wage to go into effect by 2022 because the legislative body has been kicking this can down the road for several sessions now. No one can survive on \$15 an hour and it should have been passed and implemented several years ago.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

John Fitzpatrick

Makawao, Kula, Hana, Lanai, and Molokai Senate District

**SB-2018**

Submitted on: 1/25/2022 4:46:20 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kelly Cogo	Individual	Support	No

Comments:

Aloha Senators,

My name is Kelly Cogo and I support the increase in the minimum wage to \$18 an hour by 2026. If this bill passes, I understand that the minimum wage will be incrementally increased until it reaches \$18 an hour by 2026. I strongly support this bill for hard working families in Hawaii, understanding that the cost of living is so high. I am learning to empathize for families that need to work more than one job. Cost of living include food, child care, rent, mortgage, car, insurance, among other expenses. Now is the time to support the citizens and residents of the State of Hawaii.

Please support SB2018 so that families don't have to be uprooted. This bill will help support Hawaii residents so the people in Hawaii can enjoy and maintain culture and arts, especially for our Keiki and Kupuna.

Thank you for your time,

Kelly Cogo

**SB-2018**

Submitted on: 1/25/2022 4:54:46 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Stephen K Hanohano	Individual	Support	No

Comments:

Aloha Senate!

I support this bill with amendment to repeal the tip credit and to index wage increase!

Mahalo



**SB-2018**

Submitted on: 1/25/2022 4:56:24 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Barbara L. George	Individual	Support	No

Comments:

**STRONG SUPPORT WITH SUGGESTED AMENDMENTS**

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026.

**I strongly support** passage of this bill and ask the committee to support its passage.

In addition, I request two amendments based on the Raise Up Hawai‘i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify and for your support of Hawai‘i's workers and families.

Barbara L. George

Waialua

**SB-2018**

Submitted on: 1/25/2022 5:29:01 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Elizabeth Nelson	Individual	Support	No

Comments:

I strongly support this legislation and am so glad that the legislators seem more positive this year about passing a Living Wage bill.

In my nursing career and in so many other interactions, I have heard of the suffering people have endured needing to work 2 and 3 jobs just to be able to survive here in Paradise. The cost of living keeps going up, housing and groceries are expensive, so the outlook has not been good.

So thank you so much for putting this bill forward and I pray that this will come to pass.

Elizabeth Nelson

**SB-2018**

Submitted on: 1/25/2022 6:16:17 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Susan Pcola_Davis	Individual	Support	No

Comments:

I support this bill.

**SB-2018**

Submitted on: 1/25/2022 6:17:05 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

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

Comments:

As the cost of living in HI is one of the highest in the nation, it's past due time to increase the minimum wage in the state. I strongly support the increase in minimum wage.

**SB-2018**

Submitted on: 1/25/2022 7:00:14 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dr James L Bibb	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Dr James L Bibb

Senate District 24

**SB-2018**

Submitted on: 1/25/2022 7:28:08 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kaitlyn P Jacobs	Individual	Support	No

Comments:

I strongly support this bill! I recently graduated from UH Manoa with a masters in marine biology, and due to trouble finding a career related job, I am working in food service. I have two jobs, and work over forty hours a week, and still have to use over half of my monthly wages on rent alone. The cost of living here is continually increasing, and it has been shown that a living wage in Hawaii is at least 17.63 per hour (hawaii dept of economic development). This is further pushing out local populations and native Hawaiians due to cost of living increases driven by tourism. Please consider raising the minimum wage here to support workers in businesses that directly support the tourism industry, thus bringing in billions of dollars to the state.

Thank you for the opportunity to testify.

**SB-2018**

Submitted on: 1/25/2022 7:31:06 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Daniel Paul Ross	Individual	Support	No

Comments:

It is imperative that the minimum wage be increased. Prices of everything in Hawaii are some of the highest in the nation and our wages are not comensurate. Many people have to work multiple jobs just to survive.

**SB-2018**

Submitted on: 1/25/2022 7:39:05 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kathy Shimata	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, respectfully request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai‘i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families don't again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai‘i's workers and families.

Kathy Shimata

Honolulu 96822





**SB-2018**

Submitted on: 1/25/2022 8:35:37 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Hope DeMarco	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Hope DeMarco

Kapaa Homesteads



**SB-2018**

Submitted on: 1/25/2022 8:36:15 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Mishka Sulva	Individual	Support	No

Comments:

Dear members the Ways and Means Committee,

I write you asking you to consider what the purpose of a minimum wage is supposed to be. What is the point of having a minimum wage at all? If minimum wage workers are all high school students just working for a little bit of pocket money, as so many opponents of minimum wage increases contend, then why have a *minimum* wage? Obviously, this argument is far from the truth and the vast majority of minimum wage workers (90%) are well into adulthood, but certainly anyone's time and effort is deserving of a fair compensation, is it not? The effect of a minimum wage is to set a bar, that says, anyone, no matter who or what kind of work they do, deserve, AT MINIMUM, a certain amount of compensation for their time. Considering what that minimum amount should be might make you think, but the answer is simple. Our 88,000 minimum wage workers are adults and 22% have kids they are trying to providing for. The intent of the minimum wage is to guarantee a minimum or baseline compensation because we believe that a there is a minimum, fair amount that anyone's time is worth. The current minimum wage is \$10.10/hr. This means that to make ends meet as a single parent, you would need to work 160 hours a week. Well, unfortunately, there are only 168 hours in a week, so that means you could only sleep 1 hour a night. Does that sound fair? Let's say you're a college student trying to work and go to school at the same time, no kids, so it should be easier. At \$10.10/hr you would still need to work 80 hours a week, that means after 11 hours/day, 7 days a week, you still have to take your classes and finish your term papers. Does that sound fair? The current minimum wage is an exploitation wage. Let us lift people up, not condemn them to a life without freedom to live. I implore you to vote yes on increasing the minimum wage and to include these important amendments:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Thank you,

Mishka Sulva  
Pälolo

TO: Members of the Committee on Ways and Means

FROM: Natalie Iwasa, CPA, CFE  
808-395-3233

HEARING: 10:45 a.m. Thursday, January 27, 2022

SUBJECT: SB 2018, Increasing Minimum Wage - **OPPOSED**

Aloha Chair Dela Cruz and Committee Members,

Thank you for allowing me the opportunity to provide testimony on SB2018, which would increase the minimum wage from the current \$10.10 to \$18.00 by January 1, 2026. I oppose this bill.

While increasing the minimum wage initially may lead to increased purchasing power by those who are earning it, it will drive up wages for others as well as costs. Those who are currently making \$15 per hour, which seems to be the starting wage at many places these days, based on "help wanted" signs, will want to make more. This will further drive up wages and salaries for others.

In addition, any increase in wages also means increases in related payroll costs, e.g., payroll taxes, temporary disability insurance, workers' compensation insurance, etc. These increased costs will eventually lead to increased prices and put minimum wage earners right back at the relative spot they were before the increase.

**Please vote "no" on this bill.**

**SB-2018**

Submitted on: 1/25/2022 11:06:51 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Katherine T. Kupukaa	Individual	Oppose	No

Comments:

SB 2018 is totally unnecessary and should not be allowed to pass. Please learn from past history when laws passed have ruined economies. Inflation is at it's highest level in 40 years let that sink in. Inflation continues grow and you want to increase the minimum wage and further burden the small businesses? Let these small businesses decide how much they are willing to pay according to what their budgets allow. If an individual desires to work for this business and the wages that is offered is not enough, go and apply at another place or go back to school and acquire knowledge, training and skills for a better paying position. Face the facts of life one cannot expect to be paid for an entry level position with high wages. The Hawaii legislature must stop being overly generous with Taxpayers money and burden these small businesses unnecessarily. Stop getting in the way of small business and allow them to thrive and prosper and support them. My concern is how these small businesses will ever get out of this catastrophic disasterous economic downturn.

Please do not pass SB 2018

Katherine T. Kupukaa

**SB-2018**

Submitted on: 1/25/2022 11:21:40 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Jasmine Balangitao	Individual	Support	No

Comments:

Aloha Senate Committee on Ways and Means,

Thank you for hearing a very much needed bill. I STRONGLY SUPPORT bill SB2018. Please make it sooner then 2026 we need it in 2023. Also please consider a couple amendments like eliminate the tip credit and Mandate subsequent annual minimum wage increases. Which the bill introduced by Rep. Kapela (HB1503). Us working local families need this for our survival. We can't wait any longer. It's been pushed to side for way too long. You need to start representing the local working families. I'm tired of having my family moving away from me. And friends becoming homeless living in their cars. It's so sad and should not be happening. Why are we being treated this way to no end. I can barely pay my rent put food on the table for a family of 4 with 2 jobs. The basics are getting tuff to cover and soon I fear ill have to move away or become homeless too. Invest in the local people. Please you can't wait any more I wanna be able to have the oppportunity to purchase a home where I was born and raised and also want the same for my children. Mahalo, Jasmine Balangitao



**Chair Donovan Dela Cruz**  
**Vice Chair Gilbert Keith-Agaran**

**Senate Committee on Ways & Means**

**Thursday, January 27, 2022**  
**10:45AM**

**TESTIMONY IN STRONG SUPPORT OF SB2018 WITH AMENDMENTS**

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

My name is Jun Shin, I am a Senior at the University of Hawai‘i at Mānoa, testifying as an individual in **STRONG SUPPORT WITH AMENDMENTS** of **SB2018**, Relating to Minimum Wage.

We need action. Year after year with no raise, it gets harder to live in Hawai‘i and our friends and families keep moving out. What is the future of Hawai‘i without them? A rapid and bold increase can go a long way to change that. Hawai‘i can be that place where you don’t have to work crazy long hours or multiple jobs and still put food on the table, roof over your head, pay the bills, and just have some time to relax and spend time on yourself or making memories with your family.

Suggested Amendments (taken from HB1503):

1. After 2026, mandate annual minimum wage increases indexed to an annual minimum self-sufficiency calculation made by DBEDT.
2. Eliminate the tip credit.

I’m sure we’re all tired of fighting this same fight year after year. Let's end this and also give your hardworking but very underpaid constituents the raise that they deserve, and start to actually chip away at the inequality and unaffordability of our home! Please pass this bill out of your committee.

Mahalo for the opportunity to testify,

Jun Shin,  
1561 Kanunu Street  
Honolulu, HI 96814  
Cell: 808-255-6663  
Email: junshinbusiness729@gmail.com

**SB-2018**

Submitted on: 1/26/2022 3:31:17 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Maria Walker	Individual	Support	No

Comments:

Aloha to the members of the Senate Ways and Means Committee,\

I am writing to express I and my family's very strong support for SB2018. We thank you for hearing this bill and urge you to vote to pass it. It is critical to act now to legislate a more reasonable living wage in Hawaii, as our state and the rest of the country are witnessing an increasingly wide disparity between the economic classes, and more and more of our residents are experiencing homelessness and hunger even while they are working.

I also suggest support for the amendments proposed in HB1503: mandating annual wage increases annually after 2026, and eliminating the tip credit. I think it is especially onerous that many workers in Hawaii legally receive sub- minimum wages merely because they sometimes receive tips and this unfair law needs to be changed.

Mahalo for hearing my testimony.

Maria Walker

1728 Hulu Rd.

Kapa'a, HI 96746

**SB-2018**

Submitted on: 1/26/2022 5:41:30 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Aria Juliet Castillo	Individual	Support	No

Comments:

Hawaii residents deserve a raise.

We are plagued with the highest costs of living and 2nd highest GE taxes yet we are one of the lowest wage earners in the US.

Help lift the next generation out of poverty and give them a future in Hawaii.

Please amend to further strengthen this measure by including future annual increases to keep up with inflation and remove the "sub-minimum wage" for restaurant workers

**SB-2018**

Submitted on: 1/26/2022 7:04:44 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Claire Gearen	Individual	Support	No

Comments:

Dear Chair Donovan M. Dela Cruz and Vice-chair Gilbert S. C. Keith-Agaran,

and other members of the Senate Ways and Means Committee,

I write in strong support of Senate Bill 2018 relating to the minimum wage.

The DBEDT data on a living wage in our state has been available for a couple of years now, as has the ALICE report. I won't repeat information that is widely available and known to you.

Instead, I offer this other lens into the inadequacy of our current minimum wage of \$10.10 an hour.

In 1991, as a senior in a high school economics course in the same district where I now live, my social studies teacher asked us to track our living expenses. My expenses at that time amounted to \$18,000 a year. \$10.10 an hour for full time work would just cover that. It has been 30 years!

When full time workers make less than a living wage, friends, family, and government must offer assistance for their survival. If legislators would like to subsidize business, let us make any government assistance to businesses transparent rather than hidden behind wages that do not adequately pay for a worker's life.

In 2018 and 2019, I testified on many minimum wage bills only to be disappointed. Now, in 2022, I am hopeful that SB2018 will pass. Please give it your support.

Sincerely,  
Claire Gearen

**SB-2018**

Submitted on: 1/26/2022 7:34:47 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Lawrence S Franco	Individual	Support	No

Comments:

Dear Chair and members,

I support SB 2018 and believe that it is about time. As Raise Up Hawaii has recommended, I urge the committee to consider indexing the minimum wage to the annual increase in the cost of living and to eliminate the tip credit. All workers should be treated equally and be paid at least the minimum wage. Thanks for your support.

Stan Franco

214-3575

**SB-2018**

Submitted on: 1/26/2022 8:10:39 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
James Trujillo	Individual	Support	No

Comments:

Mahalo for accepting this testimony in support of SB2018  
Please pass with no reservations and utmost urgency

With Respect & Aloha,

James G Trujillo

**Bill:** Senate Bill 2818  
**Title:** Relating to Minimum Wage  
**Position:** STRONGLY SUPPORT with suggested amendments  
**Committee:** Senate Committee on Ways and Means  
**Date:** January 27, 2022 10:45 am

Aloha Honorable Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

My name is Vickie Parker Kam, I am a public school educator, active community member and have resided in the state of Hawaii since 1979. The minimum wage then was \$2.90 per hour, I know, because that is what I was earning. It was a struggle to eat every day, sometimes I just didn't.

By the time I had my first child in 1988, almost a decade later, the State of Hawaii minimum wage had increased to a whopping \$3.85, (note the sarcasm) not enough to support a family and certainly not enough to easily afford a home.

By the time my child got her first job in 2005, our State's minimum wage was at \$6.25.

However, with the recession just ending and cost of living adjustment, she learned quickly that she would not be able to survive and thrive in her home state, so she began making plans to move to the mainland. This child won her division in the State Science fair, losing her is evidence of Hawaii's brain drain in action.

By the time my second child graduated from Kapolei High School in 2009, the minimum wage had increased to \$7.25. At that time, the State's minimum wage actually fell below the federal minimum wage (around \$5... when adjusted for cost of living, compared to the federal minimum wage of \$7.25) Again, a child born and raised in Hawaii can not afford to live here, so she too moved to the mainland, completed college, and stayed to build her own home.

Currently, I am honored to teach a CTE Financial Literacy class at Ilima Intermediate. It is heartbreaking to watch my students research and realize why their families are struggling to make ends meet. It is disheartening to try and explain to 13 year olds that they need to begin advocating for their future and a raise to the wage now, while they are still children themselves, in order to prepare for their future. It is most imperative that we realize they are watching us, they are learning that our state will "celebrate" raising the wage to \$10.10 while

the Department of Business, Economic Development & Tourism clearly states that a \$17.00 minimum is needed to SURVIVE as a single person in Hawaii. They are wondering how we as adults have allowed this to happen.

I would like to request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families. Honoring the exchange of labor for wage is to allow dignity and hope for all.

Sincerely,  
Vickie LP Kam  
Mother  
HIDOE Educator  
HSTA Board of Director, Leeward



**SB-2018**

Submitted on: 1/26/2022 8:22:31 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
donn viviani	Individual	Support	No

Comments:

I'm writing in support of SB2018 I'm Donn Viviani. My wife and I live in Kailua and have family in the Punchbowl and Aina Haina areas. This bill is not just about fairness, it's also about Hawaii's economy, increasing the minimum wage has been shown to be an economic driver. Low wage employees invariably spend new income on goods and services (this is demonstrated by the effect of stimulus packages on the economy).

Any initial employment loss from high wages will be more than made up for by new jobs that service the new demands. Further, the new demands will stimulate investment needed to provide the new goods and services. It's called the Acceleration Principle and apart from population growth, innovation and resource discovery, it's how economies grow.

In addition Hawaii's tax base would grow, as labor income, which is more heavily taxed, would grow while, lower taxed capital income would decrease. Additionally Federal reimbursements indexed to state labor costs would also increase, for example physicians would get higher medicare and medicaid payments. Please vote for this bill.

Mahalo

**SB-2018**

Submitted on: 1/26/2022 8:27:10 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kristen Young	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. Providing workers with a living wage will benefit the community as a whole. **I strongly support** passage of this bill and ask this committee to support its passage.

However, I politely ask that you consider making two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Kristen Young  
Honolulu resident, District 11

Committee on Ways and Means  
The Hawaii State Senate  
415 S Beretania St.  
Honolulu, HI 96813

Re: SB 2018 Testimony

January 26, 2022

Aloha Senator Dela Cruz, Senator Keith-Agaran, and esteemed Committee on Ways and Means,

My name is Erika Molyneux, and I am a resident of Kaneohe, HI, and a New Media Instructor and Chair of the Legislative Relations Committee of the Faculty Senate at Leeward Community College. I am writing to SUPPORT Bill SB 2018, WITH POSSIBLE AMENDMENTS.

In general, I support raising the minimum wage to help more of our community attain a livable wage and conditions, although I'm not sure I support raising these over \$15/hour on the proposed timeline. As I have always wondered whether predicted negative impacts of minimum wage increases have historically come to pass, this testimony gave me the opportunity to conduct research on the topic.

According to this [New York Times article](#) and [referenced study by the United States Government Accountability Office \(GAO\)](#), nationally, the gap between the wealthy and poor continues to grow, with the richest segment getting richer and the middle and low-income sectors stagnating, and essentially earning less when inflation is considered. The authors claim the wealth gap influences both current quality of life as well as typical life expectancy. [An earlier study published by the GAO](#), studying the economic impact of poverty suggested "that individuals living in poverty face an increased risk of adverse outcomes, such as poor health and criminal activity, both of which may lead to reduced participation in the labor market."

Upon a few simple web searches, I was able to learn that [Hawai'i has the highest cost of living](#), mostly due to housing and food costs, while we are [currently tenth in the Union for average and median wages](#). Businessmen commonly predict widespread job loss and inflation increases resulting from minimum wage increases. [A recent Washington Post Article](#) stated that even though "a recent report by the Congressional Budget Office that estimated that increasing the minimum wage to \$15 an hour by 2025 would cause 1.4 million Americans to lose their jobs," a broad range of data and studies throughout the United States reveals that most modest increases in the minimum wage up to about \$15/hour, has typically resulted in approximately the same number jobs being created those being lost. This means that, while some jobs may be lost, an equal number of higher-paying jobs are typically created, offering even young and unskilled workers the opportunity to make more livable wages. This same article *does* show slight overall job loss occurring at \$16/hour and higher minimum wages. Additionally, a [2019 article and commentary by the Economic Policy Institute](#), a Washington D.C. based non-partisan non-profit organization examined data to support the notion of raising the federal minimum wage to \$15/hour by 2024. It claims this increase would have almost exclusive positive outcomes without many of the detrimental effects largely feared by the business community and claims even inflation could be more effectively curbed by maintaining caution while raising interest rates.

In state rankings, California falls below Hawai'i in both cost of living (#4) and average and median wage level (#11). Still, California just increased the minimum wage to \$15/hour from the previous \$14/hour. By contrast our initial increase to \$12/hour by October, 2022 is minimal and overdue for our low-wage workers in our high-cost state.

Decreasing the wealth gap and supporting the quality of life for all citizens is in our state's best interest. If we want to raise the quality of life for all workers in our state, research suggests helping our most vulnerable populations rise out of poverty will decrease crime rates, increase overall health, well-being, and productivity levels, helping our economy and sense of community as a whole.

In my position as a community college instructor and Chair of the Legislative Relations Committee, I have heard from my own students, Student Life and Student government representatives, and other faculty regarding financial hardship endured by students and their families at our institution. Many of our students work full-time, while also pursuing their education and often supporting dependents at home. A number of students live in overcrowded homes or even migrate between several abodes due to lack of space and financial means. Often, students do not have money for supplies, especially at the beginning of the semester when waiting for financial aid, and our campus community contributes to a food supply for needy students in an effort to prevent them from making hard decisions between paying for school supplies, essential necessities, and their own nourishment. Student advocates have continually touted the difficulty in terms of both time management and costs in pursuing their education and everyday life in our state, especially when factoring in our low wages for entry-level workers.

Additionally, during a recent convocation breakout session about the Community College Survey of Student Engagement (CCESE), statistics were presented about students who don't stay in school for financial reasons. They were referred to as "the working poor." This data has been reported from previous CCESE's as well.

Finally, our institution, which is already suffering from faculty and staff shortages brought on by the position sweep and hiring freeze resulting from pandemic-related budget cuts, is also having a difficult time hiring and retaining student workers due to low wages. We simply cannot compete with other employers.

I believe a balanced approach of incrementally increasing the minimum wage to \$15/hour by 2024 while also addressing the greatest causes of our high cost of living, housing and food cost, will be the best plans of action to help raise the quality of life for all our residents. I suggest possibly amending the bill to lengthen timeline for the increase to \$18/hour, depending on what the committee believes our business community can withstand; however, I do believe we need to give workers a living wage to help with self-reliance, rather than keeping people dependent on government handouts.

Thank you for your time and consideration!

Sincerely,

A handwritten signature in blue ink, appearing to read 'Erika Molyneux', written in a cursive style.

Erika Molyneux

**SB-2018**

Submitted on: 1/26/2022 8:52:16 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Jennifer Kagiwada	Individual	Support	No

Comments:

Aloha Chair and Committee Members,

I applaud you bringing SB2018 relating to minimum wage to the floor and request that you pass this minimum wage increase without haste.

People in Hawai'i are hurting and passing a significant increase in the minimum wage, staggered over a few years so as not to hurt small businesses, is the right way to help and the right thing to do.

Mahalo for taking action,

-Jenn Kagiwada, Hilo

**SB-2018**

Submitted on: 1/26/2022 8:43:30 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Jessica Kawamura	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Thank you for hearing SB2018, which would raise the state minimum wage to \$18 by 2026. I ask for your support to pass this critically important bill.

As a pastor living and serving in Wahiawa, I recognize the needs of our local working families. Too many people are struggling to meet ends meet. Our minimum wage lags behind other areas of the country with high costs of living. Inflation results in our dollars not going as far as they used too.

I would like to request two amendments to the bill (consistent with HB1503). First, mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT. Second, eliminate the tip credit. These added protections will strengthen the bill.

Thank you for your commitment to the working families of Hawai'i.

Best regards,

Rev. Jessica Kawamura  
Wahiawa United Methodist Church

**SB-2018**

Submitted on: 1/26/2022 9:20:59 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Beverly Yates-Tese	Individual	Support	No

Comments:

I live on the Big Island. I am a single mom of two boys. I rent my house. I am an active community member. I work in government and I currently don't make the proposed minimum wage. I think it is important to our communities and families that we raise the minimum wage to a livable wage. \$18 and hour is a great start. Please support this increase. I know people that have had to move away due to the increase of what it costs to live and not be able to afford it, even if they work more than 1 job. It is very hard and not a sustainable way to live, especially for families. I want to raise my boys here and I want to keep being an active community member. Please allow for people to continue to live here and not have to force us to choose to move away.

**SB-2018**

Submitted on: 1/26/2022 9:26:39 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Shannon Matson	Individual	Support	No

Comments:

As a small business owner and former retail store manager for over a decade, I am in support of paying workers in Hawai'i a living wage. This is long overdue. Please pass this bill and adopt all amendments proposed by Raise Up Hawai'i to strengthen this much needed legislation.

mahalo,

Shannon Matson



**SB-2018**

Submitted on: 1/26/2022 9:55:09 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mary Lu Kelley	Individual	Support	No

Comments:  
**mendments.**

Dear Senate Committee on Ways & Means,

Thank you for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Mary Lu Kelley

Lawai, Kauai

**SB-2018**

Submitted on: 1/26/2022 10:02:47 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ingrid Peterson	Individual	Support	No

Comments:

Aloha, Senate Committee on Ways & Means!

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

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2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living. \*I can vouch for this, having worked as both a waitress and a cocktail waitress in my youth.\*

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Ingrid Peterson

Kailua from 1963

Chris Lee is my State Senator.

**SB-2018**

Submitted on: 1/26/2022 10:23:40 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Wendy Gibson-Viviani	Individual	Support	No

Comments:

To: COMMITTEE ON WAYS AND MEANS

From: Wendy Gibson-Viviani RN/BSN

RE: SB2018 (In Support)

Hearing: Thursday, January 27, 2022 at 10:45 AM

Conference Room 211 & Videoconference

Dear Senator Donovan M. Dela Cruz, Chair, Senator Gilbert S.C. Keith-Agaran, Vice Chair and Members of the Committee,

I support SB2018, as it will be a huge first step towards achieving a living wage in Hawaii, for those who are paid minimum wage. I believe this will be beneficial because it will allow these folks to put more money back into the economy and enhance their quality of life. Some of these folks are workers who have been putting themselves at risk by working during the worst of the COVID-19 pandemic. It would be a nice way to thank them.

Thank you for your consideration of this important matter. I hope you will support SB2018.

Wendy Gibson-Viviani RN/BSN

Kailua. Oahu Resident x 29 years

**SB-2018**

Submitted on: 1/26/2022 10:28:21 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mary Katharine Herbig	Individual	Support	No

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Mary Herbig

Kailua, HI

**SB-2018**

Submitted on: 1/26/2022 10:38:23 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Flora Patton	Individual	Support	No

Comments:

Aloha Senators,

Hi my name is Flora Patton and I go to Waipahu Aloha Clubhouse. I am fully in support SB2018. Our Clubhouses have been following the bills to increase the minimum wage. People, like me, who are low income and who have a disability are very willing to work and are looking for jobs to get back into the work force. For me, it would be impossible to survive on the current minimum wage as prices have gone up. Prices in Hawaii are too expensive to live on.

I was working; however, my job is on pause because of the pandemic. I am willing to work and I would like to work but it is so difficult to survive on the current minimum wage. So please support SB2018.

Thank you for your time,

Flora Patton

**LATE**

**SB-2018**

Submitted on: 1/26/2022 11:35:29 AM  
Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Carol Philips	Individual	Support	No

Comments:

Please vote to pass this critical legislation.

**LATE**

**SB-2018**

Submitted on: 1/26/2022 12:04:00 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

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

Comments:

Dear Senate Committee on Ways & Means,

Mahalo for hearing SB2018, which brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and ask the committee to support its passage.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Thank you for your consideration

Deborah Nehmad

Hawaii. Kai

**LATE**

**SB-2018**

Submitted on: 1/26/2022 12:51:09 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
__d H__	Individual	Support	No

Comments:

I'm in favor of this bill. We shouldn't allow both large corporations and small businesses in Hawaii to dictate how much Hawaii workers are allowed to make. I work for a Fortune 500 company tech company whose clients includes local companies like Hilton Hawaiian Village, Hawaiian Dredging, Punahou Schools, and the Hawaii State Legislature. I've worked for this company for over 20 years, starting at \$10 an hour and I make barely over \$15 an hour today. I should be paid twice as much similar to my mainland counterparts who possess less technical skills than I, but get paid more. The company that I work for makes every excuse to deny pay raises citing everything from 9/11 to the current pandemic. I have gone nearly 5 years without a pay raise, yet my workload and responsibilities increase year after year. This company also hires workers from countries like Guatemala to work in the Help Desk in order to keep wages down. In the end, it is people like me who are the victims.

I want you to pass this bill because it is time some of these businesses who operate in Hawaii pay their fair share. If I can't get them to pay me for what I am worth, then there needs to be legislation to force them to pay. And if they do not want to operate in Hawaii because of the cost to turn a profit or if some of these local small businesses complain about not being able to run their business because of the added overhead of paying their workers, then maybe they are not fit to run a business in the first place. Operating a business is a privilege not a right.



**LATE**

**SB-2018**

Submitted on: 1/26/2022 1:00:03 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Marston Lau	Individual	Support	No

Comments:

Dear Hawaii State Legislature,

I am writing in strong support for SB2018 in raising the minimum wage to \$18. It is well past time for the state to increase it's meager \$10.10 minimum to something more reasonable. The Legislature should also consider a higher increase of the minimum wage above \$18 in the future as well, or preferably, implement mandatory increases over periods of time, either through review or pegging the minimum wage to an index.

The rising costs of everyday goods, groceries, gasoline, and etc., have made it even more difficult for our local residents to live comfortably. A rise in the minimum wage is necessary to combat the high cost of living in this state, and to help ensure that our residents have the ability to purchase necessary goods and live comfortably.

The State should not be considered with businesses failing or closing as a result of an increase of the minimum wage, and maintain their focus on ensuring that the working class and poverty stricken members in our society are well-taken care of and have their needs met. Businesses can fall and new ones can be made another day, but the regular people of Hawaii do not have the same luxury.

It is important for this bill to be passed and be passed as soon as possible.

Thank you,  
Marston Lau

**LATE**

**SB-2018**

Submitted on: 1/26/2022 5:54:40 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

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

Comments:

Chair Dela Cruz, Vice Chair Keith Agaran, and Committee Members:

I am writing in strong support of this measure. The coronavirus pandemic has taken a grave toll on the health and well-being of Hawaii families. A minimum wage increase will materially improve the condition of Hawaii's most under-resourced families. Many of these families have multiple members working in service sector jobs, with some working multiple jobs.

Given the persistently high cost of living in Hawaii, many families struggle to make ends meet on a month-to-month basis. Hawaii's wages have been historically low given the influence of concentrated wealth and geographic isolation. In recent decades decreasing union membership has produced downward pressure on wages.

In short, is important for the legislature to set a baseline that helps families more adequately meet hard economic realities.

Income is the foremost determinant of health. [As the American Public Health Association \(APHA\) notes](#), income shapes "access to basic needs and social determinants of health such as housing, education, and job opportunities. Women and people of color—many of whom provide for families—are more likely to earn low wages and therefore disproportionately experience the adverse health effects of poverty."

The APHA also provides that it is "necessary to recognize the role of structural racism in creating disproportionate representation of minorities within low-income populations." Last session, this Legislature declared that [racism is a public health crisis](#) via [HCR 112](#). [Census income data indicate that Filipinx, Native Hawaiian, and other Pasifika communities have disproportionately lower incomes](#). Low minimum wages are especially harmful to immigrant families, including those in COFA migrant communities.

This bill should be revised to (1) reduce or eliminate the tip credit and (2) link future increases to inflation once the \$18 threshold is reached.

Mahalo,

Nikos Leverenz



**SB-2018**

Submitted on: 1/26/2022 9:15:21 PM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Charlie Vincent	Individual	Support	No

Comments:

**Date:** Wednesday January 26, 2022

**To:** Brian T. Taniguchi, Chair

Les Lhara, Jr. Vice Chair

Senate Members and Ways and Means (WAM) Committee members

**From:** Charlie Vincent

**Subject:** Support of Senate Bill S.B 2018, in relating to Minimum Wage Increase

Aloha Everyone! My name is Charlie Vincent and I am a sophomore (10th grader) at Kaleho High School this year. And I feel very passionate in S.B 2018, and I would like to ask for your support.

With Minimum wage being one of the Senate's major priorities for a long time now, we can most definitely see that if we go back to when it started. Dated back to the year 2003, Minimum Wage was starting at \$6.75 and as the years went on this number had increased. To January of 2018 with wage starting at \$12.00 per hour. And by the year 2026, the Minimum Wage will be starting at \$18.00 per hour. With this information present we can see that minimum wage has been one of the many things being a priority for the Senate.

With increasing the State's Minimum Wage this will help Hawaii's economy by giving store workers greater purchasing power in local market places. This is because when we raise the Minimum Wage this means that higher wages will reduce the chance of having a turnover in the local business.

I thank you for your time and your thought, and I truly hope that you will support Senate Bill S.B 2018, which is relating to Minimum Wage Increase.

**LATE**

**SB-2018**

Submitted on: 1/27/2022 6:07:23 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Shyla Moon	Individual	Oppose	No

Comments:

This increase would kill many businesses who hire people who have no experience and the minimum wage should be low because people will not exceed to better themselves if you start them with a high wage. A \$7 an hour minimum wage increase will dramatically increase our prices for consumption/food, services, etc. The pandemic hit Hawaii hard in our pockets, you need to allow employers to recover it's only 2022.

On another note many people do not want to work their hearts and ethics are not there. We have seen an increase of understaffing everywhere on Kauai. Until we fix our school system to teach children that not everything is GIVEN to them because they breath we will not get a better life here. Our social issues are very deep. Increase drug rehab and drug prevention, make prosecutors sentence repeat offenders, and always of the people. The legislature represents the PEOPLE you are not above us and certainly don't have a right to keep changing our lives to where we have to suffer with YOUR votes.

The mandatory mandates to get vaccinated also gotta end. Hawaii is at 80%+ vaccinated when will you stop and let us live in joy?

thank you for your time

**LATE**

**SB-2018**

Submitted on: 1/27/2022 6:10:59 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Isaac Moon	Individual	Oppose	No

Comments:

Do not increase minimum wage from \$10 to \$18! This will kill any chances of recovering from the shutdown a year ago. Individuals need to work at a raise and entry level wages are necessary to keep afloat. If you pay \$18 to an entry level no experience then what do you suggest we pay an experienced individual with tons of experience and degrees or certifications? \$50 to \$60 an hour.

make a good decision and don't raise the minimum that high.

**LATE**

**SB-2018**

Submitted on: 1/27/2022 8:39:51 AM

Testimony for WAM on 1/27/2022 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Hunter Heavilin	Individual	Support	No

Comments:

Hawaii has the nation's highest cost of living, but the lowest minimum wage among Democrat-controlled states.

There are 10 states that have already passed a \$15 minimum wage. In Hawaii, full-time workers cannot survive on \$10.10 and need at least \$18 per hour.

Hawaii's workers have helped hold our economy together throughout the pandemic and deserve to be treated fairly and with respect. Please stand with workers this session, support this bill, and raise the minimum wage to least \$18 by 2026.