

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



ISAAC W. CHOY
DIRECTOR OF TAXATION

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

To: The Honorable Sylvia Luke, Chair;
The Honorable Kyle T. Yamashita, Vice Chair;
and Members of the House Committee on Finance

From: Isaac W. Choy, Director
Department of Taxation

Date: Tuesday, March 1, 2022
Time: 11:00 A.M.
Place: Via Video Conference, State Capitol

Re: H.B. 2510, H.D. 1, Relating to Income

The Department of Taxation (Department) offers the following comments regarding H.B. 2510, H.D. 1, for your consideration. H.B. 2510, H.D. 1, makes the following income tax related changes:

- Makes the Hawaii earned income tax credit (HEITC) refundable and permanent;
- Increases the refundable food/excise tax credit to \$150 per exemption for all eligible taxpayers;
- Repeals the graduated refundable food/excise tax credit amounts based on adjusted gross income (AGI);
- Repeals the 13-year age restriction on "qualified individual" for purposes of the credit for expenses for household and dependent care services (dependent care credit);
- Increases the cap on the tax administration special fund from \$2 million to \$4 million;
- Amends the list of allowed uses of the Tax Administration Special Fund to include education and outreach to low-wage earners regarding income tax withholding options and forms; and
- Appropriates an unspecified amount from the Tax Administration Special Fund for the education and outreach described above.

H.B 2510, H.D. 1, has a defective effective date of December 25, 2040 with the amendments to the HEITC, refundable food/excise tax credit, and the dependent care credit otherwise applicable to taxable years beginning after December 31, 2022.

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

Second, the Department respectfully requests that the unspecified appropriation from the Tax Administration Special Fund (TASF) for low-wage taxpayer outreach contained in Section 12, be amended to appropriate \$2 million to match the amendment to the TASF contained in Section 11 of this measure.

Finally, the Department is able to administer the proposed changes to the various credits in this measure with their current effective dates provided that a functional effective date is inserted.

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



March 1, 2022

To: The Honorable Sylvia Luke, Chair,
The Honorable Kyle T. Yamashita, Vice Chair, and
Members of the House Committee on Finance

Date: Tuesday, March 1, 2022

Time: 11:00 a.m.

Place: Conference Room 308 & Via Videoconference

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

Re: H.B. 2510 H.D.1 RELATING TO INCOME

I. OVERVIEW OF PROPOSED LEGISLATION

Part IV of HB2510 HD1 proposes to amend Section 387-2, Hawaii Revised Statutes (HRS), by incrementally increasing the minimum wage from \$10.10 to \$18.00 beginning on January 1, 2023 to January 1, 2030, incrementally increasing the tip credit from 75 cents to \$2.75 beginning on January 1, 2023 to January 1, 2030, and adjusting the minimum wage and tip credit each year effective January 1, 2031 based on the average of the increases to the statewide median hourly wage for all occupations over the previous three years compiled by the United States Bureau of Labor Statistics.

The DLIR supports increasing the minimum wage rate, including by indexing, and opposes any increases in the subminimum wage by increasing the tip credit. Fiscally, the DLIR anticipates an increase in wage claims should the tip credit increase.

II. CURRENT LAW

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

III. COMMENTS ON THE HOUSE BILL

The purpose of the minimum wage law pursuant to the Fair Labor Standards Act of 1938 was to stabilize the post-depression economy and protect the “health, efficiency, and general well-being of workers...” The minimum wage rate is a floor designed to protect workers against unduly low pay. It is the employer’s responsibility to ensure that all workers make at least the minimum wage.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

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

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2510, H.D. 1

March 1, 2022
11:00 a.m.
Room 308 and Videoconference

RELATING TO INCOME

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

House Bill No. 2510, H.D. 1, does the following:

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

the Department of Labor and Industrial Relations to adjust the minimum wage and tip credit amount for each year thereafter.

- Amends Section 235-55.6, HRS, to apply the Household and Dependent Care Tax Credit to expenses paid for the care of a qualifying individual, regardless of age.
- Amends Section 235-20.5, HRS, to increase the maximum amount of revenue the Tax Administration Special Fund (TASF) may retain in each fiscal year from \$2,000,000 to \$5,000,000; and provide that the TASF may be used to provide outreach to low-wage earners to educate them about their income withholding options and to provide support when completing their federal and State withholding forms.
- Appropriates an unspecified amount of special funds out of the TASF in FY 23 for the Department of Taxation to provide an outreach campaign for low-wage earners to educate them about their income withholding options and provide support when completing their federal and State withholding forms.

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

B&F also notes that the American Rescue Plan (ARP) Act restricts states from using ARP Coronavirus State Fiscal Recovery Funds (CSFRF) to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the

fiscal year in which the CSFRF have been spent. If a state cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than the CSFRF, such as:

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

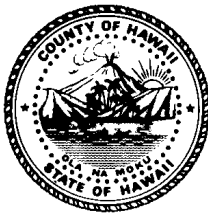
If the CSFRF provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the U.S. Treasury.

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

Thank you for your consideration of our comments.

Attachment

REBECCA VILLEGAS
Council Member
District 7, Central Kona



PHONE: (808) 323-4267
FAX: (808) 323-4786
EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

*West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740*

February 28, 2022

TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON HB 2510 HD1, RELATING TO INCOME
Committee on Finance
Tuesday, March 1, 2022 11:00a.m.

Aloha Chair Luke, and Members of the Committee:

I thank you for the opportunity to testify in SUPPORT of HB 2510 HD1. The purpose of this Act is to help working families by improving certain tax credits, increasing minimum wages, and appropriating funds specifically for an outreach program to help educate low-wage earners regarding their withholding options.

The pandemic presented the world with unprecedented issues, forcing people out of employment or even their own homes, and exacerbating the economic hardship for many Hawaii families who are above the federal poverty line but still struggle to make ends meet. Aloha United Way reported a six hundred per cent increase in calls received from people seeking assistance during the pandemic which significantly increased the percentage of households that are considered to be asset limited, income constrained, and employed (ALICE) to fifty-nine per cent, which is up from forty-two per cent prior to the pandemic.

Increases to the cost of living in the State, combined with stagnant wages, have contributed to the increase in the number of ALICE households. While the cost of living continues to increase, minimum wage has not increased to an appropriate amount necessary to offset the higher increase in cost of living.

For the reasons stated above I urge the Committee on Finance to SUPPORT this measure. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read 'Rebecca Villegas'.

Rebecca Villegas
Council Member, Hawai'i County Council

HB-2510-HD-1

Submitted on: 2/26/2022 7:55:09 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mike Golojuch, Sr.	Rainbow Family 808	Support	No

Comments:

Rainbow Family 808 supports HB2510. However, we requested that the bill be amended so the minimum wage gets to \$18 an hour by 2026. Please pass.

Mike Golojuch, Sr. Secretary/Board Member, Rainbow Family 808



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

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

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

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

Date: February 26, 2022

To: Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair
Members of the Committee on Finance

From: Victor Lim, Legislative Lead

Subj: HB2510, HD1 Relating to Lower Wage Workers' Tax Credits and Wages

The Hawaii Restaurant Association representing 3,400 restaurants support and commend the House's legislative body for trying to help the lower wage workers in our community with this HB 2510, HD 1 in a more comprehensive way. Earned Income Tax Credit, Refundable Food/Exercise Tax Credit, Household and Dependent Care Tax Credit, and Starting Wage are all part of the many ways to help solve this challenge.

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

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

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

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



HB-2510-HD-1

Submitted on: 2/26/2022 10:06:11 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Elizabeth Nelson	Faith Action for Community Equity	Support	No

Comments:

I would support this bill, but a better version would be \$18 by 2026. People are suffering doing 2 and 3 jobs trying to survive in this economy and housing market. Can we not give them some relief sooner than 2030?

Thank you,

Elizabeth Nelson

HB-2510-HD-1

Submitted on: 2/26/2022 11:36:57 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
John Witeck	Hawaii Workers Center	Oppose	No

Comments:

Although the Hawaii Workers Center supports some of the provisions in HB2510, we oppose the delayed timetable for raising the minimum wage. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. Working families cannot survive on this form of minimum compensation.

HB2510 would only get workers to \$18 an hour by 2030—far too slow! By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10— **well short of a living wage**. The Hawaii Workers Center favors raising the minimum wage to \$25 by 2025!

Low-wage workers in Hawaii must reach \$18 an hour by 2026 if not sooner, if working families are to sufficient relief from the hardships imposed on them by the economy and the pandemic.

The Senate has passed and given the House a better bill (SB2018) which would raise the minimum wage to \$18 by 2026 bill. It is now up to the House to agree to the Senate proposal and provide more substantial relief to Hawaii's low-wage workers. We urge you to send SB2018 to the governor's desk for signature instead of this bill.

Our members and allies intend to join the Raise Up Hawai'i rally at the capitol on March 8 to ensure that the voices of workers are heard when the House is considering its position on the minimum wage bills.

Mahalo for considering our testimony. We urge you to do the right thing!



To: House Committee on Finance
Hearing Date/Time: March 1, 11:30AM
Re: Testimony in OPPOSITION of HB2510 HD1

Dear Chair Luke, Vice Chair Yamashita, and the Members of Committee,

Members of AAUW of Hawaii thank you for this opportunity to testify. While we agree with aspects of HB2510 HD1, we request that the minimum wage be increased to \$18 by 2026 as SB2018 does, not by 2030. Our current living wage is \$19+ for an adult without children. Workers in Hawaii cannot wait.

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.

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 SB2018 instead of HB2510 to ensure all workers in Hawaii have a living wage sooner. Mahalo.

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

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

Younghee Overly



TESTIMONY on HB 2510 HD1 – Opposition

TO: Chair Luke, Vice-Chair Yamashita, & Committee Members – House Committee on Finance
FROM: Trisha Kajimura
Deputy Director - Community
DATE: March 1, 2022 at 11:00 AM

Hawai'i Health & Harm Reduction Center (HHRC) **opposes HB 2510 HD1**, which increases the minimum wage for certain employees incrementally to \$18.00 per hour by 2030, except for tipped workers and contains multiple tax credit provisions.

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

HHRC supports a minimum wage increase to at least \$18 by 2026 at the latest. The increase in this bill is not enough within a reasonable amount of time to make a dent in the cost of living in Hawai'i. Low-wage earners have to be able to survive and should not be forced to rely on public benefits to make ends meet for their families. We also support the elimination of the tip credit and tying future minimum wage increases to the consumer price increase.

Thank you for the opportunity to testify on this measure.

HB-2510-HD-1

Submitted on: 2/26/2022 5:44:37 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Derwin	Hawaii Clubhouse Advocacy Coalition	Oppose	No

Comments:

My name is Derwin Teranishi and I oppose this HB 2510. As was already discussed in SB 2018, the need is to increase the minimal wage to \$18.00 by 2026 is necessary in order for individuals and especially families to have a chance to live in hawaii with the cost of living sol high, and have a stablized family upbringing with parents not working 2 jobs and struggling. We need to keep the cxommunity empowered to support the working force. Instead, this deters those on financial assistance or other benefits to not want to return to work, thus economy suffers also. Please do not delay this process any longer.

Thank You,

Derwin Teranishi



AMERICANS FOR DEMOCRATIC ACTION

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

February 27, 2022

TO: Chair Luke and Members of Finance Committee

RE: HB 2510 HD1 Relating to Income

Support for hearing on March 1

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

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

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

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

Thank you for your favorable consideration.

Sincerely,

John Bickel, President

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: HB 2510 HD 1

INTRODUCED BY: House Committee on Labor & Tourism

EXECUTIVE SUMMARY: Part II: Makes the state earned income tax credit refundable and permanent. Provides for carryforward of nonrefundable credits previously claimed. Part III: Increases and amends the refundable food/excise tax credit. Part IV: Increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030. Increases the tip credit over the same period. Beginning 7/1/2030 and each year thereafter, requires DLIR to annually adjust the minimum wage hourly rate and tip credit amount for the following January 1 based on the average of the increases to the statewide median hourly wage for all occupations over the previous three years compiled by the United States Bureau of Labor Statistics. Part V: Amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age. Part VI: Increases the cap on revenues that may be deposited into the tax administration special fund and authorizes that moneys in the fund shall also be used for outreach to educate low-wage earners about their withholding options and to provide support when completing their withholding forms. Appropriates funds from the tax administration special fund for the purpose of this part. Effective 12/25/2040.

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

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

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

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

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

Part VI (Tax Administration Special Fund): Amends section 235-20.5, HRS, to allow the special fund up to \$4 million (up from \$2 million) per year of collections from the special enforcement section. Provides that the special fund moneys may also be spent on outreach for low-wage earners to educate them about their income withholding options and provide support when completing their federal and state withholding forms.

EFFECTIVE DATE: Dec. 25, 2040; the tax credit amendments apply to taxable years beginning after December 31, 2022.

STAFF COMMENTS:

Credits for Lower Income Taxpayers

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

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

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

Tax Administration Special Fund

Appropriation is not supposed to be difficult. Lawmakers, with the help of our Council on Revenues, figure out how much money we're expected to collect. They listen as the various executive agencies and departments show them what their respective programs have achieved for

the people of Hawaii. Lawmakers then decide which programs and services are worthy of how much of our hard-earned taxpayer dollars, and off we go for another fiscal year.

This, however, isn't enough for some people (or departments), who are absolutely fixated on securing a "dedicated funding source" for their favorite program or department. A dedicated funding source usually means setting up a special fund, which is tougher to police using the appropriation process, and a grab on tax revenues before they can be counted with the rest of state realizations during the budgeting processes. Dedicated funding sources can and do protect inefficient or questionable programs and expenditures, and they make it tougher for all of us to figure out where our state's money is being spent.

Legislators argue that the Legislature exercises more than adequate oversight over these special funds even though they aren't covered in the normal appropriation process. But how does that explain findings like the State Auditor's Report No. 20-06, which found more than \$75 million in accounts associated with inactive special or revolving funds? Or Report No. 20-07, which found tens of millions of dollars in special funds that swelled in size over the years, indicating an imbalance between the so-called dedicated funding source and the programs and services it was supposed to fund? Or Report No. 20-08, which built on Report No. 20-06 and made the bold statement, "More than \$483 million in excess moneys may be available to be transferred from 57 special and revolving fund accounts to the General Fund without adversely affecting programs"?

The continued existence of a program or service is supposed to be earned. If a program or service efficiently delivers value to the people of Hawaii, then it is worthy of our continued support. It's not supposed to be forced by tax grabs, special funds, and other gimmicks. We need to start recognizing that this "dedicated funding source" rhetoric is taking us down the wrong path.

The Tax Administration Special Fund was established by Act 215 of 2004, one of the major purposes of which was to rein in the High Technology Business Investment Credit, a whopping incentive for the high technology industry and others that was rapidly spiraling out of control. The thought at the time was that because the Department of Taxation was spending a lot of time issuing rulings on the applicability of the credits, the Department should be allowed to charge user fees for the rulings and thereby pay for a few more bodies to review the cases and pump out the rulings. The special fund was enacted for that purpose. Its authorizing statute was placed in the Income Tax Law because the high technology credit was an income tax credit.

In 2009, Act 134 created a special enforcement section within the Department that was primarily targeting "cash economy" transactions, typically those where the buyer pays in cash and the seller "conveniently forgets" to pay General Excise Tax (GET). This Act amended the special fund statute so that whatever the special enforcement section brought in the door, up to \$500,000, would go to the special fund; any more would go to the general fund like most tax collections. The fund was then allowed to pay for the employees in the special enforcement section.

In 2015, Act 204 enacted new compliance requirements aimed at transient vacation rentals, such as bed and breakfast operators who "conveniently forget" to pay both GET and transient

accommodations tax (TAT). The bill imposed fines upon those who failed to comply, and allowed those fines to go into the special fund.

At this point, the fund was fed by activity relating to the income tax, the GET, and the TAT, but the statute authorizing the fund remained in the Income Tax Law.

On the expense side, the Department apparently found itself with too much money in the special fund, so it asked the legislature for authority to spend the fund money on taxpayer education programs and publications. That bill breezed through the legislature and became Act 89, SLH 2014. In the meantime, different acts through the years allowed DOTAX to hoard more money and fund more positions, increasing the special enforcement section collection threshold from \$500,000 to \$700,000 (Act 204, SLH 2015) to \$2 million (Act 123, SLH 2018).

In the Office of the Auditor Report No. 17-10, the Auditor reviewed the Tax Administration Special Fund and found that its ending balance had started rising significantly, from just under \$1 million in FY2013 to \$5.7 million in FY2017. In Act 87, SLH 2021, the Legislature found that this fund had accumulated significant monies in excess of its requirements and authorized raiding the fund to the tune of \$15 million.

Allowing this fund to swell further is not good policy. Tax collections, from whatever source, are government realizations under the law imposing the tax. Penalties and fines are treated as additional taxes (see, for example, section 231-39(b), HRS, providing that penalties “shall be added to and become a part of the tax imposed by such tax or revenue law, and collected as such”). These tax collections rightfully belong to the general fund. Allowing them to get swept into special funds, no matter which department, program, or service “owns” the special fund, is a subversion of the budgeting and appropriation processes. Special funds should not be allowed to spiral out of control.

The fact that this fund was deemed worthy of a \$15 million raid just last year indicates that it was out of control and should be reined in, not allowed to spiral further and faster.

Digested: 2/26/2022



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
MARCH 1, 2022
Re: HB 2510 HD1 RELATING TO INCOME**

Good morning, Chairperson Onishi and members of the House Committee on Labor and Tourism. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We are support of the intent of HB 2510 HD1 Income and prefer it over the SB 2018. This measure in Part II: Makes the state earned income tax credit refundable and permanent. Provides for carryforward of nonrefundable credits previously claimed. Part III: Increases and amends the refundable food/excise tax credit. Part IV: Increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030. Increases the tip credit over the same period. Beginning 7/1/2030 and each year thereafter, requires DLIR to annually adjust the minimum wage hourly rate and tip credit amount for the following January 1 based on the average of the increases to the statewide median hourly wage for all occupations over the previous three years compiled by the United States Bureau of Labor Statistics. Part V: Amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age. Part VI: Increases the cap on revenues that may be deposited into the tax administration special fund and authorizes that moneys in the fund shall also be used for outreach to educate low-wage earners about their withholding options and to provide support when completing their withholding forms. Appropriates funds from the tax administration special fund for the purpose of this part. Effective 12/25/2040.

We would like to see that the increase would be more gradual and not increase over \$15 per hour. Over the past couple of years, the retail industry has been one of the hardest hit sectors during this pandemic. We continue to hear of another retail store or chain closing – from local mom and pops shops to national chain stores. Since the pandemic, those retailers who were deemed non-essential were forced to close their businesses for months due to government emergency orders. Those on Oahu were forced to close their businesses a second time with no income from online sales unless they were fulfilling the orders from home. Retailers have also had to endure cash on delivery for many of their goods ordered (no longer able to pay 60 days after receiving items); an almost 50% rate increase in interisland shipping and 300% for mainland shipping; not to mention shipping delays; supply chain disruptions; and need for employees. In addition, many stores who rely directly on the visitors are not opening at all or just a few of their locations until the customer base returns – if they can hold on that long. Since March of 2020, many retailers have also had to lay off their staff, taken pay-cuts, shortened their hours of operations, used up their personal savings as well as their children's college fund and not to mention selling their home all in an effort to keep their doors open and their employees employed. Now they are unsure how they will survive as they are still months behind on their commercial lease rent, utilities, and other operating expenses. We would also like to mention when pandemic numbers are high, many customers stay home and do not come out to the stores to shop.

Many of our members, especially the small locally owned businesses are not able to afford \$18 an hour. RMH members were a part of the Chamber of Commerce of Hawaii recent minimum wage survey. Over 30% of the 449 respondents indicated that they would not be able to stay in business if minimum wage was increased to \$18 an hour.

Minimum wage was never intended to be a living wage. It is the entry job for many who have little or no experience. Many of the workers in retail are experiencing their first job like the many high school students and there are many looking only to work part time. Businesses must often teach new hires everything from hygiene, how to dress for work and other basic life skills in addition to working a cash register, how to open and close and customer service. As they gain skills, workers can get pay increase and/or a promotion.

There are many full-time positions open in retail, however employees work part time in our stores to spend more time with family, attend school and study or are retired and looking for something to do.

Retailers like many businesses are struggling to survive and keep their employees employed. Many small retailers have not recovered and are still in debt from the pandemic. Many retailers especially the small stores, cannot afford an increase in doing business. We hope that you will reconsider the steep increases being suggested in this measure that would harm many small businesses. We look forward to working with you to find an amicable solution.

Costs like an increase in minimum wages would be passed directly on to the customers, making Hawaii an even more expensive place to live. Retailers realize that if their products are too costly, they will lose the sale. Their customers will seek an alternative retailer online who may not have ties to Hawaii because they offer the item cheaper.

What does a raise in minimum wage mean?

- **Many local small businesses will not be able to afford the increase of \$18 an hour that this bill calls for in.** This would devastate local small businesses who cannot compete with large corporations. 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. Many 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. Health Insurance alone can cost an employer anywhere from \$700 - \$1000+ per employee.
- **Even more employee layoffs to stay solvent and keep their doors open.** Currently Hawaii’s unemployment rate is one of the highest in the nation, and the number will keep climbing as more of our friends, family and neighbors are laid-off to compensate for the increase in minimum wage.
- **Potential to cut employee hours.** Many store hours of operations are already reduced and to pay for the increase in wages, employee work hours may be reduced substantially more.
- **Businesses are looking into implementing artificial intelligence and more self-checkout lines** as ways to cut costs to cover government mandates. We are seeing this as more stores are investing in self-checkout counters.
- **Price of goods will increase to cover the increased cost of payroll, thus driving up the cost of living in Hawaii.** Anytime there is an increase in the cost of doing business, retailers pass on this cost to the customers. Our retailers no longer have competitive pricing and customers go elsewhere or purchase online and not in the stores.
- **With fewer employees, customer service will be negatively impacted** with even longer lines and less employees to assist the customers.

We would also like to point out that tip credit does NOT apply to retailers and there would be no relief or help for many businesses.

Mahalo again for this opportunity to testify.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE

RE: HB 2510 HD1 - RELATING TO INCOME

TUESDAY, MARCH 1, 2022

JOSH FROST, CHAIR
DEMOCRATIC PARTY OF HAWAII LABOR CAUCUS

Chair Luke and Members of the Committee:

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

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

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

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

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

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

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

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

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

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

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

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

Mahalo for the opportunity to submit testimony today.



Tuesday, March 01, 2022

HB2510 Relating to Income

Testifying in Opposition unless amended to the language contained in SB2018

Aloha Chair Luke and members of the Committee,

The Pono Hawai'i Initiative (PHI) opposes the minimum wage component of HB2510 and strongly supports SB2018.

SB2018 gradually increases the minimum wage from the existing \$10.10 per hour until it reaches a threshold of \$18 per hour in 2026. SB2018 is a clean bill that was passed in the Senate 24 to 1, AND SB2018 received testimony in support from Governor David Ige.

HB2510 does not achieve \$18 until 2030 AND further penalizes tipped workers by expanding the sub-minimum wage gap.

The House Finance Committee is encouraged to separate out the minimum wage provision and amend HB2510 to reflect the language of SB2018 and/or immediately schedule a joint hearing with the House Labor Committee to hear and pass SB2018, without further amendments.

The remaining portions of HB2510 are contained in other legislative vehicles and/or can be appropriately added to them. Those individual bills can then be evaluated and passed as separate stand alone initiatives.

The State Senate has said yes to \$18 in 2026, as has the Governor - it is only the House that now stands in the way of making this happen.

Mahalo for the opportunity to testify,

Gary Hooser
Executive Director
Pono Hawai'i Initiative

HB-2510-HD-1

Submitted on: 2/27/2022 5:35:12 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Flora Patton	Hawaii Clubhouse Advocacy Coalition	Oppose	Yes

Comments:

My name is Flora Patton,

I oppose HB2510. I believe we should keep it the same as SB2018 which is to raise the minimal wage to \$18.00 by 2026. The working individuals and families need to have a better quality of life for their needs and family time. The cost of living is getting too high for us to keep up unless we work 2 jobs and sacrifice raising our family.

Thank you for your time and understanding,

Flora Patton

Hawaii Clubhouse Advocacy Coalition

HB-2510-HD-1

Submitted on: 2/27/2022 9:22:04 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rev. Samuel L Domingo	Faith Action for Community Equity, The Hawaii Workers Center, RaiseUp Hawaii Coalition	Oppose	No

Comments:

Aloha Chair Luke and Members of the House Finance Committee,

I oppose HB2510 proposal to raise the minimum wage to \$18 an hour by 2030. It is an insult to working families who are already struggling to survive with today's wage. Please support SB 2818 instead as it raises the minimum wage to \$18 an hour by 2026. Its a clean bill and the governor supports it. Other proposals in HB2510 are found in other bills that are cleaner and moving through committees.

Mahalo for hearing my testimony.

Rev Samuel L Domingo

Date: February 25, 2022

RE: **HB 2510 - OPPOSE**

I am writing to respectfully OPPOSE HB 2510.

I am the owner of a small business, a small private health care practice. I am writing to OPPOSE Part IV of this bill that proposes ongoing increases to minimum wage. We OPPOSE linking health care to ongoing minimum wage increases that are determined by all occupations.

I OPPOSE this bill for the following reason:

- 1) This bill does not support the employment of those new to the workforce. As a healthcare provider we hire high school or college students to support their exploration of career choices. Many of these candidates have not worked in an office or medical setting in the past, some have never had prior work experience. As a result, they do not have the business or office skills necessary. Although we typically hire above minimum wage and then progress them to higher wages as their skills develop and they can contribute more to our office. The significant increase in minimum wage to \$18 by 2026 would require us to pay individuals who may not have the necessary skills a rate which would far outweigh their benefit to the business.

We allow our staff flexibility and the opportunity to see what our profession does up close; they are able to continue to take classes while they get some part-time work experience. Several of our employees have gone on to graduate programs in health care, others have learned that healthcare was not for them and were able to pivot in their career planning. A considerable increase in minimum wage would significantly raise our expectation of individuals in those roles. The actual cost is significantly more than just the increased minimum wage as other costs such as workers' compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefit programs also increase. We would reduce hours where possible and we would not hire students with little to no experience as we would not be able to place this financial burden on our company to pay for skills that are not present.

Minimum wage should not be construed as a living wage. It allows those new to the work force to gain experience and allows businesses like ours to teach these real-life skills. Employees should strive to develop skills and gain experience which would allow them the ability to move into roles in which they are able to earn or exceed what is required for a living wage. Past part time employees have gone on to graduate programs and will return with professional skills that will then allow them to earn a living wage. This bill would discourage us from continuing to give our students an opportunity to learn more about a career in health care while teaching work skills. In addition, we would be forced to lay off employees, cut hours, or avoid hiring those new to the workforce.

- 2) As a health care practice, we are not able to adjust our revenue to pass on these costs to accommodate for this wage increase. Unlike other businesses who can adjust prices, as a medical practice we are held to set fee schedules which is determined by the insurance companies as well as agencies such as Medicare and Worker Comp. We do not get annual increases of our fee schedule. We have gone several years without fee increases from almost all

the major carriers and agencies. Our fees are tied to national fee schedules such as Medicare which do not consider the labor to deliver skilled healthcare.

Since our fees are capped, significantly increasing minimum wage as well as the continued increases proposed would place a significant hardship on healthcare practices who do not have the ability to offset these increased labor costs.

It is for these reasons that I oppose the current version of HB2510

Thank you for your consideration,

Shawna Yee
Physical Therapist

HB-2510-HD-1

Submitted on: 2/27/2022 11:18:08 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kelly Cogo	Hawaii Clubhouse Advocacy Coalition	Oppose	No

Comments:

Aloha Chair Luke, Vice Chair Yamashita and the House Committee in Finance,

I oppose HB2510 HD1. I'm born and raised in Hawaii. I have experience seeing families not making enough to take care of their family members. I believe that we shouldn't compromise the timeline any further than raising the minimum wage to \$18 by 2026 and not by 2030.

Mahalo for your time and allowing me this opportunity to testify.

Aloha,

Kelly A. Cogo

**STONEWALL
CAUCUS**

FORMED IN 2001



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

February 28, 2022

House's Committee on Finance
Hawai'i State Capitol
415 South Beretania Street
Honolulu, HI 96813

Hearing: Tuesday, March 1, 2022 – 11:00 a.m.

RE: Support with requested Amendment for House Bill 2510 HD 1

Aloha Chair Luke, Vice Chair Yamashita, and fellow committee members,

I am writing in support with a requested amendment on behalf of the Stonewall Caucus of the Democratic Party of Hawai'i (formerly the LGBT Caucus) regarding House Bill 2510. HB 2510 seeks to makes the state earned income tax credit refundable and permanent. Provides for carryforward of nonrefundable credits previously claimed. Part III: Increases and amends the refundable food/excise tax credit. Part IV: Increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030. Increases the tip credit over the same period. Beginning 7/1/2030 and each year thereafter, requires DLIR to annually adjust the minimum wage hourly rate and tip credit amount for the following January 1 based on the average of the increases to the statewide median hourly wage for all occupations over the previous three years compiled by the United States Bureau of Labor Statistics. Part V: Amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age. Part VI: Increases the cap on revenues that may be deposited into the tax administration special fund and authorizes that moneys in the fund shall also be used for outreach to educate low-wage earners about their withholding options and to provide support when completing their withholding forms. Appropriates funds from the tax administration special fund for the purpose of this part.

The Stonewall Caucus requests that the bill be amended as follows:

1. The minimum wage to reach \$18.00 per hour by 2026, and
2. Delete the tip credit.

Mahalo nui loa,

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

HB-2510-HD-1

Submitted on: 2/28/2022 8:10:50 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Colehour Bondera	KANALANI OHANA FARM	Oppose	No

Comments:

Aloha Chair and Committee Members:

With all due respect. my request is that this piece of legislation be opposed and/or only passed with notable ammendments.

Since the cost of living in Hawaii, and the timeframe of implementation suggested are not respectful of the basic needs of people doing the work demanded (read that such a slow increase in wages would not help workers when inflation is considered!), HB2510 must be adopted much more quickly.

Relief for families and change would be achieved through what is included in SB2018, which raises the wage at the same level, but does so four years more quickly. Let us please support our working poor!

Sincerely,

Colehour Bondera



House Committee on Finance

Tuesday, March 1st 2022, 11:00a.m. Conference Room 308

Hawai'i Alliance for Progressive Action Opposes: HB2510 HD1

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

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in **opposition of HB2510 HD1**. HAPA is a state-wide organization that engages approximately 10,000 local residents annually.

Although we support some of the provisions in this bill, we respectfully submit opposition testimony to HB2510 HD1. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow to catch the tens of thousands of struggling Hawai'i workers back up to a livable level.

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

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

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

Mahalo for your consideration,

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

Anne Frederick
Executive Director



Inspiring Hope, Changing Lives

Visit us on the web: www.hopeserviceshawaii.org

Connect via email: info@hopeserviceshawaii.org

HOPE Help Line: 808-935-3050

TESTIMONY IN OPPOSITION TO HB2510: RELATING TO THE MINIMUM WAGE

TO: Committee Chair, Vice-Chair and Committee Members
FROM: Brandee Menino, CEO, Hope Services Hawai'i, Inc.
Hearing: FIN, 2-28-22 at 11:00

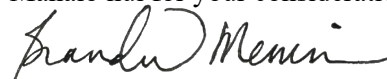
Aloha,

My name is Brandee Menino and I am the CEO of HOPE Services Hawai'i, a houseless services provider 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. Although I support some of the provisions in this bill, I must respectfully **submit opposition to HB2510**. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

The implications of our current inadequate minimum wage leave lasting negative consequences on our community. 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. The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal. Please send SB2018 to the governor's desk for signature instead of this bill.

Mahalo nui for your consideration.


Brandee Menino
CEO, HOPE Services Hawai'i



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

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

To: House Committee on Finance

Re: **HB 2510, HD1 - Relating to Income**
Hawai'i State Capitol, Via Videoconference, Conference Room 308
March 1, 2022, 11:00 AM

Dear Chair Luke, Vice Chair Yamashita, and committee members,

On behalf of Hawai'i Children's Action Network Speaks!, I am submitting COMMENTS on HB 2510, HD1, relating to income. While we support this bill's improvements to important tax credits for working families, we have concerns about the minimum wage portions of the bill.

We support an increase to our state's minimum wage, but the increases in this bill happen too slowly. This bill also worsens subminimum wage for tipped workers, which is the *opposite* of what working parents need to afford to live the state with the highest cost of living in the nation.¹

Our current minimum wage is only \$10.10 per hour, or \$21,000 a year for full-time work. It is well-established that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.² 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.

This bill doesn't raise the minimum wage to \$18 until 2030, which isn't enough to survive on now, let alone 8 years from now. Hawai'i's Department of Business, Economic Development and Tourism 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 2020.³ 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.

Hawai'i's current minimum wage is already lower than in the next 7 highest cost-of-living states. Some already have minimum wages at or above \$15 in 2022, and they all already have minimum wages of at least \$12.⁴ And we will be falling further behind. Of the next 7 most expensive states in the nation, all but one have passed laws to raise their minimum wages to at least \$15 by 2025 – and the cost of living in all of those states is *lower* than in Hawai'i. For those reason, **we urge this committee to increase the pace of minimum wage increases in this bill, to \$18 per hour by 2026.**

We also request the removal of the tip credit that allows employers to pay tipped workers less than the minimum wage – rather than enlarging it, as this bill does. Hawai'i should follow the example of other states,

¹ <https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area>

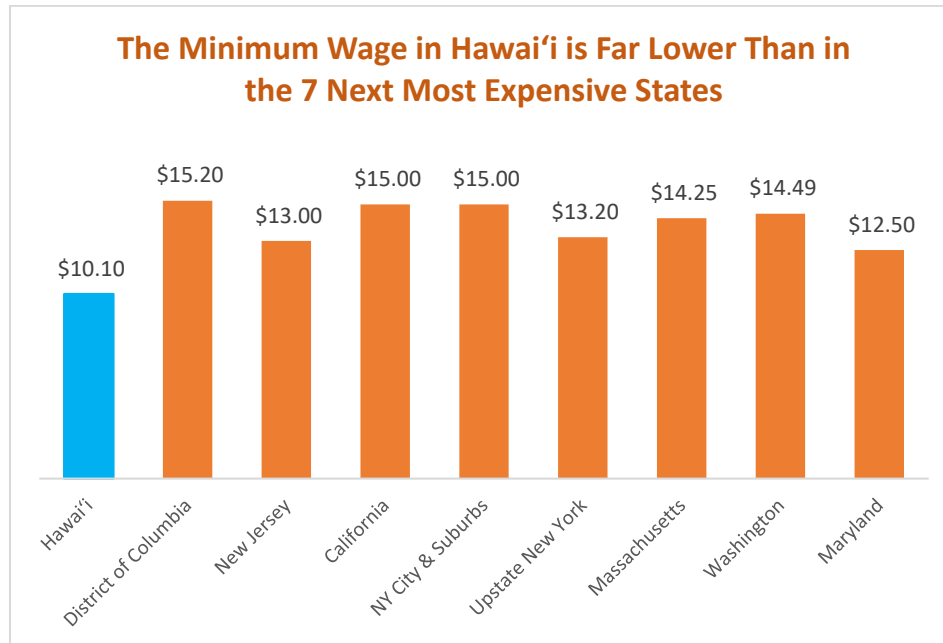
² <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

³ <https://files.hawaii.gov/dbedt/annuals/2021/2021-read-self-sufficiency.pdf>

⁴ <https://www.epi.org/minimum-wage-tracker/>



such as California, Oregon, Washington, and Nevada, that have been paying tipped workers the full minimum wage for years, while their restaurant industries have thrived.



Hawai'i's tax system currently is upside down. Families who earn less than \$20,000 per year pay 15% of their income in state and local taxes, while those who make over \$450,000 pay only about 9%. In fact, our state saddles our low-income families with the second-heaviest state and local tax burden in the nation.

This bill would help make Hawai'i's tax system more fair, by improving three key tax credits: the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCTC), and the Food/Excise Tax Credit.

We support the section of this bill that would improve the Hawai'i's EITC by removing its expiration date and helping help families that need this credit the most by allowing them to get the full amount that they qualify for. Not only would the lowest-income families get a big boost from this improvement to the EITC, but it would also push back on racial income disparities. Native Hawaiians and Pacific Islanders' average EITC benefit currently is larger than the overall state average, and they would see the biggest extra boost from a refundable EITC.⁵

In comparison, the next 7 highest cost-of-living states already have refundable state earned income tax credits. In addition, EITC-eligible taxpayers in those other states receive a higher percentage of their federal EITC from their states (except in Washington, which has a flat credit amount) than in Hawai'i. In other words, **even if Hawai'i's EITC becomes refundable, minimum wage earners in at least 6 of the next 7 most expensive states will receive more from their EITCs than in Hawai'i.**

⁵ Institute on Taxation and Economic Policy, unpublished analysis, January 2022



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

Most Expensive States	State EITC Refundability	Percent of Federal EITC
Hawai'i	non-refundable	20
D.C.	refundable	70
New Jersey	refundable	40
California	refundable	85
New York	refundable	30
Massachusetts	refundable	30
Washington	flat credit amount	\$300 per person
Maryland	refundable	45

We also support the improvement to the CDCTC in this bill. This important tax credit currently helps families with children under the age of 13 or other disabled dependents afford their care costs. Nearly 23,000 Hawai'i taxpayers claim it. This bill eliminates age limitation for the child care credit, allowing parents of older children to get help with their child care costs.

And we support the section of this bill that increases the Food/Excise Tax Credit, but we are concerned that the restructuring of the credit would have unintended negative consequences. The current credit is worth \$110 per household member for the lowest-income families, and it slowly phases out as incomes rise.

While this bill would raise the maximum credit to \$150 per person, it to \$0 as soon as a household's income rises just \$1 above the income limit. In other words, it worsens a tax "cliff" that could cause families to have less money than before.

For example, when the income of a family of 2 parents and 2 keiki rises from \$49,900 to \$50,100, they currently stand to lose a total of \$140 in tax credits. With the changes in this bill, they would lose \$600 instead. Similarly, a single mom with 2 kids would currently lose \$105 in credits if her income goes from \$29,999 to \$30,001. With the changes in this bill, she'd lose \$450 instead.

While the increase in the maximum amount of this credit is a boost to lower income families, tax cliffs are not good policy and should be minimized as much as possible. **We request that the current phase-out design of the Food/Excise Tax Credit be restored.**

The difference between \$18 and \$14 an hour is more than \$8,000 per year for full-time work. That's much more than the vast majority of low-wage and working-class taxpayers in Hawai'i will receive in tax credits, even with the improvements contained in this bill.

In the most expensive state to live in the nation, our struggling low-wage families need bigger tax credits AND a stronger boost to the minimum wage. Mahalo for the opportunity to provide this testimony. Please strengthen the minimum wage portions of this bill to ensure that our lower-income families can afford stay in Hawai'i.

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

IRON WORKERS STABILIZATION FUND

Chair Sylvia Luke
Committee on Finance
House of Representative
State Capitol

Dear Chair Luke & Members of the Committee:

Re: HB 2510, H.D.1 - Minimum Wage

The Hawaii Ironworkers Stabilization Fund opposes H.B. 2510, H.D.1 which takes too long to reach \$18 an hour and reduces the minimum wage for tipped workers by up to \$2.75.

To be clear, we strongly support increasing the minimum wage to \$18 an hour or higher to help working families struggling to make ends meet. As we all know, Hawaii's cost of living is the highest in the nation and a single worker in Hawaii needs to earn over \$18 an hour today to simply survive at the most basic level. Unfortunately, H.B. 2510, H.D.1 does not reach \$18 an hour until 2030 and reduces the income of tipped earners by \$2.75 an hour; a significant \$2.00 increase from our current \$0.75 tip credit.

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

The fact is, workers who earn below the minimum wage, which are often women in the restaurant industry, are forced to rely on tips which can be unreliable but are also forced to accept illegal and bad behavior to simply survive. Women are often sexually and verbally harassed and even abused and generally this is not reported because many workers need the tips to survive. Increasing the tip credit will only make the situation worse. We strongly encourage eliminating the tip credit so workers, especially women have the financial freedom to report bad customers committing illegal and bad behavior. All workers should be earning the same minimum wage regardless of their profession and no worker should be earning a subminimum wage.

Furthermore, H.B 2510, H.D.1, takes a painfully slow 8 years to reach \$18 an hour. This is simply too long as workers will fall further behind and struggle to make ends meet and will continue to need state and federal economic relief. We believe the minimum wage needs to be increased quicker and suggest amending H.B. 2510, H.D.1 to increase the minimum wage to \$14 this year, \$16 in 2024 and \$18 in 2026. If we don't, workers will continue to struggle.

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

IRON WORKERS STABILIZATION FUND

Chair Luke, Finance

HB 2510, H.D.1 - Minimum Wage

Page 2

We hope the committee recognizes the urgency to help workers in Hawaii by amending H.B. 2510, H.D.1 to increase the minimum wage as quickly as possible to \$18 an hour – ideally \$14 this year, \$16 in 2024 and \$18 in 2026. Working families in Hawaii need relief.

Mahalo for the opportunity to testify.

Sincerely,

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

T. George Paris

Managing Director



March 1, 2022

11 a.m.

Hawaii State Capitol

Conference Room 308 & Videoconference

To: House Committee on Finance

Rep. Sylvia Luke, Chair

Rep. Kyle Yamashita, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

Re: HB2510 HD1 — RELATING TO INCOME

Comments Only

Dear Chair and Committee members:

The Grassroot Institute of Hawaii would like to offer its comments on the portion of [HB2510 HD1](#) that proposes increasing Hawaii's mandatory minimum wage to \$18 an hour by 2030, followed by a variable annual increase in the minimum wage thereafter.

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

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

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

The bill then would compound this stress by adding a variable annual recalculation of the minimum wage based on the average of the increases to the statewide median hourly wage for all occupations over the previous three years compiled by the U.S. Bureau of Labor Statistics.

This additional level of uncertainty and never-ending wage hikes would relieve the Legislature of having to deal with this issue in the future, but also would greatly burden local businesses,

thereby exacerbating the already-high price of doing business in this state and leading to another drag on Hawaii's economy.

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

There is ample research data to indicate that this bill, if enacted, would fail in its intent to help lift the state's working families out of poverty. Recent years have seen a glut of research demonstrating that far from helping low-wage employees, minimum-wage hikes are more likely to increase their economic burden as businesses cut hours, turn to technology or even cut jobs in order to mitigate the higher costs.

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

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

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%.²

Proponents of a minimum-wage hike often point to a few highly limited surveys that suggest raising the minimum wage can be economically neutral, but as the newest research from NBER reveals, the data demonstrates that the opposite is true. Study after study shows that when a municipality drastically raises its legal minimum wage, low-wage employees suffer.

In 2010, researchers from NBER and the Federal Reserve Board compiled the results of 53 scholarly studies into a book, "[Minimum Wages](#)," and concluded there is "no compelling

¹ 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.

² Ekaterina Jardim, et al., "[Minimum Wage Increases, Wages, and Low-Wage Employment: Evidence from Seattle.](#)" NBER Working Paper 23532, National Bureau of Economic Research, Cambridge, Mass., June 2017.

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.”³

Examining the idea that higher minimum wages will reduce poverty, those same researchers found that the opposite was true. While some low-wage workers do make more money, the gains are offset by loss of employment or hours for other workers. The researchers [found](#) that a minimum-wage hike increases the proportion of poor families by simply redistributing wealth among low-income earners.⁴

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

The minimum-wage debate is often framed as a fight between businesses and employees. In truth, raising the legal minimum wage can hurt both. Employment declines as businesses find ways to cope with the increased cost. Some stop hiring, some turn to automation and some demand more work from the employees that stay.

For businesses that already have to contend with low margins and high risks, even a moderate increase in the minimum wage could be sufficient to drive them out of business.

In 2017, Dara Lee Luca of Mathematica Policy Research and Michael Luca of Harvard Business School [looked at](#) restaurant closings in San Francisco after the minimum wage there was raised to \$13 an hour. The pair found that the higher minimum wage led to the death of many mid-range restaurants, as well as fewer new restaurant openings. In particular, it found that every \$1 increase in the minimum wage was accompanied by as much as a 14% increase in the likelihood of closing for certain restaurant categories.”⁵

The Grassroot Institute of Hawaii prefers policies that will strengthen our state’s economy and benefit both businesses and employees. However, this bill, if enacted, likely would 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.

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

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

⁵ 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).

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 on policies that increase our purchasing power — that is, lower the cost of living — and make our state more prosperous as a whole.

A combination of tax relief and a reduction in the obstacles that the state places in the way of business and entrepreneurship would be the best way to move forward, to improve both our economy and the plight of low-wage workers.

In contrast, this proposed minimum-wage bill, HB2510 HD1, would more likely hurt than help Hawaii’s businesses and low-income working families.

Thank you for the opportunity to submit our testimony.

Sincerely,

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii



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

HOUSE BILL 2510, HD1 - RELATING TO INCOME SUPPORTS THE INTENT WITH AMENDMENTS

House Committee on Finance
The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair

Tuesday, March 1, 2022 at 12:30 p.m.

Aloha Chair Luke, Vice Chair Yamashita, and Members of the Committee:

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

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

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

Any change in the state minimum wage hourly wage will have a cascading effect on increasing cost in benefits as well as wages across all employee positions, not just those in frontline retail positions. We support fair wages for our employees but caution that increases be reasonable for many small businesses and consumers to absorb.

It is also important to note that 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.

HPMA also respectfully oppose page 12, lines 1-16 to establish an annual adjustment beginning July 1, 2030.

Establishing an uncertain but automatic adjustment is inefficient and creates uncertainty for businesses. In short, an unpredictable wage disincentivizes creating jobs and hiring new employees.

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

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

IATSE LOCAL 665

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OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

The Thirty-First Legislature, State of Hawai'i
Hawai'i State House of Representatives
Committee on Finance

Testimony by
IATSE Local 665
February 28th, 2022

H.B. 2510 HD 1 - MINIMUM WAGE

Aloha Chair Luke, Vice Chair Yamashita, and members of the committee,

My name is Tuia'ana Scanlan, President of IATSE Local 665. Local 665 represents Entertainment Technicians in Stagecraft, Tradeshow & Conventions, and Film/TV industries across the State of Hawaii. **We submit this testimony in strong opposition to H.B. 2510 HD 1.**

Minimum wage was *always* intended to be a living wage. When it was signed into law by President Franklin Deleanor Roosevelt, he is quoted as saying *"In my Inaugural I laid down the simple proposition that nobody is going to starve in this country. It seems to me to be equally plain that no business which depends for existence on paying less than living wages to its workers has any right to continue in this country. 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."* His words were no less true then than they are now. Raising the minimum wage would result in reduction in public assistance expenditures. By increasing the purchasing power of minimum wage earners, the reliance upon SNAP benefits would be drastically reduced. The economic impact of raising Hawai'i's minimum wage to a living wage would be unparalleled.

We strongly support increasing the minimum wage to \$18/hour or higher to help uplift the working families of Hawai'i, but H.B. 2510 HD 1 does not get to that number until 2030. The last time Hawai'i's minimum wage was raised was 4 years ago. According to [DBEDT's Self-Sufficiency Income Standard Estimate for Hawaii 2020](#), for a single worker with no children to achieve a modest standard of living, that worker needed to earn \$18.35/hour in 2020. Hawai'i's minimum wage earners and tipped employees cannot wait another 8 years to

reach the living wage level from a decade prior. We believe that S.B. 2018 addresses these issues more acutely and we strongly encourage amending H.B. 2510 HD 1 to reflect the language of S.B. 2018.

Furthermore, H.B. 2510 HD 1 reduces the income of tipped earners by \$2.75/hour; a whopping \$2.00 per hour increase from our current \$0.75 tip credit. Workers who earn below the minimum wage are often from underrepresented communities who already struggle to overcome the systemic barriers to economic stability - Women, Native Hawaiians, LGBTQ, and BIPOC communities. Workers should have the right to earn the same minimum wage, regardless of the industry in which they work. I assume that everyone on this committee has eaten in a restaurant at some point in their lives. By giving patronage to the restaurant, it is implied that patrons didn't want to cook, serve, and plate the food for themselves. It is plain to see that the work of minimum wage earners and tipped employees is necessary. *There is no such thing as an unskilled worker.* That is a misnomer attributed to workers by employers who wish to devalue the service that workers provide. Employers, it should be stated, don't make anything. Every product and service offered by a company is built, packaged, shipped, and delivered by workers in their employ. A vote in favor of HB 2510 HD 1 is a vote to deny these workers the ability to make a modest living in the state of Hawai'i through an honest day's work. A vote in favor of HB 2510 HD 1 is a vote in favor of working households' reliance upon public assistance. Voting in favor of HB 2510 HD 1 is to be complicit in keeping these workers in poverty or in a state of ALICE - Asset Limited, Income Constrained, Employed. Raising the minimum wage is a housing issue, a mental health issue, a substance abuse issue, a public safety issue, and a public health issue.

If we are to uplift local working families, and if we our goal is to truly make it possible for local working families to do more than just barely survive in the state of Hawai'i, then it is imperative that HB 2510 HD 1 is either amended to reflect the language of **S.B. 2018** or done away with entirely. It is for these reasons that **we strongly oppose H.B. 2510 HD 1**. Thank you for this opportunity to testify.

Respectfully,

A handwritten signature in black ink, appearing to read 'Tuia'ana Scanlan', written in a cursive style.

Tuia'ana Scanlan

President, IATSE Local 665

he/him/his



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

Committee on Finance
Representative Sylvia Luke, Chair
Representative Kyle T. Yamashita, Vice Chair

Tuesday, March 1, 2022, 11:00AM
Conference Room 308 and via Videoconference

Re: Testimony with Comments regarding HB2510, HD1 - RELATING TO INCOME

Chair Luke, Vice Chair Yamashita, 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 **provides the following comments** regarding HB2510, HD1, which makes the state earned income tax credit refundable and permanent and increases and amends the refundable food/excise tax credit. This bill would also increase the minimum wage rate to \$11.00 per hour beginning on January 1, 2023, and incrementally increases the minimum wage each year until it reaches \$18.00 per hour beginning on January 1, 2030. Beginning on July 1, 2030, the bill would require DLIR to annually adjust the minimum wage hourly rate and tip credit amount for the following January 1 based on the average of the increases to the state median hourly wage for all occupations over the previous 3 years compiled by the U.S. Bureau of Labor Statistics. Finally, this bill would also amend the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual and appropriates funds for an outreach campaign to educate low-wage earners about their withholding options and to provide support when completing their withholding forms.

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

UNITED PUBLIC WORKERS
AFSCME Local 646, AFL-CIO



While we support the intent of adjusting the minimum wage rate to the consumer price index for all urban consumers (CPI-U), we have concerns with the inclusion of raising the tip credit amount and also adjusting the tip credit through indexing after July 1, 2030 in this version of the bill.

Thank you for the opportunity to provide testimony.

Sincerely,

A handwritten signature in blue ink, consisting of the letters 'K' and 'W' in a cursive, stylized font.

Kalani Werner
State Director



HB 2510, HD 1, RELATING TO INCOME

MARCH 1, 2022 · HOUSE FINANCE COMMITTEE ·
CHAIR REP. SYLVIA LUKE

POSITION: Opposition.

RATIONALE: Imua Alliance **opposes** HB 2510, HD1, relating to income, which makes the state earned income tax credit refundable and permanent; provides for carryforward of nonrefundable credits previously claimed; increases and amends the refundable food/excise tax credit; increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030; increases the tip credit over the same period; beginning 7/1/2030 and each year thereafter, requires DLIR to annually adjust the minimum wage hourly rate and tip credit amount for the following January 1 based on the average of the increases to the statewide median hourly wage for all occupations over the previous three years compiled by the United States Bureau of Labor Statistics; amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age; increases the cap on revenues that may be deposited into the tax administration special fund and authorizes that moneys in the fund shall also be used for outreach to educate low-wage earners about their withholding options and to provide support when completing their withholding forms; and appropriates funds from the tax administration special fund for the purpose of this part.

While we appreciate the tax credit portions of this measure, we respectfully oppose this bill's central policy conceit: increasing the minimum wage to \$18/hour over an unnecessarily lengthy span of eight years. Working families need financial relief now. They cannot afford to wait until 2030 for the chance to earn a living wage, If inflation continues at its projected pace, Hawai'i's workers will need to earn an hourly wage that approaches \$25/hour in 2030 just to survive, far more than this proposal envisions. **Accordingly, we humbly ask you to pass SB 2018, which crossed over from the State Senate with a clean date and can be sent to the governor's desk for signature immediately upon passage by the State House.** Other vehicles exist for the tax proposals contained in this measure, particularly the essential components that would make the earned income tax credit refundable and permanent. HB 1507, a Working Families Caucus priority, would make the EITC refundable and permanent, and raise our state's capital gains tax to subsidize strengthening the EITC. It passed through the Economic Development Committee unamended and would deliver tax fairness for our most economically vulnerable neighbors upon its enactment. **If we pass SB 2018 and HB 1507 this year, then we will once again establish economic justice as a guiding principle of our islands' politics.**

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

Moreover, Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2021* report found that a full-time worker would need to earn \$37.69/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 114 hours per week to afford a modest one-bedroom apartment at fair market value and 149 hours per week to afford a two-bedroom—a number that is equivalent to working over 20 hours a day with no days

off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 41 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), a minimum wage increase is necessary to ensure that residents can meet their basic needs.

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

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

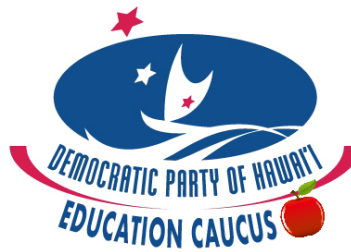
Additionally, prior to the pandemic, **as the minimum wage increased to \$10.10/hour over the last four years, our local economy grew.** People earning more income at the lower end of the pay scale spend money on basic goods and services (they can't afford to invest in the stock market or buy imported luxury goods), thereby putting their increased earnings back into the local economy, increasing demand, raising local profits, and uplifting the Aloha State's overall economy. Over the four years preceding COVID-19, **we experienced record low unemployment and witnessed the number of small businesses boom.** Hawai'i will likely see the same impact under new minimum wage increases as our economy returns to normal, leading to greater prosperity for all. **We cannot allow COVID-19 to become an excuse for failing to create a living wage, since the virus wrought economic devastation that disproportionately**

harmed low-income families, who lost their jobs, saw their hours slashed, and are now struggling to pay for basic needs, like food and rent. If anything, the pandemic and ensuing economic crisis have made raising the minimum wage more urgent, so that we can ensure economic security for workers who are struggling to find a path back to financial security, while our nation's billionaires have glaringly increased their wealth by over a trillion dollars since COVID-19 was declared to be a global public health emergency.

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

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

Kris Coffield · Executive Director, Imua Alliance · (808) 679-7454 · kris@imuaalliance.org



HOUSE BILL 2510, HD1, RELATING TO INCOME

MARCH 1, 2022 · HOUSE FINANCE COMMITTEE ·
CHAIR REP. SYLVIA LUKE

POSITION: Opposition.

RATIONALE: The Democratic Party of Hawai'i Education Caucus opposes HB 2510, HD1, relating to income, which makes the state earned income tax credit refundable and permanent; provides for carryforward of nonrefundable credits previously claimed; increases and amends the refundable food/excise tax credit; increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030; increases the tip credit over the same period; beginning 7/1/2030 and each year thereafter, requires DLIR to annually adjust the minimum wage hourly rate and tip credit amount for the following January 1 based on the average of the increases to the statewide median hourly wage for all occupations over the previous three years compiled by the United States Bureau of Labor Statistics; amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age; increases the cap on revenues that may be deposited into the tax administration special fund and authorizes that moneys in the fund shall also be used for outreach to educate low-wage earners about their withholding options and to provide support when completing their withholding forms; and appropriates funds from the tax administration special fund for the purpose of this part.

While we appreciate the tax credit portions of this measure, we respectfully oppose this bill's central policy conceit: increasing the minimum wage to \$18/hour over an unnecessarily lengthy span of eight years. Working families need financial relief now. They cannot afford to wait until 2030 for the chance to earn a living wage, If inflation continues at its projected pace, Hawai'i's workers will need to earn an hourly wage that approaches \$25/hour in 2030 just to survive, far more than this proposal envisions. **Accordingly, we humbly ask you to pass SB 2018, which crossed over from the State Senate with a clean date and can be sent to the governor's desk for signature immediately upon passage by the State House.** Other vehicles exist for the tax proposals contained in this measure, particularly the essential components that would make the earned income tax credit refundable and permanent. HB 1507, a Working Families Caucus priority, would make the EITC refundable and permanent, and raise our state's capital gains tax to subsidize strengthening the EITC. It passed through the Economic Development Committee unamended and would deliver tax fairness for our most economically vulnerable neighbors upon its enactment. **If we pass SB 2018 and HB 1507 this year, then we will once again establish economic justice as a guiding principle of our islands' politics.**

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

Moreover, Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2021* report found that a full-time worker would need to earn \$37.69/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 114 hours per week to afford a modest one-bedroom apartment at fair market value and 149 hours per week to afford a two-bedroom—a number that is equivalent to working over 20 hours a day with no days

off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 41 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), a minimum wage increase is necessary to ensure that residents can meet their basic needs.

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

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

Additionally, prior to the pandemic, **as the minimum wage increased to \$10.10/hour over the last four years, our local economy grew.** People earning more income at the lower end of the pay scale spend money on basic goods and services (they can't afford to invest in the stock market or buy imported luxury goods), thereby putting their increased earnings back into the local economy, increasing demand, raising local profits, and uplifting the Aloha State's overall economy. Over the four years preceding COVID-19, **we experienced record low unemployment and witnessed the number of small businesses boom.** Hawai'i will likely see the same impact under new minimum wage increases as our economy returns to normal, leading to greater prosperity for all. **We cannot allow COVID-19 to become an excuse for failing to create a living wage, since the virus wrought economic devastation that disproportionately**

harmed low-income families, who lost their jobs, saw their hours slashed, and are now struggling to pay for basic needs, like food and rent. If anything, the pandemic and ensuing economic crisis have made raising the minimum wage more urgent, so that we can ensure economic security for workers who are struggling to find a path back to financial security, while our nation's billionaires have glaringly increased their wealth by over a trillion dollars since COVID-19 was declared to be a global public health emergency.

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

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

Kris Coffield · Chairperson, DPH Education Caucus · (808) 679-7454 · kriscoffield@gmail.com



**Testimony to the House Committee on Labor and Tourism
Tuesday, March 1st, 2022 at 11:00am**

**Conference Room 308, State Capitol
RE: HB2510 Relating to the Minimum Wage**

Position: Comments

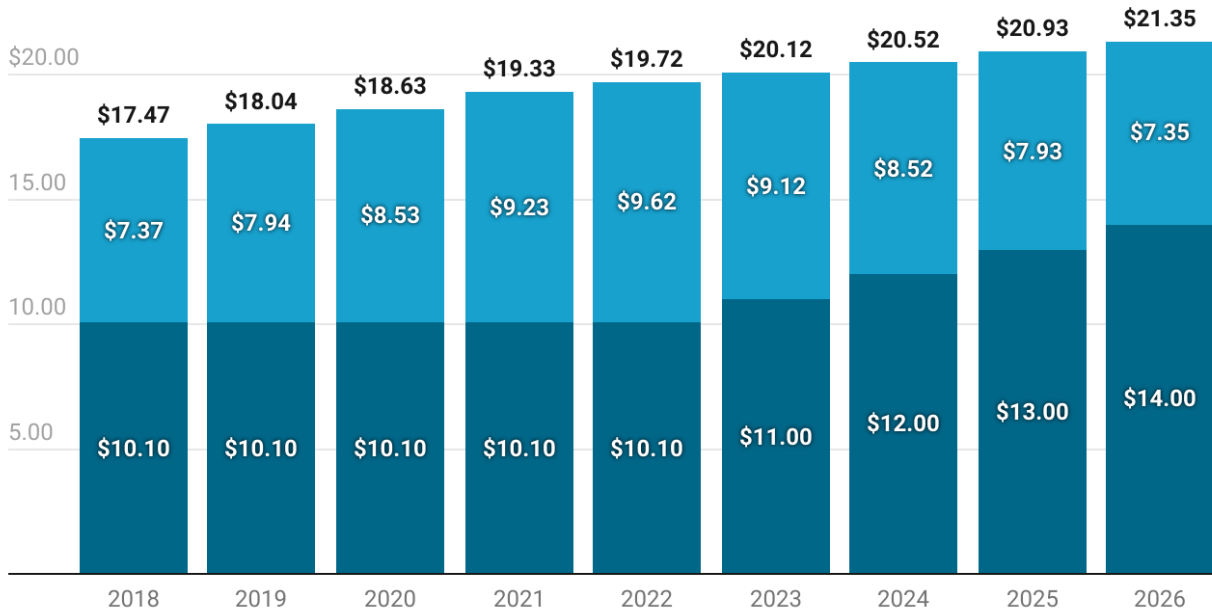
Members of the Finance Committee:

SB2018 Is Better For Workers and the Economy

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

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

■ Minimum Wage ■ Additional Wage Needed For A Livable Wage



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

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



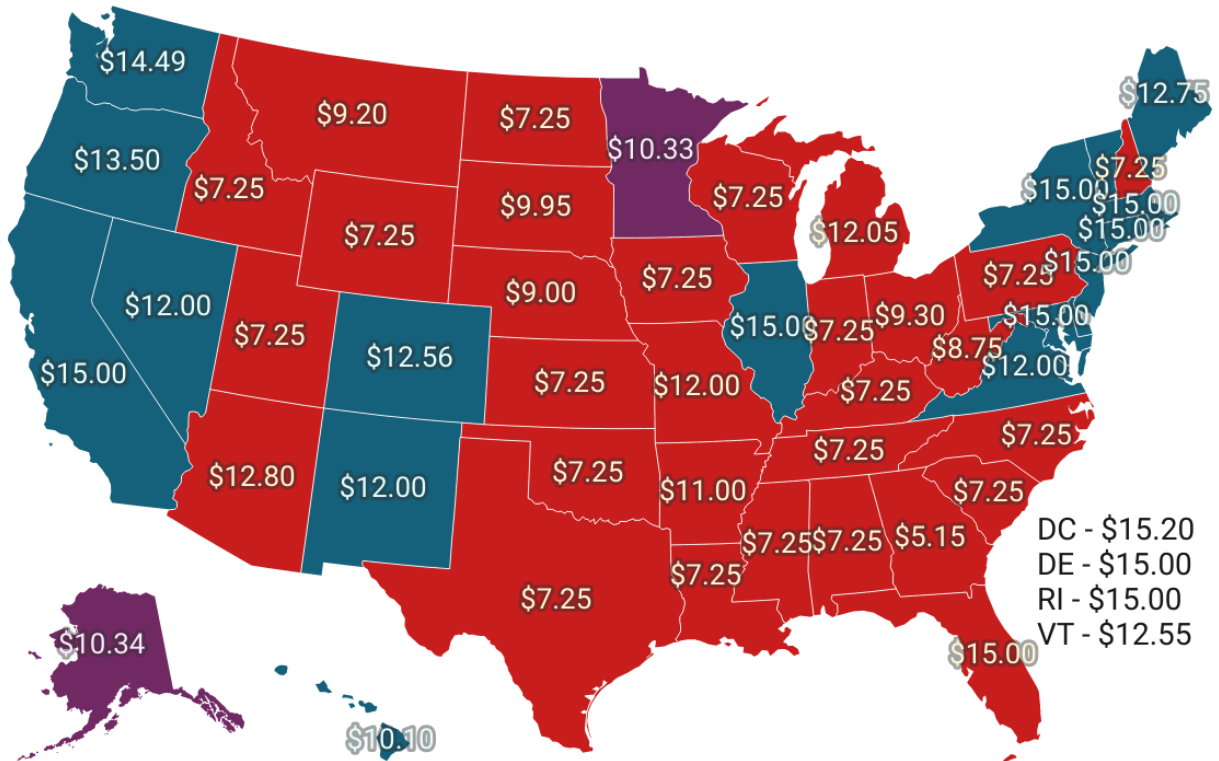
Hawaii's Minimum Wage Falls Short

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

Hawaii's Minimum Wage Law Lowest Among Blue States

Minimum wage laws in the United States

■ Democratic-controlled ■ Split Legislature ■ Republican-controlled





Raising the Wage Helps Workers, Small Businesses and our Economy

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

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

Democrats Support a Large Minimum Wage Increase Nationally

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

Workers Much Worse Off Than in 2018

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



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Executive Officers

Charlie Gustafson, Tamura Super Market, *Chair*
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Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

TO: Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 1, 2022
TIME: 11am
PLACE: Via Videoconference

RE: HB2510 HD1 Relating to Income

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of the intent of this measure to help working families succeed. We are in strong support of Part II to make the earned income tax credit refundable and permanent, as well as Part III to increase the refundable food excise tax credit.

We also suggest that one of the most immediate and straightforward ways to help working families succeed is to bring down their cost of living by eliminating the regressive GET on groceries and other essential items.

We have concerns about some of the specifics of Part IV of this measure. Increasing minimum wage by nearly 80% is unprecedented. As such, data is not available to help us understand how such an extreme increase might impact labor costs, business costs, prices, and job numbers.

To reiterate some points that we want to highlight, which we believe the legislature is aware of:

- Hawaii is consistently ranked as one of the worst states to do business,
- Minimum wage increases have been tied to price increases,
- The covid-19 pandemic and economic downturn hit our state harder than any other, and for those businesses that survived full recovery will take years.

We believe that an increase to \$15 enacted incrementally would accomplish the goals of this measure and has less potential to compromise the economic recovery that our business community is working towards.

Here is an example of a schedule that would lessen the negative impact on small local businesses which will be disproportionately injured by a rapid and extreme increase in the minimum wage:

- \$11/hr on 1/1/23
- \$12/hr on 1/1/24
- \$13/hr on 1/1/25
- \$14/hr on 1/1/26
- \$15/hr on 1/1/27

We thank you for putting forward a thoughtful proposal that takes a multifaceted approach to helping working families. We appreciate your continued attention to all the consequences of increasing labor costs in our State, and we thank you for the opportunity to provide testimony.



Before the House Committee on Labor and Tourism

DATE: March 1, 2022

TIME: 11:00 a.m.

PLACE: VIA VIDEOCONFERENCE

Re: HB 2510, HD1, Relating to Income

Aloha Chair Luke, Vice-Chair Yamashita, and members of the committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to HB 2510, HD1 relating to income.

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

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

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business.

Thank you for the opportunity to testify.

HB-2510-HD-1

Submitted on: 2/28/2022 11:31:28 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
laurel brier	Kauai women's caucus	Comments	No

Comments:

We can do better than this. Hawaii workers need a better wage today, don't delay. SB2018 is preferable to HB2510 as it provides a minimum wage of \$18 an hour by 2026 rather than later. Amend HB2510 or support SB2018.



Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Godfrey Maeshiro, Senior Vice-President

February 28, 2022

House Committee on Finance

Re: Testimony on HB2510: RELATING TO INCOME

Aloha Chair Luke, Vice Chair Yamashita and Committee Members,

UNITE HERE Local 5 is a labor organization representing 12,000 hotel, healthcare, and food service workers employed throughout our State. We oppose HB2510 in its current state.

As a Union, it is our duty to look out for the interests of workers. We still believe no wage increase until 2023 then incrementally increasing the minimum wage to \$18 per hour with increases to the tip credit by 2030 is unconscionable. This new version adds insult to injury.

The bill has been amended to address increases after 2030. It does not peg minimum wage increases to inflation. Instead, it pegs the increase to the average increase to the statewide median wage for all occupations over the past 3 years as defined by the Bureau of Labor Statistics. If minimum wage is not tied to inflation, then there's no reason to believe it will keep up with inflation. Tying minimum wage to median wages paid by all employers provides incentive to employers to avoid ever raising wages for anyone.

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

It is our state officials responsibility to protect the most vulnerable citizens and we ask for the Committee's support in raising the minimum wage in a truly impactful way. \$18 per hour with tip credit by 2030 is definitely not impactful and will not provide the basic necessities to survive in Hawai'i. We now also ask the Committee to tie minimum wage to inflation with no increases to the tip credit.

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

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

Thank you

HB-2510-HD-1

Submitted on: 2/28/2022 1:26:32 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dave Mulinix	Our Revolution Hawaii	Oppose	Yes

Comments:

Dear House Committee on Finance,

On behalf of our 5,000 members and supporters statewide, Our Revolution Hawaii stands in opposition to HB2510.

It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawaii today.

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawaii's hardworking families and for its economic health and agree to the Senate proposal.

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for your kind attention,

David Mulinix, Cofounder & Statewide Community Organizer

Our Revolution Hawaii



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
TUESDAY, March 1, 2022 AT 11:00 A.M.

To The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
Members of the committee on Finance

COMMENTS ON HB2510 HD1 RELATING TO INCOME

The Maui Chamber of Commerce would like to share our **comments on HB2510 HD1** which makes the state earned income tax credit refundable and permanent; provides for carryforward of nonrefundable credits previously claimed; increases and amends the refundable food/excise tax credit; increases minimum wage rate incrementally each year until 1/1/2030 and then by calculation annually thereafter; increases the tip credit over the same period; amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age and specify that a qualified individual is, among other things, a recipient or eligible to be a recipient of Social Security disability insurance.

While the tax credits are commendable, it is imperative that you hear the voice of businesses on this bill's minimum wage rate increases. We acknowledge that there are industries who are paying more than the minimum now and that there may be room for an increase, but a minimum wage does not hit all business equally and tends to hurt smaller mom and pop operations most. Keep in mind, most businesses who raised their wages above the minimum wage were able to do so because they had received federal assistance with COVID related funds.

While many people comment that the pandemic is being used as an excuse not to raise the minimum wage, we don't understand that rationale as we are in an unprecedented global pandemic that many thought would be over last July. There were good economic periods this past year, but many are still struggling to recover from the devastation in 2020 and 2021 and our economic future is still uncertain as COVID continues with new variants and major workforce and supply chain issues.

There are a number of bills that have been introduced that are harmful to businesses and increase their cost, such as expanded family leave bills, etc. While, individually, the bills may not add much to a small business' expenses, the cumulative effect can be described as "death by a thousand cuts."

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



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

COMMENTS ON HB2510 RELATING TO MINIMUM WAGE PAGE 2.

Additionally, we don't feel the broader public fully understands: how unique Hawaii is, with businesses paying nearly the full amount of their employees' healthcare costs for those that work 20 hours or more, which is dramatically different from other states; that businesses may be hit with a significant UI rate increase in 2023; the challenges cause by wage compression; and impacts to businesses under long-term contracts. However, we do appreciate the staggered approach and think any increase should be staggered. We think that a built-in annual increase starting in 2030 based on an average over the three previous years is yet another example of "death by a thousand cuts" as mentioned in the previous paragraph. Especially if the calculation produces a decrease in the minimum wage – the decrease is prohibited. This calculation could also make it unpredictable and businesses need stability and certainties to plan and budget.

Lastly, it is important for the public and government to recognize the difference between a minimum wage and living wage, as there are many ways government can bring down our living wage (starting with the development of affordable housing and rentals) and that increases in the cost of doing business get passed down to all consumers, further increasing the living wage. We look forward to getting back to you with additional input from our members as soon as possible and working with you on solutions to create a healthy and sustainable environment for businesses and their employees.

Mahalo for the opportunity to comment on HB2510 HD1.

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.

HB-2510-HD-1

Submitted on: 2/28/2022 2:11:05 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Raymond Catania	Raise Up Hawaii Kauai	Oppose	No

Comments:

Aloha Chair Sylvia Luke and Committee members,

I oppose HB2510-HD1. It is an extremely muddled bill that takes on too much when the wage increase section should have its own bill like Senator Brian Taniguchi's SB2018. As far as taxes go, relief for working families is better served by HB1507 which is clear with its intent. Reaching \$18 an hour by 2030 is too long a wait when Hawaii's working poor need help now.

Mahalo,

Raymond Catania - Raise Up Kauai, 4215 Kole Place Lihue Hawaii



HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Randy Perreira
President

Telephone: (808) 597-1441
Fax: (808) 593-2149

The Thirty-First Legislature, State of Hawai‘i
Hawai‘i State House of Representatives
Committee on Finance

Testimony by
Hawai‘i State AFL-CIO
March 1, 2022

H.B. 2510 H.D. 1 – RELATING TO
INCOME

The Hawai‘i State AFL-CIO is a state federation of 74 affiliate local unions and councils with over 68,000 members across both public and private sectors. We appreciate the opportunity to testify in **support** of H.B. 2510 H.D. 1 **with comments**.

We acknowledge that raising the minimum wage is only one part of the equation to lifting Hawai‘i’s most vulnerable workers up to stability. The combination of tax credits and increases in the minimum wage is a solid step in the direction of stability. However, the mere increase from \$10.10 to \$11 in 2023 does not go far enough, fast enough to bolster Hawai‘i’s most economically vulnerable, and increases in the tip credit only serve to neutralize the increase in the wage and keep vulnerable workers oppressed. Any raise to the minimum wage today should at least match the community-driven wage of \$15 per hour without any increase in the tip credit.

We **do not support** adjusting the tip credit because tipped workers need protection across employers who choose different operating procedures when it comes to tips. For example, employers who operate a mandatory tip pool, pay the full minimum wage, take no tip credit, and may allow non-tipped employees (cooks, dishwashers, etc.) to participate in the tip pool. ([“Tip Regulations under the Fair Labor Standards Act \(FLSA\)”](#)). While the minimum wage applies equally to hourly wage earners, the tip credit does not and should not be adjusted to the consumer price index for all urban consumers (CPI-U) because it does not apply equally to all tipped workers.

We appreciate your consideration of our testimony and comments on H.B. 2510 H.D. 1.

Respectfully submitted,

Randy Perreira
President

RP/dd



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Tuesday, March 1, 2022, at 11:00 A.M.
Conference Room 308 & Via Videoconference**

RE: HB 2510 HD1, RELATING TO INCOME

Chair Luke, Vice Chair Yamashita, and Members of the Committee:

While the Chamber of Commerce Hawaii ("The Chamber") supports an increase in the minimum wage, at this time we **express concerns** on portions of HB 2510 HD1, specifically about the level the minimum wage goes up to, as well as indexing the minimum wage after 2030. This legislation adversely impacts our small and locally owned businesses, jobs and economic recovery.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

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

The Chamber of Commerce Hawaii, in partnership with the Hawaii Food Industry Association, Hawaii Lodging & Tourism Association, Hawaii Restaurant Association, Retail Merchants of Hawaii and all neighbor island Chambers conducted a survey of its members to get data on the affects that increasing the minimum wage would have on their businesses. A total of 450 business participated in the survey, with over 50% of the businesses having 25 employees or less. Based on feedback from the House committee on Labor & Tourism, we will be conducting a second survey for which we will receive results by March 7th. Below are some noteworthy takeaways from the survey:

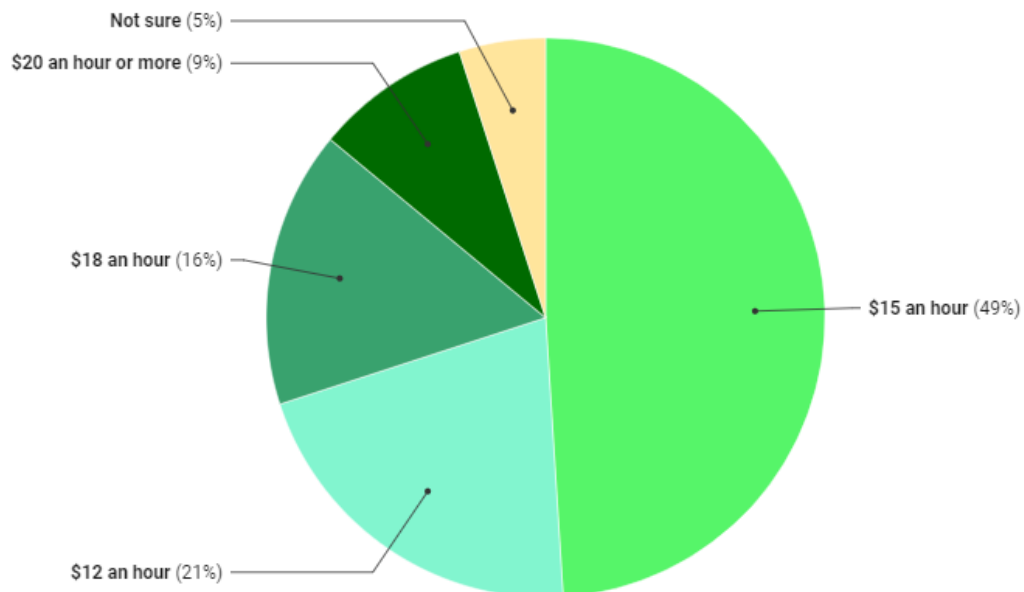


- **66%** of businesses said they would need to reduce staff if the minimum wage increased to \$18.
- **27%** of businesses said they would need to **lay off half** of their staff if it went up to \$18.
- **32%** of respondents said they would need to **shut down their business entirely** if the minimum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

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

Hawaii Poll 2022: Minimum wage increase

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



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

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

Hawaii's business community is at a critical point -- where any additional cost increases could mean the difference between closing their doors, cutting positions, as well as passing costs down to the consumer. Many are still making up for the lost revenue from the past



Chamber of Commerce HAWAII

The Voice of Business

couple of years. Furthermore, the Omicron variant has severely disrupted business operations, as well as further exacerbated the workforce shortage problem. The supply chain issue and inflation are additional challenges.

Indexing the minimum wage could have adverse effects for both small businesses and workers. Indexed wages would add to the complexity of tracking upcoming minimum wage increases and would cause hardship to companies who are trying to plan for their next budget year. Also, with the way inflation is affecting our economy, the minimum wage would not be stable and could rise and fall year to year without the ability to plan for it. The Chamber cannot support indexing the minimum wage at this time.

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

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

Based on the data collected in the Chamber survey of its members, as well as the Honolulu Star-Advertiser poll that surveyed registered voters, **the Chamber of Commerce Hawaii supports a minimum wage, but has concerns about the \$18 mark by 2030 and indexing the minimum wage rate after 2030.**

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.



House Committee on Finance

Representative Sylvia Luke, Chair
Representative Kyle Yamashita, Vice Chair
Tuesday, March 1, 2022 at 11:00 A.M.

RE: HB 2510 HD1, RELATING TO INCOME

Chair Luke, Vice Chair Yamashita, and Members of the Committee:

The Society of Human Resource Management (SHRM) Hawaii respectfully opposes HB 2510 HD1
Part II: Makes the state earned income tax credit refundable and permanent. Provides for carryforward of nonrefundable credits previously claimed. Part III: Increases and amends the refundable food/excise tax credit. Part IV: Increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030. Increases the tip credit over the same period. Beginning 7/1/2030 and each year thereafter, requires DLIR to annually adjust the minimum wage hourly rate and tip credit amount for the following January 1 based on the average of the increases to the statewide median hourly wage for all occupations over the previous three years compiled by the United States Bureau of Labor Statistics. Part V: Amends the household and dependent care tax credit to apply to expenses paid for the care of a qualifying individual, regardless of age. Part VI: Increases the cap on revenues that may be deposited into the tax administration special fund and authorizes that moneys in the fund shall also be used for outreach to educate low-wage earners about their withholding options and to provide support when completing their withholding forms. Appropriates funds from the tax administration special fund for the purpose of this part. Effective 12/25/2040.

SHRM Hawaii serves and represents nearly 600 members and employers' statewide and human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the



needs of both the employers and employees and caring for businesses' most valuable asset: the working people of our state.

We appreciate and understand the intent of this bill to increase minimum wage to help our most vulnerable citizens of Hawaii. When speaking with our SHRM Hawaii employers, the majority of them already pay over the minimum wage. Our smallest businesses who are members would be greatly impacted by this legislation, that is why SHRM Hawaii respectfully opposes.

Our members are already stretched thin with the increased costs of other mandates, like workers' compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefits. That does not include the high cost of the prepaid healthcare mandate for employees that work more than 20 hours. The annual fixed costs average about \$6,000 per employee.

The main concern SHRM Hawaii has when increasing the minimum wage is the effects it will have on the pay compression of management and other positions that make over the minimum wage. By increasing the minimum wage, this could have a ripple effect on our local employers as they would need to consider review and potential adjustment of their entire compensation structure. Taking into account pay compression, the potential impacts of the pandemic on healthcare costs, and other financial strains of the economy, SHRM Hawaii members cannot afford a mandate that would increase costs to all levels of the employment ladder.

Increasing the minimum wage by having DLIR adjust the minimum wage hourly rate based on a three-year average of the consumer price index would be impossible for SHRM Hawaii members to plan for future budgets and years. This policy would greatly hurt our members ability to hire and retain their workforce. We ask that you consider an increase that is planned, rather than indexed, and that would help workers, but not force some businesses to shut down.

Increasing the minimum wage to \$18 by 2030 would greatly hurt SHRM Hawaii and our members ability to hire and retain their workforce. We ask that you consider a smaller increase that would help workers, but not force some businesses to shut down.

Thank you for this opportunity to provide testimony.

Kalani Morse
Legislative Affairs Committee Co-Chair

Dailyn Yanagida
Legislative Affairs Committee Co-Chair





HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

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

House Committee on Finance
House Bill 2510, HD1: Relating to Income
March 1, 2022

Chair Luke, and members of the Committee, mahalo for the opportunity to offer comments on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization. Though HLTA supports a measured approach to raising the minimum wage, we do have concerns surrounding the timeline and rate of increase proposed by House Bill 2510, HD1.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers—appreciates the efforts that our members take to provide fair wages to their workers, and we take immense pride in the fact that the vast majority of our workers are paid well above the current minimum wage.

We are all cognizant of how significantly inflation and the cost of living have outpaced wage increases and know that many local residents are not paid nearly enough to be considered a living wage. While we appreciate the path set forth in this measure, the speed with which the minimum wage increases will disproportionately impact Hawai'i's small businesses. Many of these businesses fought to keep their doors open throughout the pandemic, and many are not in the financial position to increase their wages so quickly. The economic strife caused by further business closures could have overarching impacts on our local economy that will only delay our economic recovery.

Moreover, establishing that the minimum wage will reach \$18 by 2030—especially with the current variability in cost of living and inflation—could hurt numerous businesses in all sectors and would hinder the economic recovery efforts currently underway around the state.

Mahalo for the opportunity to offer these comments.



Randy Perreira
President

HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Thirty-First Legislature, State of Hawai'i
Hawai'i State House of Representatives
Committee on Finance

Testimony by
Hawai'i State AFL-CIO
March 1, 2022

H.B. 2510 H.D. 1 – RELATING TO
INCOME

The Hawai'i State AFL-CIO is a state federation of 74 affiliate local unions and councils with over 68,000 members across both public and private sectors. We appreciate the opportunity to testify in **support** of H.B. 2510 H.D. 1 **with comments**.

We acknowledge that raising the minimum wage is only one part of the equation to lifting Hawai'i's most vulnerable workers up to stability. The combination of tax credits and increases in the minimum wage is a solid step in the direction of stability. However, the mere increase from \$10.10 to \$11 in 2023 does not go far enough, fast enough to bolster Hawai'i's most economically vulnerable, and increases in the tip credit only serve to neutralize the increase in the wage and keep vulnerable workers oppressed. Any raise to the minimum wage today should at least match the community-driven wage of \$15 per hour without any increase in the tip credit.

We strongly oppose, however, any increase to the tip credit as this bill proposes. The effort to increase the minimum wage is clearly intended to boost earnings of individuals in low wage occupations. Many of these employees earn tips along with their base income. Increasing the tip credit will actually erode the earning power of these workers, and offset gains in take-home pay that an increase to the minimum wage is intended to accomplish. An increase to the tip credit is contradictory to increasing the minimum wage with so many workers making wages insufficient to make a living in Hawaii.

We appreciate your consideration of our testimony and comments on H.B. 2510 H.D. 1.

Respectfully submitted,

Randy Perreira
President

HB-2510-HD-1

Submitted on: 2/28/2022 5:26:58 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
James Chan	Hawaiian Chip Company	Oppose	No

Comments:

Aloha,

Please oppose HB2510 HD1 as it will only hurt the hard working people it is intended to help by eliminating decent jobs offered by small businesses. Our community needs real solutions to lower our fixed expenses and not just ineffective patches like this bill.

While I oppose the wage hike I do support the the idea of earned income tax credits are something I've advocated for in the past and would continue to support. Another suggestion I've pushed for in prior testimony is affordable, transitional housing on state subsidized land, available to everyone regardless of income.

Thank you for your consideration.



HIPHI Board

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

Garret Sugai
Pharmacare Hawai'i

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

Date: February 28, 2022

To: Representative Sylvia Luke, Chair
Representative Kyle T. Yamashita, Vice Chair
Members of the Committee on Finance

Re: Comments Regarding HB 2510, HD1, Relating to Income

Hrg: March 1, 2022 at 11:00 AM via Videoconference

The Hawai'i Public Health Instituteⁱ offers comments on **HB 2510, HD1**, which would, in part, make Hawai'i's earned income tax credit refundable and permanent and would increase the state minimum wage to \$18/hour by 2030.

HIPHI strongly supports increasing the minimum wage and making the EITC refundable and permanent.

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. According to the Center on Budget and Policy Priorities, the 2018 federal EITC lifted about 5.6 million people out of poverty, including about 3 million children, and reduced the severity of poverty for another 16.5 million people, including 6.1 million childrenⁱⁱ.

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

The EITC is designed to help working families more of keep more of their income by reducing their tax liability. In 2017, Hawai'i passed a nonrefundable state EITC of up to 20 percent of the federal EITC. One in four Hawai'i residents qualify for the tax credit and by 2023, it is estimated that Hawai'i's EITC will have provided more than \$135 million in tax relief. However, Hawaii's EITC is non-refundable and set to sunset on December 31, 2022. HB 1507 will ensure that working families continue to benefit from the EITC on a permanent, refundable basis. With refundable EITCs, taxpayers receive a refund if EITC is greater than the income tax owed. This puts more money

into the pockets of working families, who can use it towards essentials like groceries, rent, or childcare.

As currently drafted, HB 2510 worsens the food/excise credit tax cliff.

While HB 2510, HD1 increases the maximum food/excise tax credit to \$150/person, the bill does not phase out the credit as income increases. Therefore, earning even \$1 above the income limit would plummet a family's eligible tax credit from \$600 (for a family of two adults and two children) to \$0. A more equitable approach would be to mirror what is done now and slowly phase out the tax credit as income increased.

To further improve this bill, HIPHI respectfully requests the measure be amended by:

- Addressing the Food/Excise tax cliff problem.
- Adjusting the minimum wage timeline to \$18 by 2026 to match [SB2018](#).
- Removing the tip credit adjustment language.

Thank you for the opportunity to provide testimony.

Mahalo,



Amanda Fernandes, JD
Policy and Advocacy Director

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

ⁱⁱ Center on Budget and Policy Priorities. (2019, December 10). *Policy Basics: The Earned Income Tax Credit*. Accessed at <https://www.cbpp.org/research/federal-tax/the-earned-income-tax-credit>.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
HB 2510 HD1 – Relating to the Minimum Wage
House Committee on Finance
Tuesday, March 1, 2022, at 11:00 AM via Videoconference

Dear Chair Luke, Vice Chair Yamashita, and members of the Committee:

Thank you for the opportunity to provide testimony on HB 2510 HD1, which would: (1) make Hawai'i's Earned Income Tax Credit permanent and refundable; (2) increase the Food/Excise Tax Credit; and (3) increase our state's minimum wage.

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

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

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

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

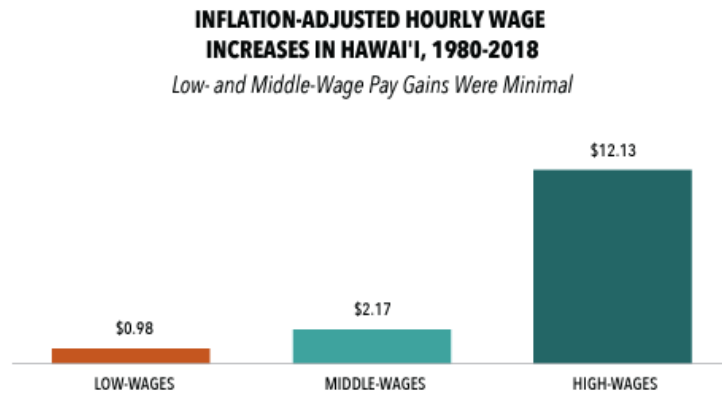
The available data clearly shows that our current economy and minimum wage isn't working for Hawai'i's residents. Over the past 40 years, we've had large gains in productivity which have not translated to higher wages for Hawai'i's low and middle-income workers. A 40 percent increase in GDP accompanied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

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

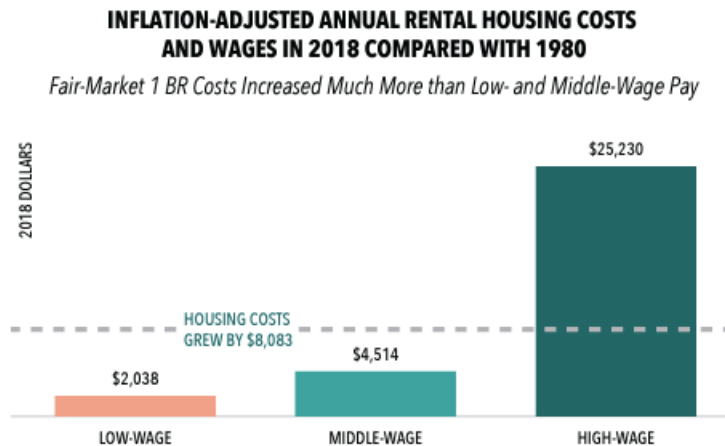
Low- and Middle-Wage Workers Enjoyed Little of the Economic Growth



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



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



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

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

Increasing wages can help boost our economy

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

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

The Hawai‘i Department of Business, Economic Development and Tourism (DBEDT) has found that there were few effects on our state’s labor market as a result of past minimum wage increases in Hawai‘i.^{vi}

This runs counter to what current opponents of significant increases to the minimum wage argue, suggesting it will result in economic collapse and job loss. They made similar arguments against Hawai‘i’s 2014 minimum wage legislation that brought the wage from \$7.25 to \$10.10. For example, the Hawai‘i Chamber of Commerce then asserted:

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

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

Inflation has eroded an already inadequate minimum wage

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

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

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

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

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

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

To make up lost ground and begin to bridge the gap between wages and cost of living, HB 2510 HD1 should be amended to include a more significant initial increase to the minimum wage, followed by additional year-upon year increases.

Moving to an \$18 minimum wage will narrow the gap between wages and basic living costs, helping create a more sustainable economy for all residents. But doing it on the time frame proposed will be too little, too late.

By 2030, because of inflation, \$18 an hour will be worth much less than it is today, and a living wage will still be far out of reach. And given the past four years of stagnation coupled with recent high inflation, minimum wage workers need a significant raise now.

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

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

Making the EITC Permanent and Refundable Will Help Struggling Working Families

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

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

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

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

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

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

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

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

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

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

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

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

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

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

^v <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/>

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

^{vii} *Chamber of Commerce Hawai‘i testimony on SB 2609 SD 1 HD 1, Relating to Minimum Wage*, April 2014 (available at https://www.capitol.hawaii.gov/Session2014/Testimony/SB2609_HD1_TESTIMONY_FIN_04-02-14_PDF)

^{viii} <https://tinyurl.com/RUHquickfacts2020>

^{ix} www.epi.org/minimum-wage-tracker

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

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

^{xii} Hawai‘i Budget and Policy Center “Refunding Hawaii,”

https://static1.squarespace.com/static/5ef66d594879125d04f91774/t/61f207dc896d102d30606d6f/1643251680283/EITC+Report_REV3_FINAL.pdf

^{xiii} Hawai‘i State Department of Taxation “Earned Income Tax Credit Report: Tax Year 2020,”

https://files.hawaii.gov/tax/stats/stats/act107_2017/act107_earnedincome_txcredit_2020.pdf

^{xiv} Hawai‘i Budget and Policy Center “Refunding Hawaii,”

https://static1.squarespace.com/static/5ef66d594879125d04f91774/t/61f207dc896d102d30606d6f/1643251680283/EITC+Report_REV3_FINAL.pdf

^{xv} Ibid.

HB-2510-HD-1

Submitted on: 2/26/2022 11:11:04 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Barbara L Franklin	Barbara L Franklin, Esq., Attorney at Law	Oppose	No

Comments:

HB2510 is too slow of an increase in the minimum wage. It already costs \$19 a hour for a single person with no kids to make ends meet in Hawaii. \$18 by 2026 is an acceptable compromise, but \$18 by 2030 is unacceptable. Less than a living wage puts people at risk of falling out of the economic mainstream and becoming a burden on government. Empower people to keep up and not get left behind. I am a bankruptcy attorney and see the impact of low wages at first hand. Don't allow "pushing the can down the road" to disempower people to at least keep up as best they can inspite inflation, catastrophic life events, and just barely making ends meet. This is another example of the leading class exhibiting a judgmental discrimination against those who are barely surviving.

HB-2510-HD-1

Submitted on: 2/26/2022 11:41:47 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

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

Comments:

Dear House Committee on Finance,

I am opposed to this bill's intent to get workers to \$18 by 2030. This is too slow. Please amend the language to \$18 by 2026.

It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. With an inadequate minimum wage, we will see more homeless, more crime, more inappropriate use of hospitals and ERs as people lose control of their health, and more residents moving away.

I was so proud of our legislators who called for increasing the minimum wage to a living wage this session. Please do not backslide on this promise.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find economic relief. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill. Mahalo for the opportunity to testify.

Kathryn Braun, Punchbowl area of Honolulu

HB-2510-HD-1

Submitted on: 2/26/2022 11:44:06 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Randy Ching	Individual	Comments	No

Comments:

Aloha Finance Comittee.

Please amend HB2510 HD1 to increase the minimum wage to \$18 an hour by 2026. While \$18 an hour in 2030 is better than what we have now, workers need help now.

\$18 by 2026 is the compromise position when it already costs more than \$19 an hour to survive in Hawai'i today.

SB2018 is the language that gives workers something close to a living wage. Due to the pandemic, many workers are struggling with the basics. The ALICE population is in great distress.

Please help our workers to survive -- Hawaii has the lowest wages in the U.S. when factoring in the cost of living. Mahalo for your understanding.

Randy Ching

Honolulu

makikirandy@yahoo.com

HB-2510-HD-1

Submitted on: 2/26/2022 11:47:53 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Midori Marcia Sue Trent	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

I must respectfully submit my opposition to HB2510.

Today, it costs more than \$19 an hour for a single adult with no children to possibly make ends meet.

By 2026, HB2510 would put workers at \$14 an hour, which is comparable in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water.

It is absolutely imperative that we reach \$18 an hour by 2026.

The Senate has handed the House a clean \$18 by 2026 bill in **SB2018**.

It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal.

Send SB2018 to the governor's desk for signature

Mahalo for the opportunity to testify.

Midori Trent

Waikiki

HB-2510-HD-1

Submitted on: 2/26/2022 11:50:51 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Joshua Jacobs	Individual	Support	No

Comments:

I am writing in support but with reservations of HB2510. Any and all wage increases are necessary, although the outline in this bill is far too slow, it is still better than nothing.

HB-2510-HD-1

Submitted on: 2/26/2022 11:53:19 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dan Gardner	Individual	Support	No

Comments:

Chair Luke and Finance Committee members. HB2510 SD1 as currently written would not achieve an \$18 per hour minimum wage until 2030. This is to slow an increase to a much needed improvement for those workers here making the current minimum wage. Hawaii has one of the lowest minimum wages and one of the most costly living environments in the nation. Hawaii's low income workers deserve better. Please support the increase timing for the minimum wage to achieve an \$18 amount by 2026 as proposed in the Senate version: SB2018. Thank you.

HB-2510-HD-1

Submitted on: 2/26/2022 12:00:38 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Catherine Clement	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

I am a Senior Certified Professional in Human Resources and Organizational Development. I've worked in HR Management and HR/OD Consulting for more than 30 years. I write to you today because Hawai'i's workers desperately need help.

Send SB2018 to the governor's desk for signature instead of this bill.

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.
Catherine Clement, SHRM-SCP

Makawao, HI 96768

HB-2510-HD-1

Submitted on: 2/26/2022 1:02:12 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Cleota Brown	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

There are some provisions in HB2510 that I support, however, I respectfully submit my opposition to HB2510.

Today a single adult can't live in Hawaii on \$19 an hour. We are losing valuable human capital in our State and seeing the serious breakup of our families due to the high cost of living and low wages. Offering legislation for an hourly wage of \$18 in 2030 is an insult to all the hardworking families on the frontlines during this pandemic. They kept our grocery stores open, prepared take out foods for those who couldn't prepare it themselves and volunteered on the frontlines for food distribution for our keiki and kupuna. Many were the workers who pitched in at hotels when our people had to be quarantined due to COVID and the Red Hill water disaster. When they were called to take action, they didn't let our people down.

The legislature has promised economic relief to our working families. The least you can do is work quicker to get to a true living wage. \$18 an hour by 2026 will be short of a true living wage but its closer to self-sufficiency than ever before. Anything less than \$18 in 2026 is unacceptable and simply too low.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Sincerely yours,

Cleota G. Brown

Kaneohe, HI 96744

HB-2510-HD-1

Submitted on: 2/26/2022 1:23:50 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
tia pearson	Individual	Comments	No

Comments:

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Will Caron
Pālolo Valley
willcaronforhawaii@gmail.com

February 26, 2022

TO: House Committee on Finance
RE: Testimony in Opposition to HB2510

Aloha Committee Members,

Although I support some of the provisions in this bill, I must respectfully continue to **oppose** HB2510 in its HD1 form.

\$18 by 2030 is Too Slow

A single adult with no children needs to earn more than \$19 an hour just to barely make ends meet in Hawai'i today. This bill would only get workers to \$18 by 2030—that's simply far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Hawai'i's low-wage workers can't afford to keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than \$18 by 2026 is simply too slow to achieve this desired outcome.

An \$18 by 2026 wage would put more than \$16,000 more per year in the pockets of minimum wage workers. Other low-wage workers would see smaller, but still significant annual take-home pay. There is no other policy that is capable of making such a life-changing impact in the lives of these families. And for that 78 percent wage increase, we can expect price increases in just the [1–3 percent range](#).

Despite what a single, [thoroughly debunked](#), highly-problematic study from the University of Washington appears to show about job loss, there is no evidence to suggest that an \$18 by 2026 minimum wage increase would be too much for businesses to handle without widespread lay-offs. Most job reduction would come from the fact that workers would no longer have to work their second or third job because they would finally be earning enough on one.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. The House should immediately agree to the language in SB2018 and pass it on to the governor for signature. This would send a clear signal to Hawai'i that the State House and its leadership are truly on the side of the people.

Tip Credit Concerns

In addition, while an automatic cost of living adjustment to the minimum wage to help it keep pace with rising costs is an excellent idea, the corresponding increase in the tip credit mandated by HB2510 HD1 is a direct slap in the face to the restaurant industry's underpaid and, far too often, exploited workers.

The tip credit allows some businesses to pay a sub-minimum wage to their employees if they make over a certain amount of tips. Not only does this policy cause employees to be exposed to [far higher rates of sexual harassment](#), it also contributes to income instability, putting workers at greater risk of poverty and financial insecurity. A better, safer, more fair policy is to eliminate tipping entirely and mandate a living wage for *all* workers.

Some [1 million workers](#) have left the restaurant industry since the pandemic began as a Great Rejection of low-wage work spreads across the country. More than half (54 percent) of those remaining in this industry *also* plan to leave. And a full 80 percent say the only thing that would make them stay or come back is a full, livable wage without considering tips on top.

Tax Credits

The language expanding the state's Earned Income Tax Credit (EITC) to make it permanent and refundable is this bill's best feature.

HB2510 HD 1 also does away with age limitation for the Child and Dependent Care Tax Credit (CDCTC), allowing parents of older children to get help with their child care costs, another good policy choice.

While the bill boosts the Food/Excise credit, it still contains language that worsens a problematic tax cliff. HB2510 HD1 would raise the maximum credit to \$150 per person. But rather than phase out the credit as incomes rise, the bill worsens a tax cliff. It would make taxpayers' food/excise tax credit plunge from \$150 per person to \$0 as soon as their income rises just \$1 above the income limit.

Here's an example. Under current law, when the income of a family with two parents and two keiki rises from \$49,900 to \$50,100, they currently stand to lose a total of \$140 in tax credits. However, with the changes proposed in HB2510 HD1, they would lose \$600 instead.

Similarly, a single mom with two kids would currently lose \$105 in credits if her income goes from \$29,999 to \$30,001. With the changes proposed in HB2510 HD1, she'd lose \$450 instead.

While well-intentioned, this bill simply has too many flaws in it as currently written. The two key components of this bill that would have the most impact on the lives of low-income families—the minimum wage increase and the EITC expansion—would be better achieved with other legislative vehicles: SB2018 for the former and HB1507 or HB2406 for the latter.

For these reasons, I humbly request that this committee defer this measure.

Mahalo for the opportunity to testify.

HB-2510-HD-1

Submitted on: 2/26/2022 5:21:42 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Allison Mikuni	Individual	Comments	No

Comments:

The legislation as proposed is a great start. Please amend to add funds for reimbursing employers the difference in increased labor costs. Please also amend to achieve the \$18 minimum wage goal by 2026. \$18 by 2026 is the compromise position when it already costs more than \$19 an hour to survive in Hawaii today. Thank you for your consideration.

Allison Mikuni

House District 20

HB-2510-HD-1

Submitted on: 2/26/2022 5:55:13 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nikos Leverenz	Individual	Oppose	No

Comments:

Chair Luke, Vice Chair Yamashita, and Members of the Committee:

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

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

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

This bill is an inadequate and rather cynical response to the more robust vehicles passed by the other chamber. Wages for have been stagnant for far too long given the perennially high costs of living in this state.

Mahalo for the opportunity to provide testimony.

HB-2510-HD-1

Submitted on: 2/26/2022 8:02:58 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kathy Shimata	Individual	Comments	No

Comments:

Dear House Committee on Finance,

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

Mahalo,

Kathy Shimata

HB-2510-HD-1

Submitted on: 2/26/2022 8:22:53 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lawrence S Franco	Individual	Oppose	No

Comments:

Although I am in favor of increasing the minimum wage, I believe that the rate of \$18.00 per hour by 2030 is inadequate. Hawaii is the most expensive state to live in with high housing, food, and most other living costs. We need to use the Senate's timetable of \$18.00 by 2026.

While I think an increase in the minimum wage is needed, please make Hawaii liveable for its residents with a minimum wage increase of \$18.00 per hour by 2026. Mahalo.

HB-2510-HD-1

Submitted on: 2/26/2022 9:09:43 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Emily Sarasa	Individual	Support	No

Comments:

HB 2510 would help many Hawai'i households make ends meet.

Hawai'i's tax system currently is upside down. Families who earn less than \$20,000 per year pay 15% of their income in state and local taxes, while those who make over \$450,000 pay only about 9%. In fact, our state saddles our low-income families with the second-heaviest state and local tax burden in the nation.

HB 2510 would help make Hawai'i's tax system more fair, by making improvements to three key tax credits: the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCTC), and the Food/Excise Tax Credit.

Please improve this bill through: fixing the Food/Excise tax cliff problem; adjusting the minimum wage timeline to \$18 by 2026 to match SB2018; and removing the tip credit adjustment language.

Thank you for your time and consideration.

HB-2510-HD-1

Submitted on: 2/26/2022 10:31:37 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Stephen K Hanohano	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Stephen Hanohano

HB-2510-HD-1

Submitted on: 2/27/2022 5:20:10 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shay Chan Hodges	Individual	Comments	No

Comments:

HB 2510 would help many Hawai‘i households make ends meet

Hawai‘i's tax system currently is upside down. Families who earn less than \$20,000 per year pay 15% of their income in state and local taxes, while those who make over \$450,000 pay only about 9%. In fact, our state saddles our low-income families with the second-heaviest state and local tax burden in the nation.

HB 2510 would help make Hawai‘i’s tax system more fair, by making improvements to three key tax credits: the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCTC), and the Food/Excise Tax Credit.

HB 2510 improves Hawai‘i’s Earned Income Tax Credit (EITC)

The improvements to the Hawai‘i’s EITC contained in HB 2510 would help those families that need it the most by allowing them to get the full amount of the credit that they qualify for.

Our state EITC has helped balance our tax system by providing a boost to low- to moderate-income families. But it is set to expire this year. HB 2510 gets rid of the EITC’s expiration date, making this important tax credit for Hawai‘i’s working families permanent.

Hawai‘i’s EITC is currently designed so that the lowest-wage families can’t receive the full value of their credit. HB 2510 fixes that by making the EITC refundable.

Refundable means that if a family qualifies for a tax credit that’s LARGER than what they owe in taxes, they get the extra amount back as a TAX REFUND. The federal EITC is refundable, and of the 31 states that have EITCs, Hawai‘i is one of only five that are not refundable.

Making the EITC refundable would also push back on racial income disparities. Native Hawaiians and Pacific Islanders’ average EITC benefit currently is larger than the overall state average, and they would see the biggest extra boost from a refundable EITC.

HB 2510 would help more families claim Hawai‘i’s CDCTC

One of Hawai'i's most important tax credits for working families is the Child and Dependent Care Tax Credit (CDCTC), which currently helps families with children under the age of 13 or other disabled dependents afford their care costs. Nearly 23,000 Hawai'i taxpayers claim it.

HB 2510 does away with age limitation for the child care credit, allowing parents of older children to get help with their child care costs.

Hawai'i has some of the highest child care costs in the nation. On average, infant care costs more than \$13,000 a year, and child care for a 4-year-old costs nearly \$9,000 annually.

Hawai'i's CDCTC provides tax credits of up to 15% to 25% of families' child care costs, depending on their income level, with a maximum of \$2,400 per single taxpayer and \$4,800 per couple. Hawai'i's CDCTC is worth thousands of dollars a year for typical families with children.

HB 2510 boosts Hawai'i's food/excise tax credit, but it also worsens a tax cliff

Hawai'i has the highest cost of living in the nation. One of the main causes is our high cost of food. And we are also one of only seven states that fully taxes groceries.

Hawai'i has a food/excise credit to help ease the tax burden on our state's low-income and working-class households. The current food/excise tax credit is worth \$110 per person for the lowest-income families, and it slowly phases out as incomes rise.

HB 2510 would raise the maximum credit to \$150 per person. But rather than phase out the credit as incomes rise, HB 2510 worsens a tax cliff. It would make taxpayers' food/excise tax credit plunge from \$150 per person to \$0 as soon as their income rises just \$1 above the income limit.

For example, when the income of a family of 2 parents and 2 keiki rises from \$49,900 to \$50,100, they currently stand to lose a total of \$140 in tax credits. With the changes in HB 2510, they would lose \$600 instead.

Similarly, a single mom with 2 kids would currently lose \$105 in credits if her income goes from \$29,999 to \$30,001. With the changes in HB 2510, she'd lose \$450 instead.

While the increase in the maximum amount of the food/excise tax credit is a boost to lower income families, tax cliffs are not good policy. The current phase-out design of the current credit reduces this tax cliff.

HB-2510-HD-1

Submitted on: 2/27/2022 8:52:56 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lanning Lee	Individual	Oppose	No

Comments:

Aloha. The timetable for these increases is far too slow. We must help employees who survive on minimum wage in a more timely manner. SB2018, while still too slow on increases, is the preferable bill. Mahalo.

HB-2510-HD-1

Submitted on: 2/27/2022 8:54:17 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
TOM DIGRAZIA	Individual	Support	No

Comments:

Our working people who serve us so well in Hawaii nei need to survive economically. Please pass HB 2510!

Mahalo,

Tom

HB-2510-HD-1

Submitted on: 2/27/2022 8:58:25 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Valerie Weiss	Individual	Oppose	No

Comments:

Aloha. I do not support this bill as it does not provide enough wage relief for our working poor. The Senate has already passed SB2018 which gants \$18 by 2026.

Mahalo for your consideration of better supporting our working class in Hawaii.

HB-2510-HD-1

Submitted on: 2/27/2022 9:02:56 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marilyn Yamamoto	Individual	Oppose	No

Comments:

I continue to support the target date of 2026 for the raise in minimum wage as adopted in SB2018.

HB-2510-HD-1

Submitted on: 2/27/2022 9:03:40 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rolanda L Daniel	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can’t keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they’ve been in decades. Anything less than that is simply too slow.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai‘i’s hardworking families and for its economic health and agree to the Senate proposal.

Send SB2018 to the governor’s desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Rolanda L Daniel

HB-2510-HD-1

Submitted on: 2/27/2022 9:04:38 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Matthew Grover	Individual	Oppose	No

Comments:

Greetings House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this is not enough and will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow and fails working families in Hawaii.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and simply agree to the Senate proposal without modification.

Send SB2018 to the governor's desk for signature instead of continuing with this flawed bill.

Mahalo for the opportunity to testify.

Matthew Grover
Waikiki

HB-2510-HD-1

Submitted on: 2/27/2022 9:25:55 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jason Ellinwood	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Me ke aloha,

Jason Ellinwood

He'eia, Ko'olaupoko, O'ahu

HB-2510-HD-1

Submitted on: 2/27/2022 9:47:07 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Pamela Waiolena	Individual	Support	No

Comments:

I fully support HB2510 HD1, but the thing I have NEVER understood is why legislators always pass these bills for the future years to comer. By the time this bill takes effect, the prices will have risen to the point where another increase will be necessary. You folks NEVER delay your salary increases for 2 or more years down the road so WHY, WHY, WHY do you ALWAYS put off increases for others? REWRITE THE BILL TO ALLOW THE INCREASE TO TAKE EFFECT UPON PASSING!!!!

When will our legislators start acting FOR US, and not just themselves?

HB-2510-HD-1

Submitted on: 2/27/2022 9:49:49 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Patricia Blair	Individual	Oppose	No

Comments:

This is a poor bill. Please support SB 2018, a much better bill.

HB-2510-HD-1

Submitted on: 2/27/2022 9:50:38 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Katrina St. Marie	Individual	Oppose	No

Comments:

Vote NO

HB2510

\$18 by 2026 is already a compromise. It costs more than \$19 an hour to just survive in Hawai'i today. Waiting until 2030 is unacceptable. No, thank you to HB2510 pllllease

Please stop shenanigans. Vote NO on HB 2510

Thank you

HB-2510-HD-1

Submitted on: 2/27/2022 9:52:52 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
chris j cannon	Individual	Oppose	No

Comments:

It is unaccetable that our workers not reach a living wage sooner.
They deserve SB2018, NOT HB2510.

HB-2510-HD-1

Submitted on: 2/27/2022 10:05:35 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Margaret Wille	Individual	Oppose	Yes

Comments:

I strongly oppose HB2510.

The Platform Committee for the County of Hawaii Democratic Party is unanimously recommending the priority action item in the 2022 Platform to be **RAISE THE MINIMUM WAGE TO \$15 AS OF JANUARY 1, 2023 AND INCREASE THE MINIMUM WAGE BY \$1 PER HOUR ANNUALLY THEREAFTER.**

PLEASE AMEND HB 2510 HD1 ACCORDINGLY.

THANK YOU.

HB-2510-HD-1

Submitted on: 2/27/2022 10:26:28 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shanna Dean	Individual	Oppose	No

Comments:

Aloha

it is not acceptable to delay the minimum wage increase of \$18 to 2030. I do not support this bill

Shanna Dean

HB-2510-HD-1

Submitted on: 2/27/2022 10:29:15 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

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

Comments:

Aloha

My name is Maki Morinoue, i oppose this HB2510 and ask that your support a much better bill instead SB2018.

The Senate has already passed [SB2018](#) “the good minimum wage bill” which achieves \$18 by 2026 AND has received support from the Governor.

With all the COVID wealthy opprotunist that are buying off our land leave no place for local residents to live, there is no future here for our local residents. We must move a lot quicker towards a decent wage while living cost rises unexponentially!

Please support and Pass SB2018 and oppose this bill.

Mahalo
Maki Morinoue
Holualoa
96725

HB-2510-HD-1

Submitted on: 2/27/2022 10:53:23 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gordon Lange	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Gordon Lange
Kihei 96753

HB-2510-HD-1

Submitted on: 2/27/2022 11:57:12 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sharon Goodwin	Individual	Oppose	No

Comments:

Why is HB 2510, which I consider an inferior minimum wage bill, even being considered? We already have a better one, SB 2018! My opinion, go with SB 2018. Our workers are the lifeblood, the heartbeat of our economy; they need SB 2018.

Leaders, you can, and should, and must do better for our citizenry!

Sharon Goodwin, Kapa`a Homestead, Kaua`i

HB-2510-HD-1

Submitted on: 2/27/2022 11:59:15 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Noreen Dougherty	Individual	Oppose	No

Comments:

House Finance Committee,

I strongly Oppose the date of 2030 for raising minimum wage to \$18.00 when it already costs more than \$19 an hour for a single adult with no children to just barely make ends meet; or to continue to not make ends meet. Residents on the outer islands have had prices rise considerably due to increased shipping costs.

I can not support an increase to \$18 starting in 2030. What can we estimate the cost of living to be in 8 years and who will carry the burden of the harm to families in the interum?

Please support our workers, Keiki, families and communities by sending SB 2018 to the governor's desk.

Mahalo for the opportunity to testify,

Noreen Dougherty

Kapaa, Kauai

HB-2510-HD-1

Submitted on: 2/27/2022 12:01:41 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mr Gary Passon	Individual	Oppose	No

Comments:

\$18 by 2026.... Do the right thing for the lower income people and increase thier pay!

HB-2510-HD-1

Submitted on: 2/27/2022 12:09:45 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jeff vesci	Individual	Oppose	No

Comments:

Aloha,

I respectfully submit opposition to HB2510. It already costs more than \$19 an hour for a single person to survive on Hawaiian. We will continue to lose young people to the mainland if they can not afford to live here.

Mahalo,

Jeffrey Vesce

HB-2510-HD-1

Submitted on: 2/27/2022 12:11:09 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Meizhu Lui	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

As you know, inflation is rising - particularly essentials like rents and gas. Because the minimum wage is not pegged to inflation as it should be, wages have not kept pace with inflation over the past several decades. It's no wonder workers in Hawaii are struggling, often forced to leave for the mainland due to economic insecurity.

The Senate has passed \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal.

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Meizhu Lui

District 1 (Papaaloa, Hawaii Island)

HB-2510-HD-1

Submitted on: 2/27/2022 12:23:09 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Thomas Brandt	Individual	Comments	No

Comments:

I oppose this bill.

The Senate has already passed [SB2018](#) which achieves \$18 by 2026 AND has received support from the Governor.

Please support SB 2018.

Thank you.

HB-2510-HD-1

Submitted on: 2/27/2022 12:32:51 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sue Cowing	Individual	Oppose	No

Comments:

The single most important thing the current legislature can do for the people it represents is to pass a meaningful minimum wage bill. This is long overdue. Though I agree with some of the provisions of HB2510, it calls for far too much delay and dilution. I urge the House to reject this bill and vote to pass the Senate bill, SB2018, without delay. Some may worry about the burden on business of requiring a higher minimum wage. But how can it be good for business to continue indefinitely having such a large number of residents who are food insecure or living at or below the poverty line? The more and sooner the minimum wage approximates a living wage for a single person in Hawaii, the more people will have money to spend and pay taxes. The state will save money on public assistance. It's an economic win-win. Approve SB2018 now.

HB-2510-HD-1

Submitted on: 2/27/2022 12:41:55 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sari Sanchez	Individual	Support	No

Comments:

I write in support of HB2510 to make the state earned income tax credit refundable and permanent, increases and amends the refundable food/excise tax credit, and increases minimum wage rate.

HB-2510-HD-1

Submitted on: 2/27/2022 12:46:47 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kelly King	Individual	Comments	No

Comments:

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Kelly T. King

HB-2510-HD-1

Submitted on: 2/27/2022 12:49:12 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Judith Perino	Individual	Oppose	No

Comments:

With all due respect, this bill is inferior to the already passed SB2018 which will give a working wage in a more realistic time frame. Workers need this help sooner, not later when it will not be sufficient to compensate for cost of living and inflation increases. Please shelf this bill and support SB2018 as it was originally proposed.

HB-2510-HD-1

Submitted on: 2/27/2022 1:09:21 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
pamela burrell	Individual	Oppose	No

Comments:

Aloha House Members,

Although there are some fine points in this House bill HB2510. A minimum wage of \$18 by 2030 is simply not acceptable..

Please reconsider this timeline.. and here I thought SB2018 was too far out at 2027. My goodness. Have some heart.

Regards,

pamela burrell, Kalihiwai, Kauai

HB-2510-HD-1

Submitted on: 2/27/2022 1:23:52 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

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

Comments:

Dear House Committee on Finance,

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

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

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

Mahalo for the opportunity to testify.

Frank DeGiacomo

HB-2510-HD-1

Submitted on: 2/27/2022 1:25:02 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marion McHenry	Individual	Oppose	No

Comments:

This bill is very disappointing. The proposed minimum wage of \$18. per hour is delayed until 2030 when the cost of living in this state in 2022 is \$19. per hour. Our workers cannot wait another 8 years! The senate has already passed a very simple and clean bill that incrementally raises the minimum wage from now until 2026 to \$18. The governor supports this bill SB2018 and will sign it.

It is so discouraging for the people of Hawaii to see it's legislators play cat and mouse with bills and then amend them until the die and nothing happens to help our people. Please let this atrocious behavior end with this bill. Pass SB2018 when it comes to the house and show that you care about the people who work so hard in our state to keep our economy running and thriving.

HB-2510-HD-1

Submitted on: 2/27/2022 1:37:30 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ruth Robison	Individual	Oppose	No

Comments:

I am opposed to HB2510 because it is inferior to SB2018 in significant ways.

The Senate passed a clean "\$18 by 2026" bill in SB2018, which also has the support of the governor. The House needs to do what is best for Hawai'i's working families and for the state's economic health. Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to provide comments.

HB-2510-HD-1

Submitted on: 2/27/2022 1:45:54 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Donna Carsten	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Donna Carsten

HB-2510-HD-1

Submitted on: 2/27/2022 1:51:17 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

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

Comments:

Dear House Finance Committee Members,

I am testifying in **Strong Opposition** to HB2510. It is a afront to the working people of Hawaii. The Senate and Governor have already approved of SB2018 to give a long overdue raise to the minimum wage workers of our State. You are bending to the greed and averice of big business to deprive low income Hawaii workers of their rightful respect and acknowledgment. More than \$18/hour is already needed to raise a family in Haiiii. There is no need to push the implementation of this raise further than 2026 except to line the pockets of your campaign donors. As a former business owner, I know that paying workers a living wage yields many more benefits than cheating them out of their due.

Shame on you for not standing up for your constituents. Kill HB2510 and support SB 2018.

Please look in your hearts and do the right thing by the working people of Hawaii who make your job possible.

Aloha,

Susan Stayton

Lawai, Kauai, HI

HB-2510-HD-1

Submitted on: 2/27/2022 2:10:29 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sherry Pollack	Individual	Oppose	No

Comments:

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510 HD1 as it will not properly address the cost-of-living crisis in our State. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawaii today. We must reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Anything less than that is simply too slow. Mahalo for the opportunity to testify on this measure.

HB-2510-HD-1

Submitted on: 2/27/2022 2:15:18 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
joan Levy	Individual	Support	No

Comments:

I am a thirty year resident of Kauai. I moved here from the SF bay area in 1992. I work as a psychotherapist in private practice. when I moved here I had to significantly lower my fees as Kauai residents' income was generally so low it made seeking therapy inaffordable. even for their copays after insurance paid their reimbursements - which to this day are lower than national levels of reimbursemnt for the same services.

I realize that employers financial needs also need to be considered. But where would they be without their workers?

Truthfully i know I could not manage my expenses if my pay was 18 per hour. Could you? But at least 18/hr is a big improvement from where we are now at.

Since Hawaii has done nothing to limit the outlandish property sale prices to outsiders, the local residents are being priced out of buying or even renting property here.

We have to do something to serve the people whose lives have been rooted on these islands!

Please make sure this legislation is passed.

Thank you!

Joan Levy

POB160, Kapaa resident

HB-2510-HD-1

Submitted on: 2/27/2022 2:16:49 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Anne W English	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill. This is obviously the best things to do for our islands and our workers. Anything short of this is disastrous. Mahalo for the opportunity to testify.

Anne English

Lawai, Kauai, Hawaii

(808) 635-7884



Committee on Finance
Chair Luke, Vice Chair Yamashita

Tuesday, March 1 2022, 11 am Videoconference
HB2510 HD1 — RELATING TO INCOME

TESTIMONY

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

Chair Luke, Vice Chair Yamashita, and Committee Members:

The League of Women Voters of Hawaii strongly supports the intent of HB2510 HD1, and the contents of Parts II, V and VI. We offer comments on Parts III and IV.

The League of Women Voters has long supported economic, fiscal and social policies which meet basic human needs. Consistent with this policy, we strongly support the intent of this broad bill, as expressed in Part I of HB2510 HD1.

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

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

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

b) The simplification creates a “tax cliff” situation where a \$1 increase in income above the proposed income eligibility would decrease the credit to zero. Generally, such sudden and complete phase-outs are considered undesirable, if only because they potentially reduce the motivation of individuals to work harder for a small increase in income.

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

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

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

Part V. We are very pleased to see the attention to the needs of taxpayers with disabled dependents. HB2510 HD1 meets a very real need in this regard.

Part VI. We support this Part as providing financial means to meet the costs of implementing this bill.

Thank you for the opportunity to submit testimony.

HB-2510-HD-1

Submitted on: 2/27/2022 2:59:19 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
karolle t. bidgood	Individual	Oppose	No

Comments:

Dear Committee Members,

Everytime that I stand in the line at my neighborhood grocery store and watch the tally skyrocket, I wonder how minimum wage earners are able to buy groceries.

It is wrong to make these workers wait until 2030 to earn a minimum wag of \$18/hourr when it is currently stated that a "livable wage" right now in Hawaii is \$19/hour.

Please do the right thing - ***oppose HB2510*** and support SB2018 instead. In doing so, you will be helping these workers and their families.

Thank you.

Karolle T. (Josie) Bidgood

Kahaluu

HB-2510-HD-1

Submitted on: 2/27/2022 3:47:14 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
C K Matteson	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

I appreciate your work on the provisions of this bill, however, I respectfully submit my opposition to the HB2510 schedule for increasing the minimum wage. HB2510 would only get workers to \$18 by 2030—far too slow. It already takes more than \$19/hour working full time for a single person with no children to just barely scrape by in Hawai'i -- assuming no natural disasters, health challenges, or other disruptions. HB2510 would put workers at only \$14 an hour in 2026 -- more than \$7 short of a living wage at the current cost of living, and that's not even accounting for the impacts of rapidly escalating inflation.

Your colleagues in the Senate have already showed you the way through SB2018. I urge you to follow their socioeconomically meaningful lead by increasing the minimum wage to \$18 an hour by 2026 -- or even earlier -- so that working families can survive in Hawai'i.

Please do the right thing: send SB2018 to the governor's desk for signature instead of your the economically inadequate approach of HB2510.

Thank you for your attention.

CK Matteson

House District 23

HB-2510-HD-1

Submitted on: 2/27/2022 4:13:58 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

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

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Anne Leake

Kaneohe - He'eia District

HB-2510-HD-1

Submitted on: 2/27/2022 4:47:24 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Laurel McGraw	Individual	Support	No

Comments:

Those who work for a wage paid and taxed in the state of Hawaii need a minimum wage of \$18.00 an hour to keep our labor force here, not on their way to a mainland state with cheaper housing, food and medical costs.

Already the rich who own second homes here and those who buy housing only to rent at ridiculous prices to exmainland remote workers or vacationers have caused many of our original local population to move off island.

We are loosing our current work force with young families. Our high school graduates leave and dont return.

Think about the long term effects !!!!!

Mahalo, Laurel McGraw

HB-2510-HD-1

Submitted on: 2/27/2022 4:49:26 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Barbara Barry	Individual	Oppose	No

Comments:

Aloha,

HB2519 FD1, is too little too late.

Please send SB2081 to the Govenors desk for signature. Hawai'i workers cannot wait.

Mahalo for doing the right thing for workers and families by sending the approved SB 2081 to the Govenor for his signature.

HB2510 Minimum wage

I very much support raising the minimum wage in Hawaii to \$18 per hour. I am grateful to Speaker Saki for recognizing the importance of increasing available resources to the most needy working individuals and families. As we all know, Hawaii is not an inexpensive place to live.

While HB2510 is a step in the right direction, I believe that it should be amended to be much more in tune with the timeline of SB2018 which has already passed the Senate. I would like to see the phase-in advanced even more with an increase to \$15 per hour beginning in January 2023 and advanced by a dollar each subsequent year until wage equity is reached. I am also in support of the provisions that allow for a refundable earned income tax credit and a refundable food/excise tax credit. Additionally, increases in the tip credit are much needed for workers in the service industry. The changes to the household and dependent care tax credit are also a positive move forward.

Thank you again for this opportunity to share my views. I know that we all want to improve the standard of living for all the residents of Hawaii. Let make 2022 the year that we provide for meaningful economic change.

Renee Rabb

Keaau, HI 96749

HB-2510-HD-1

Submitted on: 2/27/2022 5:03:49 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ron Brown	Individual	Oppose	No

Comments:

Ctrl/Cmd+V

Dear House Committee on Finance,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. This bill simply is too little and too late. Senator Taniguchi, the soul of moderation and prudence, has crafted a bill SB2018 which has the strong support of the Senate and the Governor. It is essentially a compromise bill we should all get behind. I strongly urge you to reject the HB2510 and support SB2018. Hawaii is a tough place to live; let us make it a little better for low-wage earners.

Mahalo for the opportunity to testify.

--Ron Brown (Manoa)

HB-2510-HD-1

Submitted on: 2/27/2022 5:50:41 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Evelyn Aczon Hao	Individual	Oppose	No

Comments:

I submit my opposition to HB2510. One person already making \$19 an hour has great difficulty paying his bills.

This House Bill makes workers working for minimum wage wait until 2030 to get an increase in pay. By then, the cost of living will be even higher than today.

We must reach \$18 an hour by 2026 if working families are to find the economic relief promised them year after year.

The Senate acknowledges that need through SB2018. The House needs to do what is best for Hawai'i's hardworking families and agree to the Senate proposal for the Governor to sign.

Mahalo,

Evie Hao

HB-2510-HD-1

Submitted on: 2/27/2022 6:00:35 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
glenn oshiro	Individual	Oppose	No

Comments:

Chr. Luke and Members of the Finance Committee.

I oppose HB2510 as it's far below what workers need to live on in Hawaii. Furthermore, the 2030 date for activating this bill is much too far down the road. A \$22 /hr in 2023 is far more realistic for meeting the requirements of our devoted workers. Thank you.

HB-2510-HD-1

Submitted on: 2/27/2022 6:15:20 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dylan Ramos	Individual	Support	No

Comments:

Aloha,

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

Mahalo,
Dylan Ramos

HB-2510-HD-1

Submitted on: 2/27/2022 6:42:42 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Megan Lamson Leatherman	Individual	Comments	No

Comments:

Mahalo for this opportunity to testify on HB 2510 about income (and increasing the minimum wage in Hawai'i). As I already shared in my testimony of support for the companion bill (SB 2018), I am adamantly in SUPPORT of the move to increase minimum wage in Hawai'i to keep up with the high and ever-increasing cost-of-living in the islands.

While I am supportive of the intent of this bill, I am NOT supportive of the timeline. A living wage in Hawai'i in 2021-22 is between \$17-20 / hr depending on the town/city/island. The move to \$18 / hr shouldn't wait till 2030 but happen well before then, like 2026 as proposed with senate bill 2018, or earlier if possible. Many thanks for your time and consideration and moving this bill fwd with minor but important amendments to the timetable as suggested.

Most sincerely,

Megan Lamson Leatherman

Honalo, Hawai'i

HB-2510-HD-1

Submitted on: 2/27/2022 6:49:44 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Phillippe Fernandez-Brennan	Individual	Oppose	No

Comments:

TO: House Committee on Finance

SUBJECT: Opposition to HB 2510, RELATING TO INCOME

Aloha Chair Luke, Vice Chair Yamashita, and Committee members,

Although I support some of the provisions in House Bill 2510, I am testifying in opposition of House Bill 2510, specifically part IV which increases minimum wage rate to \$11.00 per hour beginning on 1/1/2023, \$12.00 per hour beginning on 1/1/2024, \$13.00 per hour beginning on 1/1/2025, \$14.00 per hour beginning on 1/1/2026, \$15.00 per hour beginning on 1/1/2027, \$16.00 per hour beginning on 1/1/2028, \$17.00 per hour beginning on 1/1/2029, and \$18.00 per hour beginning 1/1/2030.

This bill would only provide workers a minimum wage of \$18 in 2030, which is too slow as living in Hawai'i is extremely expensive. I am a Hawai'i public school teacher and have seen the impact on my students and their family when they do not have adequate financial resources. Some students come to school without the needed school supplies and some need to work after school in a part time job to support their families. In addition, some families are multigenerational households and are struggling to keep up with rent with the current minimum wage despite having multiple minimum wage jobs.

I support the Senate version of the bill that would have an \$18 minimum wage by 2026 in SB2018. Please send SB2018 to the govern's desk for signature instead of this House Bill 2510.

Mahalo for considering my testimony.

Phillippe Rivera Fernandez-Brennan

Honolulu, Hawai'i

96822

HB-2510-HD-1

Submitted on: 2/27/2022 6:57:16 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Stephen Fernandez-Brennan	Individual	Oppose	No

Comments:

Aloha --

It is disappointing that, in this time of uncertainty, the House is taking its time in supporting those at the lowest end of the wage scale to earn more. The Senate has passed a bill that will have a greater benefit, sooner -- I am not in favor of HB2510 and I would hope the House would take up and pass SB2018 to increase the minimum wage more quickly. Telling those at the very bottom of the wage scale that their wages will go up more slowly than inflation - that if they continue working really hard that they'll get further and further behind, which is precisely the effect that HB2510 would have on minimum wage earners -- is antithetical to a healthy economy and wage structure. There isn't much the State government can do about many things, like geopolitical insecurity or energy prices, but it can and should provide a wage floor that actually can give those at the lowest end a fighting shot at a good living.

Mahalo for considering my testimony against the provision in HB2510 to slow walk the minimum increase until 2030.

sincerely,
Stephen Fernandez-Brennan
House District 23

HB-2510-HD-1

Submitted on: 2/27/2022 8:16:57 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Judie Hoepner	Individual	Oppose	No

Comments:

SB2018 is already a compromise. \$18 by 2030 is NOT acceptable.

HB-2510-HD-1

Submitted on: 2/27/2022 10:41:55 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jasmine Balangitao	Individual	Oppose	No

Comments:

Aloha House Committee of Finance, I strongly oppose HB2510. We need the minimum wage to go up sooner then 2030 that's too late. This bill is not for the local working families at all. We can't keep trying to keep our heads above water with prices for everything going up except our wages. I don't want to move away because I can't afford to live where I was born and raised away from my family. We need relief sooner. And also get rid of the tip credit because it hurts me and many other restaurant service industry workers whom were and still are terribly hurt during this pandemic. Please support us working local families that you represent and oppose bill HB2510. Please it's getting harder and harder out here to survive.

Mahalo, Jasmine Balangitao

HB-2510-HD-1

Submitted on: 2/27/2022 10:45:12 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Cory Harden	Individual	Oppose	No

Comments:

Aloha legislators,

Instead of this bill, please support SB2018 to raise the minimum wage sooner. Hawai'i's workers can't wait.

Mahalo.

HB-2510-HD-1

Submitted on: 2/27/2022 11:34:44 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dennis Mendonca	Individual	Oppose	No

Comments:

Aloha Esteemed Legislators,

This is a bad bill for several different reasons. Please oppose this bill and adopt the Senate version which is cleaner and will result in a quicker reach to \$18 an hour. Your people are suffering so much. Rents have increased astronomically. Today I bought my usual bag of Salmon at Costco. Three weeks ago it was \$32, today it was \$40. Rents have gone crazy. Have a heart, the House can do better than this!

Mahalo

Dennis Mendonça

Kauai

HB-2510-HD-1

Submitted on: 2/27/2022 11:41:30 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Roselani Oga	Individual	Oppose	No

Comments:

Workers in Hawaii deserve to earn a minimum wage of \$18.00 by 2026! The cost of living in Hawaii keeps too many unable to support themselves or their families. Please vote against HB2510 and support SB2018.

Mahalo,

Roselani Oga

Waialua

HB-2510-HD-1

Submitted on: 2/27/2022 11:41:49 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

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

Comments:

Aloha Chair Luke, Vice Chair Yamashita and members of the House Committee on Finance,

I **OPPOSE** HB 2510 HD1. Although I appreciate the intent of raising the wage to \$18, the timeline proposed in this bill will make the wage way less impactful if you go all the way to 2030 which will be **EIGHT years from now?!** Hawai`i's workers simply cannot wait that long. I would like to encourage our lawmakers to create a very simple personal budget as you read all of the testimony submitted and see whether or not you can even pay **HALF** of your bills **on \$18 TODAY**. *My guess is that you won't be able to.* When I supported homeless parents who worked minimum wage jobs for over a decade, I saw them use their **ENTIRE** paycheck (give or take maybe \$100 left for **ALL** other expenses) *just* for rent at the most run-down apartments you can imagine, once housed. It became so clear to me that we need to stop paying our mothers, our fathers, our aunties and uncles, *poverty* wages.

Please change your minimum wage timeline to **\$18 by 2026**. We all know that we should already be at \$19 as determined by DBEDT.

Mahalo nui for your consideration.

HB-2510-HD-1

Submitted on: 2/27/2022 11:53:54 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Hayley Cerit	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers earning \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers are unable to keep their heads above water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that only the legislature has promised and can provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Any amount less than that is simply too little, too slow and unrealistic.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

[Hayley Cerit]

[Kaimuki]

HB-2510-HD-1

Submitted on: 2/28/2022 12:07:20 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Patricia Kathleen Hebson	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Sincerely,

Patricia Kathleen Hebson of Kauai

HB-2510-HD-1

Submitted on: 2/28/2022 12:34:14 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Charles Jonsson	Individual	Oppose	No

Comments:

Dear Committee Members,

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

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

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

Thank you for your time.

Charles Jonsson

Chinatown

HB-2510-HD-1

Submitted on: 2/28/2022 12:37:39 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nadia Alves	Individual	Oppose	No

Comments:

Dear Members of the Finance Committee,

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

Mahalo for the opportunity to testify on this important matter.

Nadia Alves

Chinatown

HB-2510-HD-1

Submitted on: 2/28/2022 5:16:18 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
M. Llanes	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. My future in Hawai'i is so threatened I am having to consider the unbearable thought of leaving for good. This rips my heart to shreds.

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

MeleLani Llanes
Makakilo, O'hau

HB-2510-HD-1

Submitted on: 2/28/2022 7:33:18 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Carolyn Eaton	Individual	Oppose	No

Comments:

Aloha Chair Luke, Vice Chair Yamashita and members of the Committee. My name is Carolyn Eaton and I oppose this bill, which delays the increase of Hawaii's minimum wage until 2030. SB 2018, passed by the Senate and supported by the Governor, is already the compromise for Hawaii's workers. I urge the Committee to sideline this bill in favor of SB 2018.

Mahalo for the opportunity to place my views for the well-being of the State and all its people before you.

HB-2510-HD-1

Submitted on: 2/28/2022 8:00:56 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nanea Lo	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can’t keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they’ve been in decades. Anything less than that is simply too slow.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. It is now up to the House to do what is best for Hawai‘i’s hardworking families and for its economic health and agree to the Senate proposal.

me ke aloha ‘āina,

Nanea Lo

HB-2510-HD-1

Submitted on: 2/28/2022 8:06:19 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gerrit B Osborne	Individual	Oppose	No

Comments:

This is far too complicated, much more complicated than it needs to be. Start over. Design a system indexed to such things as AGI and CPI, the number of people in the family, etc., so that it need not be tweaked annually. The algorithm need to be particularly sophisticated, and should not accommodate the whims of individual The algorithm need not be particularly sophisticated, and should not accommodate the whims of individual politicians.

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Richard Casey
Kalopa Homesteads, Hawaii County

HB-2510-HD-1

Submitted on: 2/28/2022 8:35:27 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
KELEN R CASEY	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Kelen R Casey
Kalopa, Honokaa, Hawaii Island

HB-2510-HD-1

Submitted on: 2/28/2022 8:44:02 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ruth Luka Bascar-Sellars	Individual	Support	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Ruth L. Bascar-Sellars

State House District 3

HB-2510-HD-1

Submitted on: 2/28/2022 8:47:17 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mary K Ochs	Individual	Oppose	No

Comments:

This incremental increase in the minimum wage is too low and too slow. I support the Senate version SB 2018. Mahalo

HB-2510-HD-1

Submitted on: 2/28/2022 8:54:12 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
David G. Sellars	Individual	Support	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

David G. Sellars

State House District 3

HB-2510-HD-1

Submitted on: 2/28/2022 8:58:01 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shannon Rudolph	Individual	Oppose	No

Comments:

I Oppose HB2510.

SB2018 is a MUCH better bill that has already been passed in the Senate & is supported by Gov. Ige. While the Senate bill is an improvement over the House bill, even it is inadequate. Our own DBEDT says we need \$19 per hour right now. Please stop throwing scraps.

Four years may not be a big deal to you guys - but for people working hard for minimum wage, counting their change to pay their overpriced rent, it is devastating.

I am embarrassed for legislators in 'blue' Hawai'i, when 4 or 5 'red' states treat their 'essential workers' better, with higher wages & lower prices.

With the election a short five & a half months away, a majority of people will still have a memory of who had their backs on the best minimum wage bill. I hope you will be on the side of Hawai'i residents who are truly struggling out here. Could YOU live on \$15 an hour? Of course not.

HB-2510-HD-1

Submitted on: 2/28/2022 9:06:57 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lorn Hoku Douglas	Individual	Oppose	No

Comments:

Aloha Committee Members

I strogly oppose delaying a better minimum wage. The workers deserve more than what they are getting.... Please vote NO!

Lorn Douglas

HB-2510-HD-1

Submitted on: 2/28/2022 9:17:08 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark A. Koppel	Individual	Support	No

Comments:

Aloha Honorable House Members of the Finance Committee,

My name is Mark Koppel, p o box 283, Hakalau HI

I am testifying in support of HB2510 HD1, only because it is better than nothing.

As the state with the highest cost of living, our workers need \$18/hour NOW. Not 2030!!!!, but NOW.

The State is suffering a drain of workers at all levels, including teachers, doctors, laborers, etc etc, because they LITERALLY cannot afford to live here.

So pass this bill please, and then adopt the Far Better Senate one.

Mahalo

Mark Koppel



JOSH FROST

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Honolulu, HI 96816

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peoplesdialectic.com

Tuesday, March 1, 2022

House Bill 2510 HD1 Relating to Income
Testifying in Opposition

Aloha Chair Luke, Vice Chair Yamashita, and Members of the Committee on Finance,

I am submitting testimony today in opposition to HB2510 HD1 Relating to Income, which makes the EITC refundable and permanent, increases and amends the refundable food/excise tax credit, increases the minimum wage to \$18 an hour by 2030, and increases the tip credit. The bill also amends the household and dependent care tax credit, and appropriates funds for outreach to educate low-income wage earners about their withholding options.

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

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

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

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

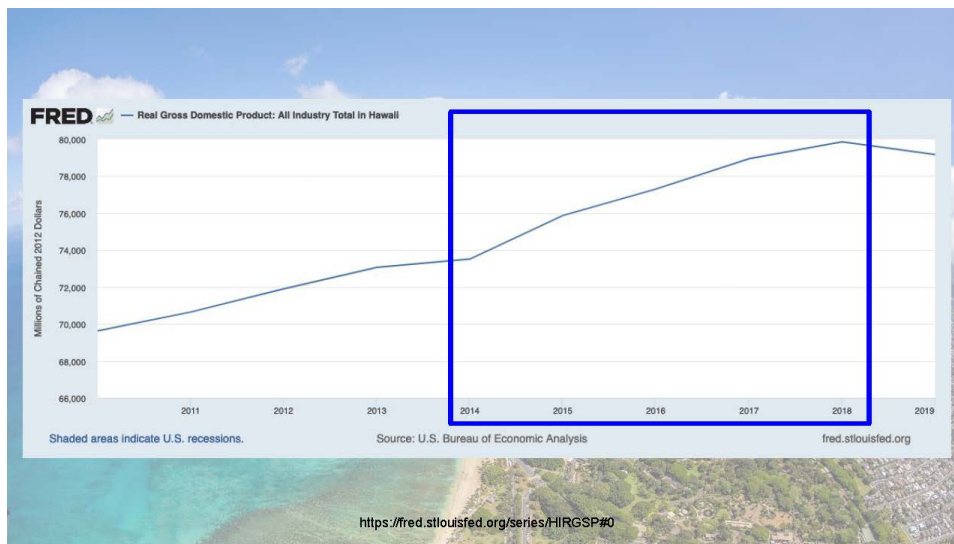
Once again, this minimum wage proposal seems to take into account the concerns of business owners, despite a preponderance of evidence which suggests the majority of those concerns are unfounded.

During the period of 2014-2018 when the last minimum wage increases took effect, there was no measurable job loss. In fact, each year during that period, the

unemployment rate dropped. By this measure, it seems the bill strives not to lift minimum wage workers out of poverty, but rather slow the rate at which they fall behind.

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

The minimum wage is not intended to be a "starting wage," but in fact a "living wage". That the majority of minimum wage workers are teenagers is just false. According to



DBEDT, four out of five workers who make less than \$17 an hour are at least 25 years old.

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

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

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

Finally, this bill dramatically increases the tip credit, which allows customers to subsidize employees' wages, while employers essentially steal labor from their workers. What's

more, the tip credit can find its historic roots in racism and misogyny. Is that really the legacy this committee wishes to perpetuate?

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

Mahalo for the opportunity to submit testimony today.

HB-2510-HD-1

Submitted on: 2/28/2022 9:28:22 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Patti Taira-Tokuuke	Individual	Oppose	No

Comments:

Dear Ms. Luke and members of the House Finance Committee:

As a small business owner of a physical therapy practice in Hilo, our lower end wage earner are usually college students wanting to gain experience while awaiting admissions to a physical therapy program. They do NOT want to make being a PT Tech/aide a career or utilize it to try and support a family. I oppose this bill as we are not able to afford paying our college students a dollage increase in wages every year. I personally do NOT get a wage increase yearly from insurance companies in fact Medicare gave us a 3% pay cut this year. Those of us in the medical profession are bound by insurance contracts and fee schedules are set for us. We are unable to pass on the increase in wages to our customers like other service sectors (Restaurant, hotels, retail/grocery stores, etc.). Utilities, rent and general cost of goods go up for businesses and in the medical office we don't get a cost of living adjustment annually. This bill will face some of us to not hire these college students and move to using volunteers (not paying them at all). The bill should not only look at the average wage earner, but focus on the industries that underpay their employees and force those industries to increase their minimum wage. Not all business are the same! Thank you.

HB-2510-HD-1

Submitted on: 2/28/2022 9:38:14 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

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

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

The Senate has handed the House a clean \$18 by 2026 bill in SB2018. This will slowly increase the minimum wage to a living wage, allowing businesses time to adjust. If we move too slowly, we will never catch up without consequences. It is now up to the House to do what is best for Hawai'i's hardworking families and for its economic health and agree to the Senate proposal.

Please send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Kristen
House District 25

HB-2510-HD-1

Submitted on: 2/28/2022 9:38:24 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Elizabeth Hansen	Individual	Comments	No

Comments:

Aloha, I am a registered voter in Hakalau HI. This bill needs to be revised to be similiar to the senate SB2018.

The Senate has already passed [SB2018](#) “the good minimum wage bill” which achieves the \$18 threshold by 2026 AND has received support from the Governor.

Low-wage working families deserve [SB2018](#) and it makes no sense that the House continues to refuse to accept and pass it.

Please modify this bill like the Senate and then please pass it.

Mahalo,

Elizabeth Hansen

HB-2510-HD-1

Submitted on: 2/28/2022 9:39:40 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rodger Hansen	Individual	Comments	No

Comments:

Aloha, I am a registered voter in Hakalau HI. This bill needs to be revised to be similiar to the senate SB2018.

The Senate has already passed [SB2018](#) “the good minimum wage bill” which achieves the \$18 threshold by 2026 AND has received support from the Governor.

Low-wage working families deserve [SB2018](#) and it makes no sense that the House continues to refuse to accept and pass it.

Please modify this bill like the Senate and then please pass it.

Mahalo,

Rodger Hansen

HB-2510-HD-1

Submitted on: 2/28/2022 9:55:48 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Tiana Kapumau	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Tiana Kapumau,

Puna

HB-2510-HD-1

Submitted on: 2/28/2022 10:07:25 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jeff Mcknight	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Jeff McKnight
House District 1

HB-2510-HD-1

Submitted on: 2/28/2022 10:14:42 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Bob Kinsey	Individual	Comments	No

Comments:

Aloha Honorable Membes

When I vote for my legislative delegation, I am hoping for Leadership. Sadly, this bill does not reflect the reality of the current economic situation, nor that of the job market. Regularly I see signs in shops offering starting wages of \$15-17.50 per hour, plus benefits such as health insurance and 401(k)s.

This morning's a Wall Street Journal had the following:

[Target Corp.](#) [TGT -0.18%](#) said it would pay some employees a higher starting wage and widen the range of people eligible for company health benefits, the latest move by the retail chain to attract and retain staff.

The Minneapolis-based retailer on Monday said its **minimum hourly pay range would be between \$15 and \$24** for employees in its stores, supply-chain facilities and headquarters. The exact wage, **Target said**, will rely on industry benchmarking and local market dynamics, but that **it seeks to be “a wage leader in every market where it operates.”**

I often hear that small businesses can't afford the proposed minimum wage increase. My question is: Can small businesses afford the high rate of turnover in the workforce with its attendant costs of training?

My homeowners' associaton has lost three highly experienced employees due to finding comparable jobs paying higher wages.

Please Lead, not get left in the dust of reality.

Thank you

Bob Kinsey

HB-2510-HD-1

Submitted on: 2/28/2022 10:33:24 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Barbara Polk	Individual	Oppose	No

Comments:

I oppose HB2510 because it is an embarrassment to see the legislature pretend to do something for low income people while dooming them to being a permanent underclass.

A living wage in Hawaii was \$17 dollars/hr. for a single person, as confirmed by the state, 5 years ago. To suggest waiting another nine years to get even that much. Meanwhile, we can continue to see our population decline, more homeless people on the street, and more crime. Increasing the minimum wage allows people to spend more, thus improving the general economy. All ships rise at once. Please adopt the Senate bill SB 2018 instead!

HB-2510-HD-1

Submitted on: 2/28/2022 10:33:46 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

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

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Ingrid Peterson
resident from 1963
Patrick Branco's District 50

HB-2510-HD-1

Submitted on: 2/28/2022 10:38:32 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
janice palma-glennie	Individual	Oppose	No

Comments:

too little, too late! Who can even live on \$15/hr in Hawaii without having two jobs?

please oppose this bill and vote "yes" on SB2018.

mahalo,

janice palma-glennie

kailua-kona

HB-2510-HD-1

Submitted on: 2/28/2022 10:41:42 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Laurie Avilla	Individual	Oppose	No

Comments:

Aloha House Speaker Mr. Saiki

We are writing in Opposition for Bill HB2510 to be expedited sooner than later. It is crucial that you put it into affect for the working people of Hawaii, your Constituents. We all know Hawaii is the highest for the cost of Living, and with the wages now, we all living paycheck to paycheck, our people will become homeless, or move away to support their families. Then, the increase in crime will rise. Please do it sooner than later.

I am "very" much concerned for the future of our keiki, they will not be able to own their own home, or make a decent living on the wages they have now! Could you?

In closing, Reconsider on making any moves of touching or raising anything to do with "Tips" some of us that work in the tourist industry, 'For'the State of Hawaii, rely on these tips just for daily living expenses.

Send SB2018 to the Governors desk for his signature Instead of this Bill.

Mahalo for your time,

Sincerely,

Laurie Avilla and Ohana

Anahola,Kaua'i

HB-2510-HD-1

Submitted on: 2/28/2022 10:44:48 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sherri Thal	Individual	Oppose	No

Comments:

Aloha,

I am in opposition to HB250 because it simply will take too long to get to a minimum wage that is still not a living wage for Hawaii.

SB2018 is a better bill as it raises the minimum wage to \$18.00 much sooner, by 2026, and is still a compromise, but one that Hawaii Kama'aina could live with for now. It has already passed the Senate and has the approval of the Governor. SB2018 is the bill that needs to be passed and not this bill, HB2510.

Mahalo,

Sherri Thal, Kea'au, HI 96749

HB-2510-HD-1

Submitted on: 2/28/2022 10:49:23 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Doug Seelig	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—more than \$7 short of a living wage.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Doug Seelig

House District 50

HB-2510-HD-1

Submitted on: 2/28/2022 10:51:49 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ann Pitcaithley	Individual	Oppose	No

Comments:

My name is Ann Pitcaithley. I have lived in Hawaii for 32 years. I believe that

HB2510 is an inferior minimum wage bill that delays reaching the \$18 per hour threshold until the year 2030. .

The Senate has already passed [SB2018](#) “the good minimum wage bill” which achieves \$18 by 2026 AND has received support from the Governor.

Hawai‘i workers deserve SB2018. Please reject this bill in favor of SB2018

Patti Cook

Box 6960, Kamuela, HI 96743
(808) 937-2833 – cookshi@aol.com

February 28, 2022

**TO: The Honorable Rep. Sylvia Luke, Chair
Vice Chair Kyle T. Yamashita and House Finance Committee Members**

RE: Hearing @ 11AM, Tues., March 1, 2022

HB2510 HD1 - OPPOSE SIGNIFICANTLY DEFERRED MINIMUM WAGE INCREASE

On Sat., Feb. 26, 2022, the Hawai'i County Democratic Party Pre-Convention Platform Committee voted to prioritize the following Platform plank, and will be advocating that it be adopted at our 2022 County Convention on March 19, 2022:

INCREASE MINIMUM WAGE TO \$15 PER HOUR EFFECTIVE JANUARY 1, 2023, AND INCREASE MINIMUM WAGE BY \$1 PER HOUR ANNUALLY THEREAFTER.

HB 2015's proposed exceedingly gradual minimum wage increases – stretched out to \$18 by 2030 - are not only insulting to the working poor and “essential workers” who put themselves and their families at risk by serving our communities throughout the pandemic, but they defy the core values of our State Constitution to responsibly support both the most needy in our island community, and rebuild the middle class.

Please, instead, increase the minimum wage to \$15 by this coming January, or at the very least, adopt the increases spelled out in SB 2018.

Mahalo for your time. Please listen and respond pro-actively to the severe economic hardships far too many of the people of Hawai'i are experiencing when, in fact, there is substantial data that increasing the minimum wage is a win-win-win for workers and their families, business and the state.

Patti Cook

PS: See attached – Target today (2/28/22) announced bumping starting pay.

Target bumps starting pay again, to as high as \$24/hour

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Target Corp. said its new starting wage for hourly workers at Target stores, supply chain facilities and headquarters locations will range from \$15 to \$24 per hour.

NANDY KUJHN | MEPEJ



By Mark Reilly - Managing Editor, Minneapolis / St. Paul Business Journal
3 hours ago

IN THIS ARTICLE

Career & Workplace
Industry

Playbook

The move is one of the latest examples of a major company announcing a significant pay increase as part of the bid to attract and retain talent in a tight labor market.



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HB-2510-HD-1

Submitted on: 2/28/2022 10:55:30 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Anthony Samuels	Individual	Oppose	Yes

Comments:

Rep. Sylvia Luke, Chair

Rep. Kyle T. Yamashita, Vice Chair

Aloha Representative Luke and Representative Yamashita,

My name is Anthony Samuels and I am a member of the Hawaii Clubhouse Advocacy Coalition. At this time I am in opposition to HB2510 because it is important to raise the minimum wage to \$18 sooner than 2030. I would like to see the minimum wage increase by 2026.

Thank you for your time,

Anthony Samuels

HB-2510-HD-1

Submitted on: 2/28/2022 10:56:25 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shannon Matson	Individual	Oppose	Yes

Comments:

Aloha Chair and Committee members,

This bill is too little, too late. Please support SB2018 instead. We need to act now. Our cost of living is too high. Our lack of affordable housing is too great. Workers need a higher wage and they needed it years ago. Please listen to the community leaders and experts who are offering guidance on this complex issue. I am a small business owner. I have owned and/or managed my own small businesses in Hilo for over a decade. While there are many different things that I am concerned about in being a business owner in Hawaii, I know that raising the minimum wage ultimately will not hurt my bottom line. I am certain this is the case for almost ALL large corporations who are making the most vocal opposition on an increase in minimum wage. Your job is to represent the people, not corporate interests. Please do what is right.

mahalo nui,

Shannob Matson

HB-2510-HD-1

Submitted on: 2/28/2022 11:09:43 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ramona Hussey	Individual	Oppose	No

Comments:

HB2510 Does not go anywhere near far enough to help our minimum wege workers. Please vote AGAINST this bill. Pass the SB2018 which would increase minimum wage to \$18 in only 4 years, NOT forcing our workers to wait 8 years.

HB-2510-HD-1

Submitted on: 2/28/2022 11:28:44 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ernest Neves III	Individual	Oppose	No

Comments:

Aloha Chair Luke and Vice Chair Yamashita,

I strongly oppose HB 2510 , the timeline to get to \$18 is too long. Please support SB 2018 when the bill crosses over.

Mahalo for your time,

Ernest Neves III

Chair Sylvia Luke
Vice Chair Kyle Yamashita

House Committee on Finance

Tuesday, March 1, 2022
11:00AM

TESTIMONY IN OPPOSITION TO HB2510 RELATING TO INCOME

Aloha Chair Luke, Vice Chair Yamashita, Members of the House Committee on Finance,

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

2030 is an insult for working class families who are in dire need of a raise. It is absolutely imperative that we reach AT LEAST \$18/hr by 2026 if working families are to find the economic relief that the legislature had promised to provide leading into the 2022 session. Anything is less for my fellow workers who need money for groceries, rent, and other necessities to survive. \$18/hr by 2026 is not a living wage, it already costs more than \$19/hr for a single adult with no children to just barely make ends meet in Hawai‘i today, but it will bring working class families closer to having some financial breathing space in their lives.

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

Mahalo for the opportunity to testify,

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

HB-2510-HD-1

Submitted on: 2/28/2022 2:04:37 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Michele Mitsumori	Individual	Support	No

Comments:

Dear House Committee on Finance,

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

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage.**

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

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

Send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Michele Mitsumori
House District 2

HB-2510-HD-1

Submitted on: 2/28/2022 3:07:15 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mari Ebersole	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

Although I support some of the provisions in this bill, I must respectfully submit my opposition to HB2510. It already costs more than \$19 an hour for a single adult with no children to just barely make ends meet in Hawai'i today. As an 19 year-old that was born and raised in Hawai'i, it remains one of my biggest goals in life to one day live and raise my own family there too. However, as the cost of living continues to rise and wages continue to plateau, it is becoming increasingly hard to see that being feasible for me and others like me in the future.

This bill would only get workers to \$18 by 2030—far too slow. By 2026, HB2510 would put workers at \$14 an hour, which is almost the exact equivalent of where workers were left in 2018 with \$10.10—**more than \$7 short of a living wage**. Local people are being displaced and forced out of Hawai'i simply because we can no longer afford it.

Workers can't keep treading water. It is absolutely imperative that we reach \$18 an hour by 2026 if working families are to find the economic relief that the legislature has promised to provide. Even this will be short of a true living wage, but it will put tens of thousands of working families closer to self-sufficiency than they've been in decades. Anything less than that is simply too slow.

Support families, the future of Hawai'i, and young people like me who do not want to lose their home to a high cost of living and low wages. Please send SB2018 to the governor's desk for signature instead of this bill.

Mahalo for the opportunity to testify.

Mari Ebersole

HB-2510-HD-1

Submitted on: 2/28/2022 6:44:56 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Leslie Iijima	Individual	Oppose	No

Comments:

I oppose this Bill (2510)

The cost of. living in Hawaii has skyrocketed since 2018.

The State Legislator needs to raise the minimum wage as soon as possible.

Leslie IJIMA

HB-2510-HD-1

Submitted on: 2/28/2022 7:23:06 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Joel Johnson	Individual	Oppose	No

Comments:

Aloha,

See below from KHON:

"Median price of homes reaches over \$1.06 million in December 2021, a new record high in Hawaii. HONOLULU (KHON2) — Locations Hawaii, a real estate firm, states that the median price of homes in December 2021 was \$1.06 million, a **22% increase from 2020.**"

Why are you arbitrarily bumping this up a dollar a year? It should be \$18/hr right now. The Senate bill gets us to this number quicker to try and combat the actual world around us. Your bill is slower, and will help people less. Thanks for your effort to raise the minimum wage, but please hit the accelerator. The people of Hawaii need you.

So much money made in businesses in Hawaii is taken OFF ISLAND. Raising the minimum wage is a way to keep that money here. Believe me when I say, companies are not hurting for work now and they will not be when they pay their workers more.

Thanks for your consideration,

Joel Johnson

HB-2510-HD-1

Submitted on: 2/28/2022 7:38:36 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Peter Koulogeorge	Individual	Support	No

Comments:

I am writing today to voice my **strong support for HB 2510!** Raising the state's minimum wage to \$18 by 2030 will undoubtedly help workers, Businesses cut labor costs as low as possible in order to maximize profits, and we know that businesses could afford to pay their workers a wage that will allow them to have basic stability. If we continue to allow workers to be employed at any rate below what is outlined in this bill, we're making it impossible for working class people to support their families and have a personal life unless they've gained access to higher education and lucrative employment. Please support HB2510!

HB-2510-HD-1

Submitted on: 2/28/2022 9:51:41 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Laura Ramirez	Individual	Oppose	No

Comments:

Aloha,

I oppose HB2510 because waiting until 2030 for a minimum wage of \$18/hour is much too slow to help the people of Hawai'i that are already struggling to make a living. The bill must be amended to meet the goal of \$18/hour by no later than 2026.

Mahalo,

Laura Ramirez

Kapa'a, Kaua'i