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William P. Kenoi
Mayor



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Randall M. Kurohara
Director

Laverne R. Omori
Deputy Director

County of Hawai'i

DEPARTMENT OF RESEARCH AND DEVELOPMENT

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January 26, 2010

Chair Rhoads, Vice Chair Yamashita, and Members of the Committee:
House Committee on Labor and Public Employment
State of Hawaii, House of Representatives

RE: HB 2169 and HB 2207 Relating to Employment Security

Dear Chair Rhoads, Vice Chair Yamashita, and Members of the Committee:

My name is Randall M. Kurohara, Director of the Department of Research and Development of the County of Hawai'i. As a director of a department that pursues economic development in Hawai'i County and in the State of Hawai'i, I appreciate the efforts made by the Chair and the Committee in addressing the unemployment insurance tax increase. I support HB 2169 and HB 2207 with amendments.

Without amendment, House Bill 2169 would not only increase the unemployment insurance tax rate, it would significantly increase Hawai'i's unemployment rate. Hawai'i County enjoys a high percentage of small business owners who provide sustainable economic development for our island and State. An impact of a ten-fold increase in the unemployment insurance tax rate could ultimately destroy our economic driver of small business. Without amendment, the current economic struggles here in the State of Hawai'i could deepen and potentially shutter small business. The end result would be more residents in the unemployment line, more poverty and more homelessness. Not only are the business owners at risk, but the livelihood of our people of the State of Hawai'i.

To help reduce the "tax shock" burden and safeguard the statewide unemployment rate, I believe that it would be wise to amend the bill by holding the tax rate schedule to D in 2010 and to F in 2011, permanently setting the tax wage base at 90% and maintaining the adequate reserve multiplier at 1.0.

Chair Rhoads, Vice Chair Yamashita, and Members of the Committee:
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Extending the tax assistance beyond 2010 will not only save jobs, it will preserve businesses and spur the economy by keeping more dollars flowing into our local economy through wages and purchases. This will most definitely help businesses plan expenses over a longer period of time.

As we look toward the economic future of the State of Hawai'i, I believe that serious considerations need to be made that benefit both the economic drivers of our State, as well as the State government as a whole.

Thank you for the opportunity to provide testimony on this crucial matter. Should you have any questions, please feel free to contact me at 808-961-8366 or by email at chresdev@co.hawaii.hi.us.

Very truly yours,



RANDALL M. KUROHARA
DIRECTOR
Dept. of Research and Development
County of Hawai'i

AAAAA RENT A SPACE
3600 L. Honoapiilani Rd.
Lahaina, HI 96761
(808) 669-5200

Testimony to the House Committee on Labor & Public Employment
Tuesday, January 26, 2010; 9:00 a.m.
Conference Room 309

RE: HOUSE BILL 2169 and 2207 RELATING TO EMPLOYMENT SECURITY

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

My name is Elizabeth May on behalf of Michael Knuppe and his company AAAAA RENT A SPACE Self Storage and Record Management. We currently have 6 Employees I appreciate the efforts made by the chair and the committee in addressing the unemployment insurance tax increase. I support HB 2169 and 2207 with amendments.

With all the increases it will impact us by having to cut back employees. This will affect the current service we are able to provide to the community and our customers.

To help reduce the "tax shock" and safeguard the statewide unemployment rate, please amend the bill by holding the tax rate schedule to D in 2010 and F in 2011, permanently set the taxable wage base at 90% and maintain the adequate reserve multiplier at 1.0.

This will reduce the impact of the tax increase on the average and small businesses. Extending the tax assistance beyond 2010 will save jobs, preserve businesses and spur the economy by keeping more dollars flowing into the economy through wages and purchases. This will help businesses plan expenses over a longer period of time.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at AAAAA Rent A Space (808) 669-5200.

Sincerely,



M. Elizabeth May
AAAAA Rent A Space
3600 L. Honoapiilani Rd.
Lahaina HI 96761
(808) 669-5200
Liz5a@aol.com
www.5aspace.com

**Testimony to the House Committee on Labor & Public Employment
Tuesday, January 26, 2010; 9:00 a.m.
Conference Room 309**

RE: HOUSE BILL 2169 and 2207 RELATING TO EMPLOYMENT SECURITY

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

My name is Sara Sing and my company is MW Group, Ltd. with approximately 75 employees. I appreciate the efforts made by the chair and the committee in addressing the unemployment insurance tax increase. I support HB 2169 and 2207 with amendments.

The tax increase will have a significant impact on our business including potential job losses, benefits, and overall performance as well as an increased cost per employee.

To help reduce the "tax shock" and safeguard the statewide unemployment rate, please amend the bill by holding the tax rate schedule to D in 2010 and F in 2011, permanently set the taxable wage base at 90% and maintain the adequate reserve multiplier at 1.0.

This will reduce the impact of the tax increase on the average and small businesses. Extending the tax assistance beyond 2010 will save jobs, preserve businesses and spur the economy by keeping more dollars flowing into the economy through wages and purchases. This will help businesses plan expenses over a longer period of time.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me on my direct line at (808) 275-5329.

Aloha,

Sara Sing
Administrative & HR Manager

HAWAII RESTAURANT ASSOCIATION

January 26, 2010

Testimony in **Support** HB 2169 AND HB 2207 **With Amendments**
Incorporating HB 2201 – 1/26/10 LAB 9:00 a.m. Room 309

Ladies and Gentlemen of the Committee of Labor and Public Employment:

We respectfully support the intent of HB 2169 and HB 2207 With Amendments Incorporating HB 2201. I appreciate the efforts made by the chair and the committee in addressing the unemployment insurance tax increase. Although HB 2169 provides a mitigated tax increase, I strongly support the language of HB 2201 as this will provide a more incremental tax assistance for my business. In a recent survey of our members who combined comprise ___% of all restaurants in Hawaii, more than 75% said they would need to take drastic measures if they are suddenly forced to contend with more than a 1,000 percent jump in unemployment insurance tax rates.

These drastic measures include limiting hiring, reduction in work opportunity for employees, layoffs of employees, or outright business closure. Ultimately, more workers will file for unemployment, which would further deplete the state's unemployment fund exacerbating the current problem. Ironically, the very effort to rebuild the state's unemployment fund would lead to the exhaustion of the fund.

We implore the state to consider other sources of funding before implementing this steep increase in the unemployment tax rate. If increases are necessary, any increases in the unemployment tax should be done incrementally over the course of a few years so businesses can adjust and adapt by budgeting accordingly.

An industry with over 3,500 locations directly employing over 82,000 dedicated people, Hawaii's restaurants are a cornerstone of Hawaii's economy. Many of those employed in the industry include new immigrants and those who are starting in the workforce. Yet these are the individuals that would be most affected by layoffs or reduction in hours that a 1,000 percent spike in the unemployment tax rate.

In closing, the Hawaii Restaurant Association reiterates its strong support for [Bill No.].

Very truly yours,
The Hawaii Restaurant Association

By: Bryan P. Andaya

About the Hawaii Restaurant Association

The Hawaii Restaurant Association is a non-profit trade association dedicated to serving the needs of the restaurant and foodservice, hospitality and tourism industries in the state of Hawaii. Together with the National Restaurant Association and the National Restaurant Association Educational Foundation we work to represent, educate and promote this industry that is a cornerstone of the Hawaii economy...an industry with over 3,500 locations directly employing over 82,000 dedicated people.

Testimony to the House Committee on Labor & Public Employment
Tuesday, January 26, 2010; 9:00 a.m.
Conference Room 309

RE: HOUSE BILL 2169 and 2207 RELATING TO EMPLOYMENT SECURITY

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

My name is Shari R. Lynn and as Executive Director, I represent the grass-roots non-profit agency on Molokai, Ka Hale Pomaika'i. I appreciate the efforts made by the chair and the committee in addressing the unemployment insurance tax increase. I support HB 2169 and 2207 with amendments.

If this measure goes into effect, our organization will be affected by the tax hike, our current SUTA payment which is barely affordable for us as a small agency will multiply by 10. This would result in an amount that looks like it could pay someone's salary. How will we be able to balance our already reduced budget? If the only option is to lay someone off, ironically that will contribute to the State's problem by adding another person to the unemployment rolls -- and our premiums will go up even higher as a result.

To help reduce the "tax shock" and safeguard the statewide unemployment rate, please amend the bill by holding the tax rate schedule to D in 2010 and F in 2011, permanently set the taxable wage base at 90% and maintain the adequate reserve multiplier at 1.0.

This will reduce the impact of the tax increase on the average and small businesses. Extending the tax assistance beyond 2010 will save jobs, preserve businesses and spur the economy by keeping more dollars flowing into the economy through wages and purchases. This will help businesses plan expenses over a longer period of time.

Mahalo for the opportunity to submit testimony. I am more than willing to answer any questions if you contact me at:

Shari Lynn, MEd, CCS, CSAC, ICDAC 

Ka Hale Pomaika'i

PO Box 1895

Kaunakakai, HI 96748

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shari@kahalepomaikai.org www.kahalepomaikai.org

Sent by fax: 1-800-535-3859 - 1 page total

Recycled Bikes & Boards
1217 Front Street
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(808) 667-7188
palithebikeguy@aol.com

Testimony to the House Committee on Labor & Public Employment
Tuesday , January 26, 2010 ; 9:00 a.m.
Conference Room 309

RE: HOUSE BILL 2169 and 2207 RELATING TO EMPLOYMENT SECURITY

Dear Chair Rhoads, Vice Chair Yamashita and Members of the Committee:

I am Paul Laub and my company is Recycled Bikes and Boards . It is located at 1217 Front street in Lahaina, Maui, I appreciate the efforts made by the chair and the committee in addressing the unemployment insurance tax increase. I support HB 2169 and 2207 with amendments.

I operate with a working partner and another individual. We are obligated to keep this individual on a part time only basis due to the high costs imposed on full time employees (government mandates). We really could use another employee but the costs are too high. An increase in costs would add to our burden and it is quite possible that we would have to let go the part time employee go as well.

To help reduce the "tax shock" and safeguard the statewide unemployment rate, please amend the bill by holding the tax rate schedule to D in 2010 and F in 2011, permanently set the taxable wage base at 90% and maintain the adequate reserve multiplier at 1.0.

This will reduce the impact of the tax increase on the average and small businesses. Extending the tax assistance beyond 2010 will save jobs.

However if you really want to ADD JOBS the state must make this state more business friendly. On most charts it is amongst the bottom 10% of states in terms of friendliness to business. Free the employers of the heavy burdens and you will add

jobs, increase tax revenue and help make this state prosper. Please strive to put our state amongst the top 10% of the business friendly and watch the unemployment and budget deficits evaporate. Now is the time to take bold steps in removing these burdens and helping make it so that companies that want to work here can work here. Thank you for the opportunity to submit testimony.

If I can be of any assistance, please contact me at: Paul Laub, 1003 Front St. Lahaina, HI 96761, 808-442-2450.

Mahalo nui loa,

A handwritten signature in cursive script that reads "Paul Laub".

Paul Laub