

Honolulu, Hawaii

FEB 15 2018

RE: S.B. No. 2291

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Labor, to which was referred S.B. No. 2291  
entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the minimum wage to \$12.25 per hour in 2019 and \$15 per hour in 2020;
- (2) Repeal language allowing the hourly wage of a tipped employee to be deemed increased on account of tips; and
- (3) Beginning on September 30, 2020, require the Department of Labor and Industrial Relations to annually calculate the adjusted minimum wage rate to the nearest five cents using the Honolulu region CPI-W.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii State Teachers Association; ILWU Local 142; Unite Here! Local 5 Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Oceanit; Hawaii State AFL-CIO; Pono Hawai'i Initiative; IMUAlliance; International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO; Hawaii State Coalition Against Domestic Violence; Hawai'i Appleseed Center for Law & Economic Justice; American Association of University Women of Hawai'i; Hawai'i State



Democratic Women's Caucus; Hawaii Children's Action Network; YWCA O'ahu; Hawai'i Alliance for Progressive Action; Americans for Democratic Action; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; Kupuna Caucus of the Democratic Party of Hawaii; Planned Parenthood Votes Northwest and Hawaii; Hawaii Women's Coalition; and sixty-five individuals. Your Committee received testimony in opposition to this measure from the Chamber of Commerce Hawaii; Maui Chamber of Commerce; Retail Merchants of Hawaii; Hawaii Restaurant Association; Hawaii Food Industry Association; Tiki's Grill & Bar; Outback Steakhouse; IL Gelato Hawaii; National Federation of Independent Business; Waikiki Brewing Company; MOJO LLC; Condominium Rentals Hawaii; Aloha International Employment, Inc.; Napili Kai Beach Resort; Kahului Ale House; Cheeseburger Restaurants, Inc.; and four individuals. Your Committee received comments on this measure from the Grassroot Institute of Hawaii.


Your Committee finds that the minimum wage rate was adjusted in 2014, raising the minimum wage rate each year for the following four years to achieve a minimum wage rate of \$10.10 per hour beginning January 1, 2018. This measure proposes to extend the increased minimum wage rate schedule by increasing the rate to \$12.25 per hour beginning January 1, 2019, and increasing the rate to \$15.00 per hour beginning January 1, 2020, tackling the issue of income inequality and improving the quality of life for minimum wage workers while adding a boost to the State's economy.

Your Committee also finds that Hawaii's relatively low wages are exacerbated by Hawaii's high cost of living and notes that Hawaii's minimum wage rate fails to regularly adjust with Hawaii's rising cost of living. Your Committee believes that annually adjusting the minimum hourly wage to the nearest five cents based on the CPI-W will more accurately reflect Hawaii's economic changes, provide a mechanism to keep up with the cost of inflation, provide employers with more predictable and gradual increases in the minimum wage rate over time, and avoid continual review by the Legislature.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2291 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Labor,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor**  
**LBR**

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|--|--|--|-----|---------|
| Bill / Resolution No.:*<br><div style="text-align: center; font-size: 1.2em;">SB2291</div>   | Committee Referral:<br><div style="text-align: center; font-size: 1.2em;">LBR, WAM</div> | Date:<br><div style="text-align: center; font-size: 1.2em;">2/6/18</div> |     |         |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |  |     |         |
| The Recommendation is:<br><div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, unamended<br/>2312</div> <div style="text-align: center;"><input type="checkbox"/> Pass, with amendments<br/>2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold<br/>2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit<br/>2313</div> </div>  |  |  |     |         |
| Members  | Aye  | Aye (WR)   | Nay | Excused |
| TOKUDA, Jill N. (C)  | ✓  |  |     |         |
| ENGLISH, J. Kalani (VC)  |  |  |     | ✓       |
| CHANG, Stanley   | ✓  |  |     |         |
| IHARA, Jr., Les  | ✓  |  |     |         |
| TANIGUCHI, Brian T.  |  |  |     | ✓       |
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| TOTAL  | 3  | 0  | 0   | 2       |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |  |     |         |
| Chair's or Designee's Signature:   |  |  |     |         |
| <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div style="text-align: center;"> <b>Distribution:</b><br/>           Original<br/>           File with Committee Report         </div> <div style="text-align: center;">           Yellow<br/>           Clerk's Office         </div> <div style="text-align: center;">           Pink<br/>           Drafting Agency         </div> <div style="text-align: center;">           Goldenrod<br/>           Committee File Copy         </div> </div> |  |  |     |         |

**\*Only one measure per Record of Votes**