

PEA Committee

From: Amber Coutsos <execasst@mauichamber.com>
Sent: Friday, September 01, 2017 4:05 PM
To: PEA Committee
Subject: Tuesday, Sept. 5 Testimony
Attachments: PEA-3(1) HSAC Package- Min Wage- 090517.pdf

Importance: High

Aloha PEA Committee,

Please see attached testimony from Pamela Tumpap on PEA-3(1)- specifically on the proposed bill to be included on minimum wage.

Mahalo,



Amber Coutsos
Executive Assistant

execasst@mauichamber.com

Maui Chamber of Commerce

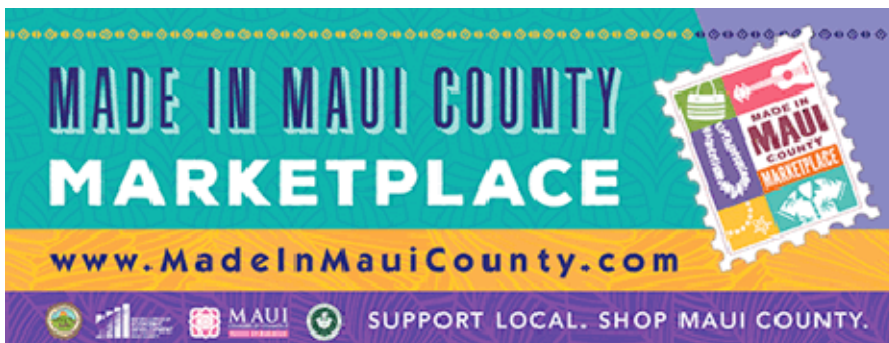
95 Mahalani St RM 22A

Wailuku, HI 96793

Phone: 808-244-0081

Fax: 808-244-0083

<http://www.mauichamber.com>





MAUI

CHAMBER OF COMMERCE
VOICE OF BUSINESS

Testimony on PEA-3(1)

Re: Hawaii State Association of Counties 2018 Legislative Package
Tuesday, September 5, 2017

Dear Chair Sugimura, Vice Chair Crivello &
Members of the Committee,

Aloha and Mahalo for the opportunity to ring in on the new proposed bill on minimum wage to be included in the Hawaii State Association of Counties Legislative Package.

We oppose the inclusion of the Resolution to Increase the State Minimum Wage to \$15.00 Per Hour For Employers with 26 Employees or More Beginning January 1, 2021 and For Employers with 25 Employees or Less Beginning January 1, 2023. The premise of this bill is based on a national model, but Hawaii is very different than our mainland counterparts and by national standards, in Maui County many of the businesses we are dealing with are not small businesses, but micro businesses. Business costs in Hawaii are already significantly higher than the rest of the nation, creating an unfair playing field with healthcare costs and even then, many businesses are already paying their employees beyond the minimum wage. These vast differences have not been considered in the creation of this proposed bill.

Further, this proposed bill is a very complicated piece of legislation with two different levels of businesses who are required to pay different minimum wage amounts each year. This could lead to further complications on interpreting the bill if a business's employee count changes throughout a year, as an example. There is also a lack of language on whether the employee count is based on full time equivalent employees. To simplify this proposed bill, rather than having various levels, we believe the bill should just state that small businesses with 25 or less full time equivalent employees are exempt.

Additionally, the increases proposed each year are too high. Businesses have already seen their costs increase, not just in new hires, but all hires as a wage compression is created every time there is a minimum wage increase. Please note the initial wage increase was \$.50 and the amount and frequency has only been increasing over the past ten years. In the last three years, businesses have just undergone a series of substantial increases. Before further increases are proposed, we feel you should first address the issue of added healthcare costs that Hawaii businesses must pay, obtain research on how many internships and other employment opportunities were reduced due to the recent minimum wage increases, and identify what the impacts will be on our small businesses if these proposed minimum wage increases are passed. Randomly applying other models to Maui County and state businesses without understanding the impacts of this legislation is harmful and creates negative unintended consequences. Therefore, we cannot support this bill as written at this time.

We appreciate the opportunity to testify on this important matter.

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.