



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Wednesday, February 26, 2014 at 10:40 A.M.
Conference Room 211, State Capitol**

RE: SENATE BILL 2366, SD1 RELATING TO WAGE AND HOUR LAW

Chair Ige, Vice Chair Kidani, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** SB 2366 Relating to Wage and Hour Law.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 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 its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber has concerns regarding the increase in the exemption from the wage and hour law from the current \$2,000 per month to "a monthly minimum of the amount of the applicable minimum wage under section 387-2 multiplied by three hundred twenty". Many companies have salaried employees who are not covered by the wage and hour law that start off at \$2,000 per month. Also in many cases they are compensated with other benefits that are different than hourly employees. Increasing this entry level amount would hurt many businesses.

We ask that this bill be held. Thank you for this opportunity to express our views.



Executive Officers:
Stanley Brown, ConAgra Foods - Chairperson
John Schilf, RSM Hawaii - Vice Chair
Derek Kurisu, KTA Superstores - Treasurer
Lisa DeCoito, Aloha Petroleum - Secretary
Lauren Zirbel, Executive Director

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TO:
SENATE COMMITTEE ON WAYS AND MEANS
Senator Ige, Chair
Senator Kidani, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 26, 2014
TIME: 10:40am
PLACE: Conference Room 211

RE: SB 2366

Position: Strong Opposition

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.

This bill could lead to very sudden and drastic increases in the minimum compensation, and if the minimum wage is tied to the CPI in future it could mean frequent and unpredictable increases.

Hawaii has one of the lowest unemployment rates in the country, and we pay substantially more than many other parts of the country for food. Food retailers generally operate at a profit margin of around 1 percent. For many it may simply not be possible to change their pay scales and budget around this kind of extreme and abrupt change. This is the kind of thing that can force businesses to downsize or even close their doors, which leaves people without jobs. In addition to which this will lead to increased labor costs which drive up the price of food.

Potentially costing jobs in the food industry and driving up the price of food is not the right choice for our state.

Please vote no on this measure.

Thank you for the opportunity to testify.