

State minimum wage increase bill advances

By Andrew Gomes

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A bill to raise Hawaii's minimum hourly wage incrementally to \$18 by 2026 cleared the first of two anticipated public hearings in the state Senate on Monday.

The five-member Senate Committee on Labor, Culture and the Arts unanimously passed Senate Bill 2018 unamended after hearing public testimony both for and against the measure.

Raising the minimum wage has been touted this year as a top priority of leaders in the Senate as well as in the House, where a bill was introduced Monday to achieve the \$18 goal more gradually than the Senate bill would.

On Monday before the hearing on SB 2018, Senate President Ron Kouchi let Gov. David Ige know that the Legislature looks forward to working together to lift up everyone in the state. "Today the Senate is holding a hearing on a bill that would raise the minimum wage to \$18, and I believe we're taking a bold first step to deliver on that promise," Kouchi said.

SB 2018 proposes to boost the minimum hourly wage three times within four years, going from \$10.10 currently to \$12 on Oct. 1, then to \$15 on Jan. 1, 2024, and finally to \$18 on Jan. 1, 2026.

of business if the minimum wage rises to \$18 four years from now.

Tina Yamaki, president of trade group Retail Merchants of Hawaii, said the proposed Oct. 1 boost to \$12 was a concern, and predicted that businesses would just pass the extra expense on to consumers.

Supporters of the bill included the state Department of Labor and Industrial Relations, the Hawaii Public Health Institute and the United Public Workers Union representing government employees.

Mike Golojuch Jr., a representative of the Stonewall Caucus of the Democratic Party of Hawaii, told the committee that more pay going into the pockets of workers would help increase spending that improves the local economy.

"It is not a job killer," he said of minimum wage hikes. "It is a job creator."

Kristen Alice with Hope Services Hawaii, an organization on Hawaii island that helps assist people with housing needs, said a stagnant minimum wage is one reason homelessness is growing, given that Hawaii's already high housing costs keep going up.

"Wages have stayed the same, and that leads to more people experiencing homelessness," she said.

House Bill 1771 proposes five increases over five years, with the first step to \$11.50 at the beginning of 2023, followed by start-of-the- year increases to \$13 in 2024, \$14.50 in 2025, \$16 in 2026 and \$18 in 2027.

Several business organization representatives told senators at Monday’s hearing on SB 2018 that they support a minimum wage increase but not as much as what the bill calls for.

“We’re not against increasing the minimum wage, but we want to make sure that it’s digestible for the business community,” said Victor Lim, a legislative liaison for the Hawaii Restaurant Association.

Trevor Abarzua, associate vice president of business advocacy and government affairs for the Chamber of Commerce Hawaii, told the committee chaired by Sen. Brian Taniguchi that increases proposed in the bill could hurt the state’s economic recovery. “It would have a devastating impact,” he said.

Wendy Laros, president of the Kona-Kohala Chamber of Commerce, said it’s a bad time to raise the minimum wage because businesses are dealing with much adversity right now, including a labor shortage, more expensive goods and supply chain disruptions.

“The minimum wage increases presented in SB 2018 are simply too much, too soon,” she said.

Pamela Tumpap, president of the Maui Chamber of Commerce, suggested that a palatable minimum hourly wage level would be \$12 in 2023 and \$16 in 2027. She also said that 21% of the organization’s members

Hawaii’s minimum wage has been at \$10.10 an hour since 2018.

State lawmakers last amended the wage law in 2014, which triggered an initial hourly minimum pay increase to \$7.75 from \$7.25 in 2015, then to \$8.50 in 2016, \$9.25 in 2017 and then \$10.10 in 2018.

At \$10.10, someone working 40 hours a week would earn \$21,008 a year.

Sen. Kurt Fevella said during Monday’s hearing that there should have been a more continual increase in the minimum wage earlier and that \$18 in 2026 isn’t high enough in his view.

“We cannot wait,” he said. “It is time to make a change. We need to do this now.”

Fevella, the only Republican in the Senate, is one of 21 senators in the 25member Senate who introduced SB 2018.

The bill has been referred to the Senate Ways and Means Committee, and if it passes there it would be up for consideration in the House. The House measure, HB 1771, has not yet been scheduled for a hearing.



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