

**Testimony to the House Committees on Labor & Public Employment**

**Friday, February 3, 2012**

**9:00 a.m.**

**State Capitol - Conference Room 309**

**RE: HOUSE BILL NO. 2711 RELATING TO A LIVING WAGE FOR  
WORKERS ON SERVICE CONTRACTS**

Chair Rhoads, Vice Chair Yamashita, and members of the committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). The Chamber does not support HB 2711 relating to a Living Wage for Workers on Service Contracts.

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 opposes the measure for the following reasons:

- H.B. No. 2711 will drive up the costs of doing business for the State of Hawaii. If the bill is enacted into law, the wage requirements Haw. Rev. Stat. § 103-55 will extend to reach companies who have entered into very small public contracts. All businesses that seek out such small public contracts will face increased labor costs, which will mean cutting costs in other areas.
- H.B. No. 2711 will harm small businesses. The businesses that seek out such small public contracts could very well be small businesses that employ part-time workers or young workers. The lowering of the contract-size thresholds will force such small businesses either to pay over-market wages or to stop bidding on these very small public contracts.

At a time when the State is placing an emphasis on jobs and the economy, this measure and any other mandate that creates perceived or real additional costs, will undermine those efforts, hinder economic progress and entrepreneurial activity, and deter business investment in our State. During this uncertain state of the economy, the passage of this measure and other cost burdens would be unfortunate and devastating for Hawaii's economic climate.

For these reasons, The Chamber respectfully requests that the committee holds this measure. Thank you for the opportunity to express our views.