

Senator Carol Fukunaga, Chair
COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Senate Bill 255

Monday, February 9, 2009

1:15 p.m. Conference Room 016, State Capitol, 415 South Beretania Street

Introduction

My name is Laurence A. Lee, and I am a local Software Developer. I am testifying on behalf of Senate Bill 255. I strongly oppose the passage of Senate Bill 255.

Content

I do not dispute the obvious benefits of Telecommuting and Coworking. In fact, as a Software Developer, I have actively enjoyed the option of working from home and avoiding Rush Hour Traffic for well over 10 years. However, it is my position that the State should not be asked to expend precious Tax Dollars as Business Tax Credits as a means of encouraging or increasing awareness of Telecommuting Benefits.

At a time when Schools and Public Libraries are being forced to cut back, and Community Programs are being shut down because the Non-Profits aren't receiving as much State Funding, the thought of the State reimbursing 75% of Equipment and Infrastructure costs (up to \$1200 per Participating Employee) in a Down Economy is poorly timed, and simply outrageous.

Let's look at hypothetical numbers. Take any white-collar employee's annual salary (the most likely candidates of a Telecommuting Arrangement), and multiply that salary by whatever factor you want to estimate the true cost to retain that employee. Compared against that number, it's clear that \$1200 per employee is a relatively small amount.

\$1200 per Participating Employee is a relatively small amount for such businesses, and more appropriately absorbed as Business Expenses; whereas a possible \$2 Million taken out the General Fund could have been directed toward another worthwhile State-Funded Program.

Of course, I'd love for the State to pay 75% of the costs of a fresh new laptop and a Coworking (Telecommuting) Space for myself or my colleagues. However, I simply ***cannot in good conscience*** accept that if it takes away a meal (or anything similarly essential) from someone who depended on a (now diminished) State-Funded program.

An Alternative Proposition

If the ultimate purpose of SB225 is to promote and encourage Telecommuting, the same \$2 Million in State Funds could be more effectively spent as Awareness Ads in Local Media; or as Tax Incentives for Businesses that create shared Telecommuting Office Spaces (aka "Coworking Spaces").

In Summary

The benefits of Telecommuting ***already exist*** and are well documented; the case for Telecommuting can already be made. The State should not extend Tax Credits as incentives to encourage Telecommuting. The State could more effectively achieve the same results through an Awareness Campaign, or by encouraging the construction of shared Telecommuting Office Spaces.

Businesses that can benefit from Telecommuting are among the "Haves" in Hawaii. Please don't support Tax Credit programs (which further benefit the "Haves") by taking away from the "Have Nots" that really need those resources.