

Testimony of
Pacific Resource Partnership

Hawaii State Senate
Committee on Ways and Means
Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair

SB 2724, SD1 – Prevailing Wages
Tuesday, March 01, 2016
1:40 P.M.
State Capitol – Room 211

Aloha Chair Tokuda, Vice Chair Dela Cruz and members of the Committee:

By way of background, the administrative rules of the Department of Labor and Industrial Relations (DLIR) provides for the payment of prevailing wages when there is construction undertaken through the use of "... land, or other resources of the state or any county." And while the Department's Administrative rules are clear and aligned with the spirit and intent of Hawaii's Little Davis-Bacon law, there remains a grey area in HRS 104; and it is the intent of this bill to close this loop hole which developers are currently using to avoid the payment of prevailing wage on construction projects that take place on public lands that are leased privately.

Prevailing wages lead to a larger, stronger, property tax base for government, and reduce the reliance on safety net services like food stamps, healthcare, and subsidized housing. Additionally, prevailing wages help grow the middle class and make it harder for cheaters to operate in the underground economy, a sector known for unsafe working conditions and evasion of taxes and mandatory health coverage for workers.

At a time when the middle class is slipping further away from the 1%, it is critical that policies are in place to protect living wages from degradation. Clarifying that prevailing wages must be applied to private projects which take place on State and County owned land is good for construction workers, union and non-union, and beneficial to other sectors as it shores up the wage floor for all.

The spirit of the federal Davis-Bacon Act and locally Hawaii's Little-Davis Bacon law is based on the principle that State and County resources and assets should not be used in a manner which degrades living wages of a community. Put simply, public lands shouldn't be used to impoverish local workers.



(Continued From Page 1)

Thank you for the opportunity to share our views with you and we respectfully ask for your support on SB 2724, SD1.

About PRP

Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii's top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.