

Honolulu, Hawaii

Feb 14, 2012

RE: H.B. No. 2766

H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2766 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORKS,"

begs leave to report as follows:

The purpose of this measure is to ensure that Hawaii's wage and hour law is strictly enforced on public construction projects by:

- (1) Establishing the Wage and Hour for Public Works Projects Special Fund to assist the Department of Labor and Industrial Relations in enforcing Hawaii's wage and hour law on public construction projects;
- (2) Requiring state departments that receive appropriations of capital improvement project funds to transfer a percentage of those appropriations into the Special Fund;
- (3) Requiring the Department of Labor and Industrial Relations to provide an annual status report of the Special Fund to the Legislature; and
- (4) Creating additional labor law enforcement specialist III positions within the Department of Labor and Industrial Relations to enforce Hawaii's wage and hour law and appropriating funds for the positions.



The Hawaii Laborers' Union, Elevator Constructor's Union Local 126, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this measure. The Department of Labor and Industrial Relations testified in support of the intent of this measure. The Department of Transportation testified in opposition to this measure. The Department of Budget and Finance provided comments.

The State of Hawaii spends hundreds of millions of dollars each year on capital improvement projects designed to improve existing infrastructure through repair and renovation, as well as building new infrastructure needed to keep up with an increasingly modern and global society that continues to grow. During difficult economic times such as those experienced by Hawaii and the rest of the nation over the past few years, capital improvement projects help to stimulate a lackluster economy by providing employment opportunities and increasing cash flow into the economy.

However, public construction projects face issues involving adherence to wage and hour laws. Part of the reason difficulties have been faced regarding adherence to Hawaii's wage and hour laws is the lack of resources needed for such enforcement. Your Committee finds that providing a dedicated source of funding for the enforcement of Hawaii's wage and hour laws on public works projects will help to ensure that such laws are being enforced and economic opportunities are maximized.

Nevertheless, your Committee understands the concerns raised by the Department of Transportation regarding the jeopardizing of federal funds for airport capital improvement projects. It is not the intent of your Committee that this measure be construed as revenue diversion for the Airports Division of the Department of Transportation thus jeopardizing all of the federal grants that the Division currently receives.

Your Committee has amended this measure by:

- (1) Changing the level of the additional labor law enforcement specialist from level III positions to level IV positions as public works law complaints are often complex and require a level IV specialist to investigate the complaint; and



- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2766, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,

*Karl Rhoads*

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KARL RHOADS, Chair



State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

HSCR 334-12

**Record of Votes of the Committee on Labor & Public Employment**

<b>Bill/Resolution No.:</b> HD 2706	<b>Committee Referral:</b> LAB, FIN	<b>Date:</b> 2-7-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia	/			
<del>8. OKAMURA, Tom</del>				
9. SAIKI, Scott K.	/			
10. SOUKI, Joseph M.				/
11. TAKUMI, Roy M.	/			
12. FONTAINE, George R.	/			
13. JOHANSON, Aaron Ling	/			
<b>TOTAL (13)</b>	11	-	-	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> _____ <div style="text-align: center; font-size: 24pt; font-weight: bold; margin-top: 10px;">  </div>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				