

Honolulu, Hawaii

MAR 20 2014

RE: H.B. No. 1958  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 1958, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO COMPENSATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend the prevailing wage law to allow for payment of overtime compensation on public works contracts to exceed time and a half; and
- (2) Establish the rate for overtime compensation as the rate specified in a collective bargaining agreement if the basic hourly rate is based on such agreement.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; United Public Workers, AFSCME Local 646, AFL-CIO; Hawaii Operating Engineers Industry Stabilization Fund; and Hawaii Construction Alliance.

Your Committee finds that overtime compensation for public works is based on one and one-half times the laborer's or mechanic's basic hourly rate of pay plus the cost to an employer of furnishing a laborer or mechanic with fringe benefits. This measure provides flexibility in the payment of overtime to allow overtime compensation to exceed time and a half. Furthermore,



this measure establishes the rate for overtime compensation as the rate specified in a collective bargaining agreement if the basic hourly rate is based on such agreement to create parity between a union contractor and non-union contractor.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of Labor and Industrial Relations to specify under the definition of "overtime compensation" that if the Department determines that the prevailing wage is determined by a group represented by collective bargaining, then the overtime and any other premium rather shall be at the same rates set by the collective bargaining agreement; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1958, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1958, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,



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CLAYTON HEE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:* <b>HB 1958, HD2</b>	Committee Referral: <b>JDL, WAM</b>	Date: <b>3-11-14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)				✓
GABBARD, Mike	✓			
GALUTERIA, Brickwood				✓
IHARA, Jr., Les				✓
SOLOMON, Malama	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	<b>3</b>	<b>—</b>	<b>1</b>	<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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\*Only one measure per Record of Votes