

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2468

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Government Operations, Labor, Culture and the Arts, and Human Services, to which was referred S.B. No. 2468 entitled:

"A BILL FOR AN ACT RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS,"

beg leave to report as follows:

The purpose and intent of this measure is to amend the definition of "qualified community rehabilitation programs" to allow community rehabilitation programs employing persons with disabilities to qualify under the State's procurement code without requiring federal and state certifications that authorize the payment of subminimum wage to workers in their program.

Your Committees received testimony in support of this measure from State Council on Developmental Disabilities; Hawaii Appleseed Center for Law & Economic Justice; National Federation of the Blind of Hawaii; State Rehabilitation Council; SourceAmerica; 501c3 Partners; Labor Caucus, Democratic Party of Hawaii; and seven individuals. Your Committees received comments on this measure from the Department of Labor and Industrial Relations and Hawaii Disability Rights Center.

Your Committees find that community rehabilitation programs employing persons with disabilities in our State do not pay subminimum wages to its workers. However, these programs are



required to hold the federal 14-C and state subminimum wage certificates to qualify for government contracts. According to testimony received by your Committees, federal 14-C certificates are revoked when subminimum wages are not paid; which reduces disability employment. Accordingly, your Committees recognize that new language should be adopted in the state procurement code to ensure that the preferences of the code are properly limited to employers of persons with disabilities.

Your Committees have amended this measure by:

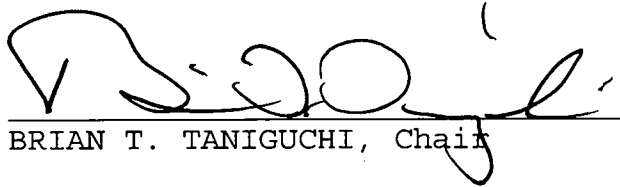
- (1) Inserting new language from section 103D-1010, Hawaii Revised Statutes, which would require a qualified community rehabilitation program to maintain a disabled to non-disabled employee ratio of at least three-to-one for work hours of direct labor on the work contracted; and
- (2) Making it effective upon January 1, 2050, to promote further discussion.

Your Committees note the desires of the testifiers to conform Hawaii's wage and hours law to these amendments. The bulk of the testimony submitted requested that your Committees repeal section 387-9, Hawaii Revised Statutes, which permits the payment of subminimum wages to certain persons with disabilities. However, the title of this measure is limited to the qualification of community rehabilitation programs, which is too narrow to address the laws that allow these programs to pay subminimum wages. Your Committees further note that they are open to discussing whether the qualification of community rehabilitation programs should be limited to employers of a minimum number or a proportion of persons with disabilities.

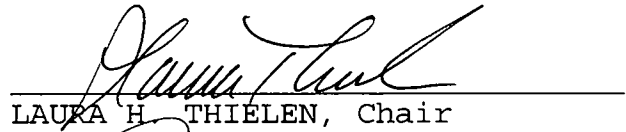
As affirmed by the records of votes of the members of your Committees on Government Operations, Labor, Culture and the Arts, and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2468, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2468, S.D. 1, and be referred to your Committee on Ways and Means.



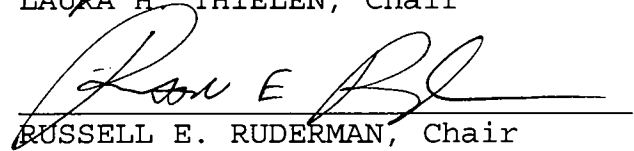
Respectfully submitted on
behalf of the members of the
Committees on Government
Operations, Labor, Culture and
the Arts, and Human Services,



BRIAN T. TANIGUCHI, Chair



LAURA H. THIELEN, Chair

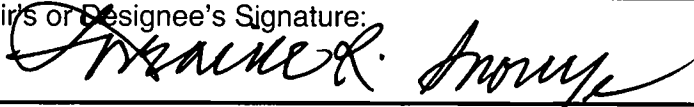


RUSSELL E. RUDERMAN, Chair



The Senate
Thirtieth Legislature
State of Hawai'i


Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2468	GVO/LCA/HMS, WAM	2/11/2020		
<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
THIELEN, Laura H. (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
BAKER, Rosalyn H.				✓
KANUHA, Dru Mamo	✓			
FEVELLA, Kurt	✓			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Labor, Culture and the Arts
LCA

Bill / Resolution No.:* SB 2468	Committee Referral: GVO/LCA/HMS, WAM	Date: 2-11-20		
<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
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
GABBARD, Mike				✓
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 2468	Committee Referral: GVO / LCA / HMS, WAM	Date: 2/11/20		
<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
RUDERMAN, Russell E. (C)	✓			
RHOADS, Karl (VC)	✓			
IHARA, Jr., Les	✓			
RIVIERE, Gil				✓
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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