

The Senate  
The Twenty-Fourth Legislature  
Committee on Finance  
March 26, 2008  
2:00 p.m.  
Conference Room 308

**LATE**

Statement of the Hawaii Carpenters Union on S.B. 2780, SD2, HD1  
Relating to Public Works

The Hawaii Carpenters Union supports S.B. 2780, SD2 to address in the statute a limited part of what is currently in the Administrative Rules of Chapter 104, HRS, regarding construction utilizing State or County land. We are willing to support the HD1, which should result in deliberations by a conference committee, providing time for further work towards a final form.

Currently the administrative rules provide that prevailing wages are to be paid for construction undertaken through the use of "...land, or other resources of the State or any county...". Among the varied uses of State and county land for private activities, S.B. 2780 would clarify one category for administration and enforcement.

This Bill focuses on the use of State or county land to commercial, for-profit activity. We believe it would also make it clear that the law must be enforced in this area. This Senate Bill is similar to HB 3039, passed by the House. SD2 includes a minimum construction cost of \$500,000, which is acceptable if the currently uneven application, or ignoring, of the administrative rule can be overcome.

In the example of the Naniloa hotel in Hilo, the benefit of using State oceanfront land should not become a part of depressing area standard wages and benefits for construction work. Prevailing wages are not being required for construction work in that case, including for construction required by the State in the agreement for the use of the land.

Where prevailing wages are not required to "level the playing field", Hawaii contractors who contribute to skilled craft training are at a disadvantage. Hawaii contractors who lessen burdens on government and the community by providing family medical and dental insurance, and retirement income programs, not to mention decent wages, are at a disadvantage. State resources should not be used in this manner.

The fact that agreements are reached and documented prior to the use of the land and prior to any construction, provides the mechanism for the administration of the Chapter 104 provision.

Thank you for your consideration of our support for the passage of S.B. 2780, SD2, HD1.