

Honolulu, Hawaii

MAR 22 2012

RE: H.B. No. 2766  
H.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 2766, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a wage and hour for public works projects special fund to provide funding for the enforcement of chapter 387, Hawaii Revised Statutes, and to be funded by three one-hundredths of one percent of all state fund appropriations, except appropriations to the Department of Transportation's Airports Division, for capital improvement projects designated for the construction and renovation of state buildings;
- (2) Require the Department of Labor and Industrial Relations to submit an annual report to the Legislature prior to the convening of each regular session regarding the status and activities of the special fund;
- (3) Authorize three full-time equivalent permanent labor law enforcement specialist IV positions in the Wage Standards Division of the Department of Labor and Industrial Relations to enforce the wage and hour laws for employees on public works projects; and



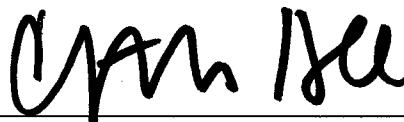
- (4) Makes an unspecified general fund appropriation to allow the Department to fill these newly created positions.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Building and Construction Trades Council, AFL-CIO; and Plumbers and Fitters Union, Local 675. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that except for the general fund, no other funding mechanism exists for the enforcement of the laws relating to the wages and hours of employees on public works projects. The Compliance Branch of the Wage Standards Division under the Department of Labor and Industrial Relations currently has five labor law enforcement specialists on staff to respond to and investigate all wage law complaints statewide. For fiscal year 2011, the Wage Standards Division received over five hundred wage-related complaints, but with limited staff, the Division was forced to eliminate random educational investigations and limit field work as much as possible. This measure provides a dedicated source of funding for the enforcement of the State's wage and hour laws on public construction contracts to help ensure that these laws are being enforced and economic opportunities are maximized.

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. 2766, H.D. 2, and recommends that it pass Second Reading 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-Sixth Legislature  
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB2766, HD2	JDL, WAM	3/12/12		
<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 checked="" type="checkbox"/> Pass, unamended 2312	<input 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 (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam			✓	
<b>TOTAL</b>	3	0	1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes