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"Building Better Communities"

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Testimony to the House Committee on Labor and Public Employment
Friday, February 3, 2012
9:00 a.m.
State Capitol, Room 309

RE: H.B. 2711, Relating to a Living Wage for Workers on Service Contracts

Good morning Chair Rhoads, Vice Chair Yamashita, and members of the committee:

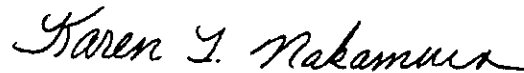
My name is Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, BIA-Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii is **opposed** to H.B. 2711, which proposes to require contractors with public contracts greater than \$5,000: (1) to pay their employees wages that provide an annual income equal to the poverty guidelines for Hawaii published by the federal DHHS, or a greater amount; and (2) to allow their employees to have access to and join labor organizations.

H.B. 2711 duplicates existing minimum wage and other labor laws. Contractors who are awarded state public works contracts must pay wages and benefits that comply with HRS 104, and Hawaii's version of the Davis Bacon law.

For the foregoing reasons, BIA-Hawaii is **opposed** to H.B. 2711.

Thank you for the opportunity to share with you our views.



EVP/CEO
BIA-Hawaii

LATE TESTIMONY

Testimony by Al Lardizabal, Government Relations
Hawaii Laborers' Union

To the House Committee on Labor and Public Employment
In
Support of

HB2711
Relating to Living Wage for Workers on Service Contracts

February 3, 2012
9:00 a.m., room 309

Chairman Rhoads and Members of the Committee:

The Hawaii Laborers Union supports HB2711.

Hawaii workers under service contracts to the State do not have the same wage protections as do employees of federal contractors under the 1965 McNamra-O'Hara Service contracts Act, 41 USC section 351 et. Seq...

According to 2012 living wage calculations document of various states by Dr. Amy K. Glasmeier and the Pennsylvania State University, <http://www.livingwage.geog.psu.edu/counties/15003>, entitled, Living Wage Calculation for Honolulu County, Hawaii, two adults with one child require at least \$59,779 to survive in Honolulu. This equates to a \$28.74 per hour job at full-time (2080 hours). If there is a family in Honolulu with two adults and two children, a job that pays \$35.88 per hour or \$75,630 annually is needed.

Thank you for the opportunity to submit this testimony.

Living Wage Calculation for Honolulu County, Hawaii

The living wage shown is the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year). The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically quoted as gross annual income.

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We have converted it to an hourly wage for the sake of comparison. Wages that are less than the living wage are shown in red.

For other family configurations that aren't shown here, we've provided a [spreadsheet](#) to help with adapting the results below.

Hourly Wages	One Adult	One Adult, One Child	Two Adults	Two Adults, One Child	Two Adults, Two Children
Living Wage	\$13.85	\$23.61	\$18.96	\$28.74	\$35.88
Poverty Wage	\$5.04	\$6.68	\$6.49	\$7.81	\$9.83
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	One Adult	One Adult, One Child	Two Adults	Two Adults, One Child	Two Adults, Two Children
Food	\$237	\$386	\$458	\$607	\$756
Child Care	\$0	\$623	\$0	\$623	\$1,102
Medical	\$94	\$185	\$187	\$279	\$370
Housing	\$1,348	\$1,630	\$1,348	\$1,630	\$1,630
Transportation	\$277	\$477	\$554	\$754	\$954
Other	\$200	\$392	\$399	\$592	\$785

Monthly Expenses	One Adult	One Adult, One Child	Two Adults	Two Adults, One Child	Two Adults, Two Children
Monthly After-Tax Income That's Required	\$2,155	\$3,694	\$2,946	\$4,485	\$5,598
Annual After-Tax Income That's Required	\$25,863	\$44,324	\$35,358	\$53,818	\$67,176
Annual Taxes	\$2,935	\$4,793	\$4,086	\$5,959	\$7,444
Annual Before Tax Income That's Required	\$28,798	\$49,116	\$39,444	\$59,778	\$74,620

Typical Hourly Wages

These are the typical hourly rates for various professions in this location. Wages that are below the living wage for one adult supporting one child are marked in red.

Occupational Area	Typical Hourly Wage
Management	\$40.60
Business and Financial Operations	\$26.39
Computer and Mathematical	\$29.50
Architecture and Engineering	\$31.71
Life, Physical and social Science	\$29.71
Community and Social Services	\$20.70
Legal	\$35.31
Education, Training and Library	\$22.01
Arts, Design, Entertainment, Sports and Media	\$20.18
Healthcare Practitioner and Technical	\$35.05
Healthcare Support	\$20.70
Protective Service	\$17.06
Food Preparation and Serving Related	\$10.66
Building and Grounds Cleaning and maintenance	\$12.22
Personal care and Services	\$13.15
Sales and Related	\$14.66

Occupational Area	Typical Hourly Wage
Office and Administrative Support	\$14.99
Farming, Fishing and Forestry	\$13.40
Construction and Extraction	\$25.52
Installation, Maintenance and Repair	\$20.80
Production	\$15.04
Transportation and Material Moving	\$15.73

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