

STAND. COM. REP. NO.

335A

Honolulu, Hawaii

APR 04 2014

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

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1958, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COMPENSATION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide flexibility in the calculation of overtime compensation for government public work construction contracts greater than \$2,000.

Specifically, the measure provides that overtime compensation for laborers and mechanics:

- (1) May exceed the current rate of one and one-half times the prevailing basic hourly rate of pay plus fringe benefits; and
- (2) Shall be at the rates specified in a collective bargaining agreement if the prevailing basic hourly rate is based on a rate set by the agreement.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, United Public Workers, Hawaii Operating Engineers Industry Stabilization Fund, and Hawaii Construction Alliance. The General Contractors Association of Hawaii submitted written comments.

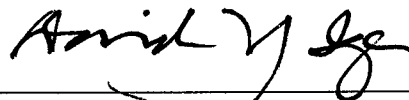


Your Committee finds that overtime compensation for public works is currently based on one and one-half times the laborer's or mechanic's prevailing basic hourly rate of pay plus the employer's cost of furnishing fringe benefits. This measure provides flexibility in the payment of overtime by establishing time and a half as a floor rather than a set rate. In addition, this measure promotes parity between union contractors and non-union contractors by setting overtime compensation at the rate specified in a collective bargaining agreement if the prevailing basic hourly rate used to determine overtime compensation is based on a rate in the agreement.

Your Committee has amended this measure by making technical nonsubstantive amendments to conform a statutory cross-reference in section 444-16.5, Hawaii Revised Statutes, to a provision amended by this measure.

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

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1958 HD2 8D1	JOL, WAM	3-31-14		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓		1/1/14 mlk	
SLOM, Sam			✓	
	11	0	1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes