

STAND. COM. REP. NO. 2248

Honolulu, Hawaii

FEB 12 2014

RE: S.B. No. 2704
S.D. 1

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

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2704 entitled:

"A BILL FOR AN ACT RELATING TO COMPENSATION,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the
prevailing wage law to allow for payment of overtime compensation
on public works contracts to exceed time and a half.

Your Committee received testimony in support of this measure
from the Department of Labor and Industrial Relations, Plumbers
and Fitters UA Local Union 675, and Hawaii Operating Engineers
Industry Stabilization Fund.

Your Committee finds that overtime compensation for public
works is based on one and one-half times the laborer's or
mechanic's basic hourly rate of pay plus the cost to an employer
of furnishing a laborer or mechanic with fringe benefits. This
measure provides flexibility to the payment of overtime to allow
overtime compensation to exceed time and a half.

According to the Department of Labor and Industrial
Relations, this measure only affects contractors with collective
bargaining agreements to pay their employees at more than time and
a half for all hours worked over an eight-hour day, weekends, and
holidays, if specified in the agreement. A non-union contractor
would be under no obligation to pay more than the time and a half.
In response to the disparity that would be caused by this measure

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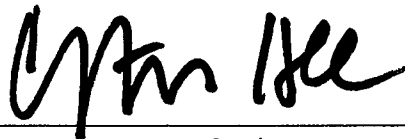
between the rates for union and non-union contractors, the Department proposed amendments to your Committee.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of Labor and Industrial Relations that establishes the rate for overtime compensation as the rate specified in a collective bargaining agreement if the basic hourly rate is based on such agreement, to create parity between a union contractor and non-union contractor; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 2704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2704, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,

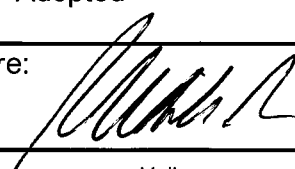


CLAYTON HEE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 2704	Committee Referral: JDL, WAM	Date: 2/7/14		
<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
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
GALUTERIA, Brickwood	✓			
IHARA, Jr., Les	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	6			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