

STAND. COM. REP. NO. 2778

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2704
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 S.B. No. 2704, 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 that the overtime compensation for a laborer or mechanic on a public works project shall be not less than one and one-half times the laborer's or mechanic's basic hourly pay, plus the cost of fringe benefits.

The measure also requires that the overtime compensation for a laborer or mechanic on a public works project be the rate specified in a collective bargaining agreement when the basic hourly rate is based upon a collective bargaining agreement rate.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and the Hawaii Operating Engineers Industry Stabilization Fund.

Your Committee finds that, under current law, the overtime compensation for a laborer or mechanic on a public works project is one and one-half times the laborer's or mechanic's basic hourly rate of pay, plus the cost of fringe benefits. Your Committee believes that authorizing overtime compensation to exceed one and one-half times the basic hourly rate will provide the Department of Labor and Industrial Relations more flexibility in establishing overtime compensation schedules with which public works

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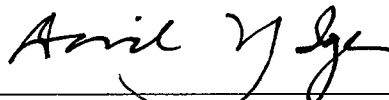
contractors must comply. Your Committee also believes that this measure will level the playing field by requiring non-unionized contractors to provide the same overtime compensation as unionized contractors when the basic hourly rate is based upon a collective bargaining agreement.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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 S.B. No. 2704, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2704, S.D. 2.

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



DAVID Y. IGE, Chair



