

Honolulu, Hawaii

FEB 14 2014

RE: S.B. No. 3039

S.D. 1

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

Madam:

Your Committees on Judiciary and Labor and Transportation and International Affairs, to which was referred S.B. No. 3039 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the wage and hour for public works projects special fund to assist the Department of Labor and Industrial Relations in enforcing Hawaii's wage and hour law on public construction projects;
- (2) Require state departments that receive appropriations of capital improvement project funds to transfer a percentage of those appropriations into the wage and hour for public works projects special fund;
- (3) Require the Department of Labor and Industrial Relations to provide an annual status report of the wage and hour for public works projects special fund to the Legislature; and
- (4) Create additional labor enforcement specialist IV positions within the Department of Labor and Industrial Relations to enforce Hawaii's wage and hour law and appropriate a specified amount for these positions.



Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Department of Accounting and General Services, Hawaii Operating Engineers Industry Stabilization Fund, Hawaii Regional Council of Carpenters, Hawaii Laborers-Employers Cooperation and Education Trust, The Pacific Resource Partnership, and Building Industry Association - Hawaii. The General Contractors Association of Hawaii and Tax Foundation of Hawaii submitted comments.

Your Committees find that public works construction projects face issues involving adherence to wage and hour laws. With the large amount of capital the State spends on various projects annually, your Committees believe that it is imperative for wage and hour laws to be strictly enforced. This measure establishes the wage and hour for public works projects special fund to assist the Department of Labor and Industrial Relations in enforcing Hawaii's wage and hour law on public construction projects.

However, your Committees have concerns regarding the cost and necessity of establishing a special fund and believe that it is more appropriate for the Department of Labor and Industrial Relations to attain additional investigators to enforce wage and hour laws. The Department testified that its Wage Standards Division currently has four investigators who are qualified to conduct public works investigations. Your Committees find that the specified amount appropriated for two additional labor enforcement specialist IV positions appears to be insufficient to cover salary and benefits.

Accordingly, your Committees have amended this measure by:

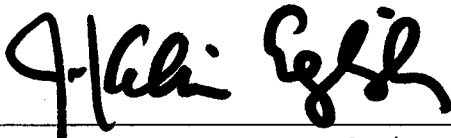
- (1) Deleting section 2, which would have established the wage and hour for public works projects special fund and making conforming amendments to reflect this deletion;
- (2) Changing the appropriation amount from \$85,241 to \$200,000 to establish two full-time equivalent labor law enforcement specialist IV positions; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Transportation and International Affairs that are attached to this report, your

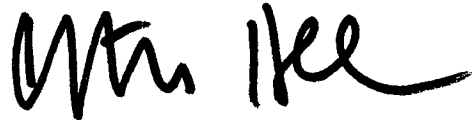


Committees are in accord with the intent and purpose of S.B. No. 3039, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3039, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Judiciary and Labor and Transportation and International Affairs,



J. KALANI ENGLISH, Chair

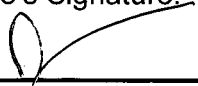


CLAYTON HEE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3039	JDL/TIA, WAM	2/11/14		
<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	4		1	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and International Affairs
TIA

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3039	JDL/TIA, WAM	02-11-14		
<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
ENGLISH, J. Kalani (C)	X			
DELA CRUZ, Donovan M. (VC)	X			
ESPERO, Will				X
GABBARD, Mike	X			
KAHELE, Gilbert	X			
KEITH-AGARAN, Gilbert S.C.	X			
KOUCHI, Ronald D.	X			
SOLOMON, Malama	X			X <i>OKSA</i>
SLOM, Sam				X
TOTAL	7			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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