

SB2260

SD1



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 11, 2014

To: The Honorable Clayton Hee, Chair,
The Honorable Maile S. L. Shimabukuro, Vice Chair, and
Members of the Senate Committee on Judiciary and Labor

Date: February 12, 2014
Time: 10:00 a.m.
Place: Conference Room 016, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. No. 2260 S.D. 1 Relating to WAGES AND HOURS ON PUBLIC WORKS

I. OVERVIEW OF PROPOSED LEGISLATION

Amends the prevailing wage law, Chapter 104, Hawaii Revised Statutes ("HRS") to assist DLIR in enforcement by increasing the length of suspension from 3 years to 5 years, clarifying the effective date of suspension and that suspension for falsification is immediate.

The SD1 included additional notification requirements to the governmental contracting agency, and the general contractor in the case of a subcontractor. In addition, the amendments are effective only until June 30, 2018, and provided an effective date of July 1, 2050.

The department **strongly supports** this measure.

II. CURRENT LAW

The current prevailing wage suspension period for a third violation and falsification of records is 3 years. Due to the length of time for an investigation and availability of due process procedures for the contractor, the Department finds that a contractor could delay the proceedings such that the 3 year period is of little consequence.

III. COMMENTS ON THE SENATE BILL

The amendments in this measure will assist the DLIR in ensuring that the contractor who deliberately violates the law will serve a suspension period that is more of a deterrent as envisioned by the legislature. In the situation of falsification of records, or for delay or interference with an investigation, the language of the amendment clarifies that the suspension will be immediate, from all work.

Clarifying the effective date of suspension

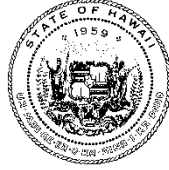
Contractors have the opportunity to appeal a finding of violation and an appeal may delay the effective date of a suspension. The Department, with the concurrence of DAGS and the AG, believe the modification made in SD1 appearing on page 1 line 17 and 18 continuing on to page 2 lines 1 and 2 will conform the requirements of notice and allow for the due process right of appeal.

Notices

The Department finds that efficient and effective administration of the prevailing wage law needs coordination and communication between all parties involved, especially between the Department and the contracting agency. Therefore, the Department, with the concurrence of DAGS and the AG, agrees with the inclusion of notification of the governmental contracting agency and the general contractor where a subcontractor is the subject of the violation.

All these provisions will assist the DLIR in enforcing the prevailing wage law and encourage contractors to comply with the law. When contractors comply there is a level playing field for the bidding of state and county projects and the contractors who operate with efficiency win the job, not because they pay their employees lower wages. Lastly, these proposed amendments would maintain fair bidding and protection of workers' rights and benefits by strengthening the investigation processes.

NEIL ABERCROMBIE
GOVERNOR



Dean H. Seki
Comptroller

Maria E. Zielinski
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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WRITTEN TESTIMONY
OF
DEAN H. SEKI, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
JUDICIARY AND LABOR
ON
February 12, 2014

S.B. 2260, S.D. 1

RELATING TO WAGES AND HOURS ON PUBLIC WORKS

Chair Hee and members of the Committee, thank you for the opportunity to submit written testimony on S.B. 2260, S.D. 1.

The Department of Accounting and General Services supports the intent of S.B. 2260, S.D. 1 and defers to recommendations provided in the Department of Labor and Industrial Relations testimony.

Thank you for the opportunity to submit written testimony on this matter.

Testimony of Glenn Ida
Representing
The Plumbers and Fitters UA, Local 675
1109 Bethel St. Lower Level
Honolulu, Hi. 96813

Committee on Judiciary and Labor
Sen. Clayton Hee, Chair
Sen. Maile Shimabukuro, Vice-Chair
Tuesday, Feb. 11, 2014
10:30 AM, Room 016

Re: Support of SB2260, relating to Wages and Hours on Public Works

Aloha Chair Hee, and Vice-Chair Shimabukuro and Members of the Committee,

My name is Glenn Ida representing the 2000 active members and retirees of the Plumbers and Fitters UA, Local 675. Local 675 is an affiliate of the Hawaii Building and Construction Trades Council.

Local 675 supports SB2260, SD1 which increases the suspension period from three to five years for a third violation of a person or firm who violates state law on wages and hours of employees on public works. Clarifies the effective date of suspension. Specifies that suspension for falsification of records or delay or interference with an investigation is immediate. Specifies whom the Director of Labor and industrial relations must notify of any suspension order.

We believe that the consequences for a third violation of state law should be increased as deterrent to those who would repeatedly cheat their workers. The citizens need to be assured that the State Funds provided for Public Works Projects are being safeguarded from persons and firms who would violate State law.

Therefore Local 675 supports SB2260, SD1.

Thank you for this opportunity to testify.

Mahalo,

Glenn Ida
808-295-1280

From: mailinglist@capitol.hawaii.gov
To: [JDL Testimony](#)
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB2260 on Feb 12, 2014 10:00AM*
Date: Saturday, February 08, 2014 12:26:26 PM

SB2260

Submitted on: 2/8/2014

Testimony for JDL on Feb 12, 2014 10:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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