



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

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February 25, 2014

To: The Honorable David Y. Ige, Chair,
The Honorable Michelle N. Kidani, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: February 25, 2014
Time: 9:15 a.m.
Place: Conference Room 211, State Capitol

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

Re: S.B. No. 2704 SD1 Relating to Compensation

I. OVERVIEW OF PROPOSED LEGISLATION

Amends the Hawaii prevailing wage law to allow for payment of overtime on public works projects to exceed time and half. It is effective upon approval.

The Department strongly supports the proposal.

II. CURRENT LAW

The current overtime provision under the Wages and Hours of Employees on Public Works, Chapter 104, Hawaii Revised Statutes (HRS), only requires payment of overtime at one and one-half of the prevailing wage on specific conditions and days.

III. COMMENTS ON THE HOUSE BILL

The Wages and Hours of Employees on Public Works Law, Chapter 104 (HRS) requires the Director of Labor and Industrial Relations to issue wage rate schedules twice a year, which list the prevailing wages in each category of worker classifications on a public construction project. The prevailing wage is based on the most often occurring rate in a particular category of construction workers as stated in Section 104-2(b).

The Department understands that this measure was intended to give flexibility to the payment of overtime, to allow payment at a higher ratio than time and a half because the contractors who set the prevailing wage rate may also have a

collective bargaining agreement that requires payment of overtime more than the current law requires at one and one-half times the prevailing rate. The amendment will level the playing field and require the non-union contractors pay the same rate for overtime as the contractors that currently set the rate for the prevailing wages.

The department feels that the amendment should have a minimal effect to the cost of public construction projects covered by the prevailing wage law for most projects which are normally bid on the regular work day.

**HAWAII OPERATING ENGINEERS
INDUSTRY STABILIZATION FUND**



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February 24, 2014

TO: The Honorable David Y. Ige, Chair
The Honorable Michele N. Kidani, Vice Chair and
Members of the Senate Committee on Ways and Means

Date: February 25, 2014
Time: 9:15 a.m.
Place: Conference Room 211, State Capitol

FROM: Kimberly Ribellia, Government Liaison
Hawaii Operating Engineers Industry Stabilization Fund

RE: Support of Senate Bill 2704, SD1 – Relating to Compensation

Good Morning, my name is Kimberly Ribellia, Government Liaison, of the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF), a labor management fund representing 4000 unionized members in heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction.

On behalf of Stabilization fund, I would like to state our **strong support** of Senate Bill 2704, SD1 which amends the definition of “Overtime Compensation” to *mean compensation based on not less than one and one-half times the laborers or mechanics basic hourly rate of pay plus the cost to an employer of furnishing a laborer or mechanic with fringe benefits and specifies that the overtime rate be as specified in the collective bargaining agreement when the basic hourly rate is based on a collective bargaining agreement.*”

The proposed definition for “Overtime Compensation” establishes a floor for overtime pay for wages. This bill will give the Department of Labor and Industrial Relations the flexibility to recognize prevailing wages for various classifications and trades, including prevailing wages for Holidays and Sundays.

Again, the stabilization fund strongly supports the passage of Senate Bill 2704, SD1. Thank you for consideration of this matter.