
A BILL FOR AN ACT

RELATING TO GOVERNMENT CONTRACTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that pay disparity
2 persists between men and women who do similar work. In 2013,
3 women engaged in full-time, year-round work earned just 78.3 per
4 cent of the wages collected by their male counterparts.

5 Although the pay gap has narrowed, the Institute for Women's
6 Policy Research reports that if the pace of change continues at
7 the same rate as it has since 1960, women and men will not reach
8 parity until 2058.

9 The legislature further finds that action should be taken
10 to encourage greater gender equality in the workplace. Since
11 first enacting laws against employment discrimination based on
12 gender decades ago, it has been the intent of the legislature to
13 promote gender equality in the workplace. Other states, like
14 New Mexico and Minnesota, have taken the initiative to use their
15 contracting power to enforce pay equity between men and women
16 who work under certain government contracts. President Obama
17 has also initiated such action within the federal government
18 through executive order. Federal contractors are required to



1 supply information about wages and are held accountable for
2 violations of pay equity based on gender. The legislature finds
3 that Hawaii should follow suit in order to effect its intentions
4 to promote gender equality in the work place and close the pay
5 gap between men and women.

6 The legislature also finds that pay secrecy undermines
7 efforts to close the pay gap. A 2010 Institute for Women's
8 Policy Research/Rockefeller Survey of Economic Security reported
9 that 23.1 per cent of private sector workers reported that
10 discussion of wages and salaries was formally prohibited, and an
11 additional 38.1 per cent reported that such discussion was
12 discouraged by managers. Pay secrecy inhibits workers from
13 pursuing claims of pay discrimination. The federal government
14 and many states have taken action to end wage secrecy by
15 prohibiting retaliation against employees who discuss wages.
16 Hawaii can also take this step by banning retaliation against
17 employees who perform work under government contracts and
18 discuss or inquire about wages. Wage information for state
19 employees is available to the public, and similar transparency
20 should exist for those who perform work under state contracts.



1 The purpose of this Act is to encourage improvements in pay
2 equity between men and women by:

- 3 (1) Prohibiting state contractors from retaliating against
4 employees for disclosing wage information;
- 5 (2) Requiring contractors who win certain state contracts
6 to pay men and women equally for similar work; and
- 7 (3) Requiring contractors who win certain state contracts
8 to report wages paid to employees by gender.

9 SECTION 2. Chapter 103, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§103- Wage equity; reporting; enforcement. (a) All
13 contractors and subcontractors performing services under a
14 contract subject to section 103-55 shall pay employees who
15 perform work under such contracts equal wages or salaries for
16 performance of work which requires equal skill, effort, and
17 responsibility, and which are performed under similar working
18 conditions.

19 (b) Any governmental contracting agency awarding a
20 contract subject to section 103-55 shall include in the
21 contract:



1 (1) A provision requiring the contractor to submit to the
2 governmental contracting agency prior to completion of
3 the contract, a report, on a schedule determined by
4 the governmental contracting agency, showing a summary
5 of the wages paid to its employees who performed
6 direct, measureable work under the contract, by
7 gender; and

8 (2) A provision specifying that liquidated damages may be
9 imposed in the event that a contractor violates the
10 wage requirements of this section.

11 (c) If the governmental contracting agency finds, after
12 proper notice and opportunity for hearing, that a violation of
13 this section has occurred, the contractor shall be suspended
14 from doing any work on a contract with a governmental
15 contracting agency for a period of three years from the notice
16 of violation; provided that the contractor shall complete
17 performance on any active contract.

18 (d) A contractor shall not discharge or in any other
19 manner discriminate or retaliate against an employee who
20 performs direct, measurable work under the contract governed by
21 this section because the employee:



1 (1) Has inquired about, discussed, or disclosed the wages
2 of the employee or another employee;

3 (2) Asserts any right under this section; or

4 (3) Files any complaint for violation of this section.

5 (e) The prohibition against retaliation under subsection

6 (d) does not apply to an employee who has access to wage

7 information of other employees or applicants as part of the

8 employee's essential job functions and discloses the wages of

9 other employees or applicants to individuals who do not

10 otherwise have access to the information, unless the disclosure

11 is:

12 (1) In response to a formal complaint or charge;

13 (2) In furtherance of an investigation, proceeding,

14 hearing, or action, including an investigation

15 conducted by the contractor; or

16 (3) Is consistent with the contractor's legal duty to

17 furnish information.

18 (f) The comptroller shall adopt rules pursuant to chapter

19 91 as necessary for the enforcement, administration, and

20 effectuation of this section. These rules shall have the force

21 and effect of law."



1 SECTION 3. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 4. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

Government Contracts; Contractors; Wage Reporting; Pay Equity;
Gender Discrimination

Description:

Requires equal pay for similar work for any employee performing services under certain government contracts. Establishes a requirement for government contractors to report wages paid to employees, by gender. Provides penalties for contractors found to be in violation of these practices, including liquidated damages and suspension from government contract work. Also prohibits contractors on certain government contracts from retaliating against employees who disclose wage information. Effective 07/01/2050. (SD2)

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