

Honolulu, Hawaii

FEB 13 2015

RE: S.B. No. 728

S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Government Operations and Judiciary and Labor, to which was referred S.B. No. 728 entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT CONTRACTS,"

beg leave to report as follows:

The purpose and intent of this measure is to encourage improvements in pay equity between men and women by:

- (1) Prohibiting public contractors from retaliating against employees for inquiring about, discussing, or disclosing wage information; and
- (2) Requiring public contractors and subcontractors who are awarded certain contracts to pay men and women equally for similar work and to report wages paid to employees by gender.

Your Committees received testimony in support of this measure from the Hawaii Civil Rights Commission. Your Committees received testimony in opposition to this measure from the Department of Accounting and General Services. Your Committees received comments on this measure from the Chamber of Commerce Hawaii and General Contractors Association of Hawaii.

Your Committees find that this measure creates a mode of enforcing law against discriminatory wage practices under certain public contracts. This measure is similar to the federal model implemented to combat wage discrimination under federal government



contracts. The reporting requirements coupled with sanctions available under this measure will work to ensure pay equality under public contracts subject to this measure.

Your Committees have amended this measure by:

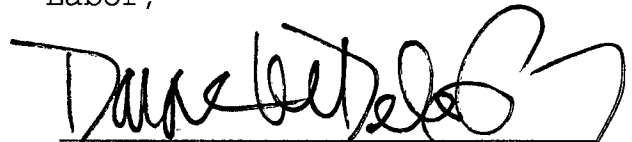
- (1) Removing language that provides an exception from mandated equal pay for similar work where such payment is made pursuant to a differential based on any factor other than gender; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Government Operations and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 728, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 728, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Government
Operations and Judiciary and
Labor,



GILBERT S.C. KEITH AGABAN, Chair



DONOVAN M. DELA CRUZ, Chair



