

1065 Ahua Street  
Honolulu, HI 96819  
Phone: 808-833-1681 FAX: 839-4167  
Email: [info@gcahawaii.org](mailto:info@gcahawaii.org)  
Website: [www.gcahawaii.org](http://www.gcahawaii.org)



**GCA of Hawaii**  
GENERAL CONTRACTORS ASSOCIATION OF HAWAII  
Quality People. Quality Projects.

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March 30, 2016

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ,  
VICE CHAIR, SENATE COMMITTEE ON WAYS AND MEANS

SUBJECT: **COMMENTS REGARDING H.B. 2472, HD1, SD1 RELATING TO THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS.** Appropriates funds for five additional labor law enforcement specialist positions in the department of labor and industrial relations to protect Hawaii employees' wages and enforce Hawaii's labor laws, including wage and hour laws on public works construction projects. (SD1)

HEARING

DATE: Wednesday, March 30, 2016  
TIME: 9:15 a.m.  
PLACE: Conference Room 211

Dear Chair Tokuda and Vice Chair Dela Cruz and Members,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over five hundred seventy general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

H.B. 2472, HD1, SD1 proposes to fund five positions in the wage standards division to enforce Hawaii's wage and hour law under Chapter 104, Hawaii Revised Statute, along with other areas of wage and hour. Furthermore, this measure is a much better solution than H.B. 2473, Relating to Enforcement of Wage laws, which unfairly increases penalties for second notices of violation to \$10,000 per offense. It appears that the funding of five labor law enforcement specialists would be to restore the pre-2009 positions that were subject to cuts under the Reduction in Force procedures. These positions would allow DLIR the proper resources to speed up investigations to enforce prevailing wage provisions already provided in the law. While the statistics per the Department of Labor of second notice of violations seem minimal, the backlog of investigations per this measure's preamble appear high, however it is unclear how much of the back log is related to prevailing wage violations.

GCA prefers this measure in place of other bills that propose to egregiously increase fines for non-compliance of Chapter 104, which could include inadvertent mistakes in the weekly filing of certified payroll for public works construction projects.

Thank you for the opportunity to share our testimony regarding H.B. 2472, HD1, SD1.