



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**LATE**

**Date:** 02/06/2015

**Time:** 09:45 AM

**Location:** 229

**Committee:** Senate Economic Development  
and Technology

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Bill:** SB 1279 RELATING TO EMPLOYMENT AGREEMENTS.

**Purpose of Bill:** Prohibits noncompete agreements and restrictive covenants that forbid post-employment competition of employees of a technology business.

**Department's Position:**

The Department of Education supports this measure. As one of the largest technology employers in the state, finding talented, experienced individuals to fill our openings is a challenge for a number of reasons. One being that there appears to be a lack of available candidates either qualified or available to work in this state.

On occasion, we have had extremely qualified consultants/applicants express the interest in positions at the Department. However, because their noncompete agreements prevent them from seeking subsequent employment at organizations their current employer does business with, they must effectively eliminate themselves from consideration. Some of these individuals work for large mainland technology companies and have very specialized skills, or might possibly be here on assignment, but have a strong desire to either remain as Hawaii residents or become Hawaii residents.

Most noncompete agreements effectively prevent an individual from working in any technology capacity at an organization which their employer competes or does business with. For employees of companies like Apple, Microsoft, or IBM, which do business with nearly everyone, a noncompete agreement tends to effectively eliminate nearly all viable options for employment within the state. This encourages technology workers to move out of state to secure employment in their chosen field, thus reducing the available candidate pool to fill our most experienced positions.

We believe that limiting the use of noncompete agreements would help to increase the pool of technology employees in the state of Hawaii, and encourage innovation and growth in the technology industry as a whole.



**Chamber of Commerce HAWAII**

*The Voice of Business*

**LATE**

**Testimony to the Senate Committee on Economic Development and  
Technology and Committee on Commerce and Consumer Protection  
Friday, February 6, 2015 at 9:45 A.M.  
Conference Room 229, State Capitol**

**RE: SENATE BILL 1279 RELATING TO EMPLOYMENT AGREEMENTS**

Chairs Wakai and Baker, Vice Chairs Slom and Taniguchi, and Members of the Committees:

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** SB 1279, which prohibits noncompete agreements and restrictive covenants that forbid post-employment competition of employees of a technology business.

The Chamber is the largest business organization in Hawaii, representing over 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber believes that SB 1279 is unnecessary and would undermine the development and growth of the technology sector in Hawaii. This bill removes the competitiveness in the technology sector, which relies heavily on information technology. Noncompete agreements are essential for technology companies to build and develop a business to compete globally.

Thank you for the opportunity to testify.