

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 1627
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor, to which was referred H.B. No. 1627,
H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE MINIMUM WAGE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal provisions that allow individuals whose earning capacity is impaired by old age or physical or mental deficiency or injury to receive wages lower than the applicable minimum wage; and
- (2) Allow persons with intellectual disabilities to receive wages lower than the applicable minimum wage.

Your Committee received testimony in support of this measure from the LGBT Caucus of the Democratic Party of Hawai'i; Domestic Violence Action Center; Hawaii State AFL-CIO; Filipina Advocacy Network; International Brotherhood of Electrical Workers Local Union 1620, AFL-CIO; National Federation of the Blind Hawaii; IMUAlliance; Hawaii State Teachers Association; I.A.T.S.E. Local 665; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; Labor Caucus of the Democratic Party of Hawai'i; Hawai'i Alliance for Progressive Action; Progressive Democrats of Hawai'i; National Down Syndrome Society; and three



individuals. Your Committee received testimony in opposition to this measure from the State Council on Developmental Disabilities, Brantley Center Inc., and three individuals. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Hawaii Disability Rights Center, Autism Society of Hawaii, Lanakila Pacific, and three individuals.

Your Committee finds that the existing Hawaii special minimum wage law allows employers to pay workers who are impaired by old age or disabilities subminimum wages in certain circumstances. Legislation that allows subminimum wages for certain individuals with disabilities was enacted under federal law in 1938, at a time when there were limited opportunities, few services, and even fewer technologies to enable workers with disabilities to engage in the workplace. Your Committee finds that with the high-cost of living in Hawaii and the availability and advancement of assistive technologies that can aid all workers, it is necessary that the State's policies are supportive and inclusive to allow all workers with disabilities to reach their full vocational and socioeconomic potential.

Your Committee hopes to assist the State in increasing employment opportunities for all workers in the State. Your Committee believes that providing the Department of Labor and Industrial Relations with additional resources and reporting requirements will allow for data collection to provide the Legislature with the necessary information to create improved employment policies going forward.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have allowed persons with intellectual disabilities to receive wages lower than the applicable minimum wage;
- (2) Clarifying that the Director of Labor and Industrial Relations no longer has the authority to issue special certificates to pay individuals impaired by old age or physical or mental deficiency wages that are lower than the applicable minimum wage;
- (3) Requiring the Department of Labor and Industrial Relations to submit annual reports to the Legislature



relating to sustainable employment of individuals currently working at a subminimum wage and efforts to provide increased employment opportunities for individuals with disabilities;

- (4) Inserting a blank appropriation for one full-time equivalent (1.0 FTE) inspection and enforcement position within the Wage Standards Division of the Department of Labor and Industrial Relations; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor,



JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* <i>HBIG27, HDI</i>	Committee Referral: <i>LBR, WAM</i>	Date: <i>3/20/18</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
CHANG, Stanley	✓			
IHARA, Jr., Les	✓			
TANIGUCHI, Brian T.		✓		
TOTAL	<i>4</i>	<i>1</i>		
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes