

HB1627 HD1

Measure Title: RELATING TO THE MINIMUM WAGE.
Report Title: Employment; Impaired Individuals; Minimum Wage
Description: Clarifies exemption authorizing compensation of persons with intellectual disabilities at less than minimum wage. (HB1627 HD1)
Companion: [SB2362](#)
Package: None
Current Referral: LBR, WAM
Introducer(s): TAKUMI

<u>Sort by</u> <u>Date</u>		Status Text
1/10/2018	H	Prefiled.
1/17/2018	H	Introduced and Pass First Reading
1/17/2018	H	Referred to LAB, FIN, referral sheet 3
2/1/2018	H	Bill scheduled to be heard by LAB on Tuesday, 02-06-18 8:30AM in House conference room 309.
2/6/2018	H	The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 7 Ayes: Representative(s) Johanson, Holt, Evans, Ichiyama, Keohokalole, Yamashita, Matsumoto; Ayes with reservations: none; Noes: none; and Excused: none.
2/15/2018	H	Reported from LAB (Stand. Com. Rep. No. 451-18) as amended in HD 1, recommending passage on Second Reading and referral to FIN.
2/15/2018	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) DeCoite, Ing, McDermott, Nakamura, Souki, Todd excused (6).
2/20/2018	H	Bill scheduled to be heard by FIN on Thursday, 02-22-18 1:30PM in House conference room 308.
2/22/2018	H	The committees on FIN recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 13 Ayes: Representative(s) Luke, Cullen, Cachola, DeCoite, Fukumoto, Gates, Holt, Kobayashi, Lowen, Nakamura, Todd, Yamashita, Ward; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Keohokalole, Tupola.
3/2/2018	H	Reported from FIN (Stand. Com. Rep. No. 929-18), recommending passage on Third Reading.
3/2/2018	H	Passed Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Cachola, Ing, San Buenaventura, Say, Yamane excused (5). Transmitted to Senate.
3/6/2018	S	Received from House (Hse. Com. No. 135).
3/6/2018	S	Passed First Reading.
3/6/2018	S	Referred to LBR/CPH, WAM.
3/9/2018	S	Re-Referred to LBR, WAM.
3/16/2018	S	The committee(s) on LBR has scheduled a public hearing on 03-20-18 2:45PM in conference room 229.

S = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321

HONOLULU, HAWAII 96813

www.labor.hawaii.gov

Phone: (808) 586-8844 / Fax: (808) 586-9099

Email: dlir.director@hawaii.gov

March 20, 2018

To: The Honorable Jill N. Tokuda, Chair,
The Honorable J. Kalani English, Vice Chair, and
Members of the Senate Committee on Labor

Date: Tuesday, March 20, 2018
Time: 2:45 p.m.
Place: Conference Room 229, State Capitol

From: Leonard Hoshijo, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 1627 H.D.1 RELATING TO THE MINIMUM WAGE

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal amends section 387-9, Hawaii Revised Statutes (HRS), by repealing the provision for individuals whose earning capacity is impaired by old age or physical or mental deficiency or injury to be employed at less than minimum wage. HD1 amended the measure by allowing employers of persons with intellectual disabilities to apply for certificates of sub-minimum wage.

DLIR provides comments on the measure.

II. CURRENT LAW

Section 387-9, HRS, allows both persons impaired by old age or physical or mental deficiency or injury and clients with intellectual disabilities, the latter at sheltered workshops, to be employed under special certificates issued by the Director at wages lower than the minimum wage for a period stated in the special certificates.

III. COMMENTS ON THE HOUSE BILL

Currently, there are eight sheltered workshops statewide with an active special certificate permitting the payment of wages lower than the statutory minimum wage to clients with intellectual disabilities. These sheltered workshops collectively employ approximately 75 individuals

Prior to issuing a special certificate to the sheltered workshop, DLIR reviews the employer's time records, payroll records, and time study information to determine whether the employer is complying with wage laws and certifying the proposed wages are commensurate with that person's productivity. Generally, a special certificate is valid for one year and a renewal application is filed annually. The process is authorized by administrative rules first passed in 1959.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 20, 2018

The Honorable Senator Jull Tokuda, Chair
Senate Committee on Labor
Twenty-Ninth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Tokuda, and Members of the Committee:

SUBJECT: HB 1627 HD1 - Relating to the Minimum Wage

The State Council on Developmental Disabilities **opposes HB 1627 HD1**. This bill clarifies exemption authorizing compensation of persons with intellectual disabilities at less than minimum wage.

People with intellectual and developmental disabilities (IDD) constitute the segment of our society that is least employed. People with IDD often face a daunting task in securing employment. They can be employed in the community and should earn competitive wages. They should be supported to make informed choices about their work and careers and have access to the resources to seek, obtain, and be successful in competitive integrated employment.

The State Council on Developmental Disabilities is committed to increasing competitive employment for individuals with IDD by;

- Fading out sub-minimum wage jobs.
- Collaborate to provide training and technical assistance to service providers for the purpose of expanding and improving their capacity to provide supported employment, customized employment, and other supports and services that will enhance opportunities for integrated employment consistent with best, promising, and emerging practices.
- Support the DOH Developmental Disabilities Division to fully implement the Medicaid Home and Community-Based Services (HCBS) waiver program and State Medicaid plan Section 1915(i) option to promote competitive integrated employment.

Although the State Council on Developmental Disabilities strongly opposes individuals with IDD being paid sub-minimum wage, we do understand that there are nearly 75 individuals in these jobs today. We respectfully request a two-year sunset date be placed on HB1627 HD1 to give us time to work with other agencies to place all 75 individuals in to competitive employment.

Thank you for the opportunity to submit testimony **opposing HB1627 HD1**.

Sincerely,

Daintry Bartoldus
Executive Administrator

HB-1627-HD-1

Submitted on: 3/16/2018 3:24:46 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	Testifying for LGBT Caucus of the Democratic Party of Hawaii	Support	Yes

Comments:

We support this bill fully!

HB-1627-HD-1

Submitted on: 3/16/2018 5:29:09 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
	Testifying for Domestic Violence Action Center	Support	No

Comments:



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Ninth Legislature, State of Hawaii
Hawaii State Senate
Committee on Labor

Testimony by
Hawaii State AFL-CIO
March 20, 2018

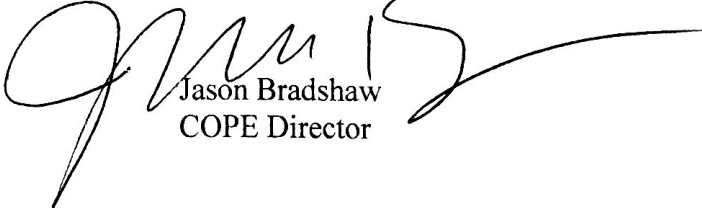
H.B. 1627, H.D.1 – RELATING TO THE
MINIMUM WAGE

The Hawaii State AFL-CIO supports H.B. 1627, H.D.1 which clarifies exemption authorizing compensation of persons with intellectual disabilities at less than minimum wage.

The Hawaii State AFL-CIO recognizes some workers could potentially be paid below the minimum wage under certain circumstances. Often times, this can be very emotional and challenging for the employee and employer and as a result, we hope that a solution can be developed that helps level the playing field for all workers while taking into account everyone's perspective.

Thank you for the opportunity to testify.

Respectfully submitted,



Jason Bradshaw
COPE Director

HB-1627-HD-1

Submitted on: 3/17/2018 2:16:57 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
amy agbayani	Testifying for Filipina Advocacy Network FAN	Support	No

Comments:

Filipina Advocacy Network (FAN) strongly supports clarification of exemptions for persons with intellectual disabilities at less than minimum wage.

Please support this bill.

Amy Agbayani

IBEW1260

‘A‘OHE HANA NUI KE ALU ‘IA

March 20, 2018

The Twenty-Ninth Legislature
Hawaii State Senate
Committee on Labor

HB1627 - RELATING TO MINIMUM WAGE

Chair Tokuda, Vice Chair English, and Members of the Committee,

The International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO (IBEW1260), represents more than 3500 members, has advocated for all workers in the State of Hawaii for over seventy-five years and respectfully offers the following testimony in **STRONG SUPPORT** of House Bill 1627 (HB1627).

As IBEW1260 believes all workers should be paid a fair wage for a day's work, we find it incomprehensible that any worker could be paid a sub-minimum wage for any labor provided. For this reason, IBEW1260 respectfully ask the Committee to **SUPPORT HB1627** sending the message that all Hawaii's workers are valued and respected.

Mahalo for the opportunity to testify on this issue.

Respectfully,



Michael M. Brittain
Asst. Business Manager
IBEW1260 / AFL-CIO



**Chair Tokuda
Vice Chair English
Senate Committee on Labor**

**Tuesday, March 20, 2018
2:45 PM**

TESTIMONY IN SUPPORT WITH AMENDMENTS OF HB1627 HD1 RELATING TO MINIMUM WAGE

Aloha Chair Tokuda, Vice Chair English, Members of the Senate Committee on Labor,

My name is Jun Shin. I am a freshman at the University of Hawaii at Manoa, and I serve as a board member at-large for Young Progressives Demanding Action - Hawaii. I am **testifying in support HB1627 HD1 relating to minimum wage, but respectfully ask for amendments.**

Please amend HB1627 HD1 to make it stronger and even more effective in the fight for equality. Right now, the bill currently has not set protections for the workers who have intellectual disabilities. As a young person who has joined in this struggle, I respectfully cannot let my brothers and sisters who are intellectually disabled and who face similar situations to be excluded from this measure. This goes against the economic equality that all these amazing advocates from the disabled community have been fight for, long before I ever got involved.

On February 6, 2018, this same committee really did do a great job in passing SB3023 as SB3023 SD1. This is a very similar bill and really, it's that bill that I have been told that should be what HB1627 HD1 should look like and do. I am respectfully requesting that this committee in amending this bill repeat what was once done and help this bill mirror SB3023 SD1. The cost of living in the State of Hawaii is hard, even for a working adult who is currently getting paid the minimum wage, so it definitely is not enough for a disabled worker who is being paid subminimum wage. Things have to change now. I have heard touching testimonies of how hard these individuals work, and I have heard there dreams and aspirations to do more and to become more and I am fighting for them to one day achieve these goals, and I am proud to ask you to fight for them as well. Please **pass HB1627 HD1 with amendments.**

Thank you for this opportunity to testify on this measure,

Jun Shin,
Board Member At-Large
Young Progressives Demanding Action – Hawaii
1561 Kanunu St. #2106 Honolulu, HI 96814
Cell: 808-255-6663
Email: junshinbusiness729@gmail.com



Live the life you want.

SUPPORT House Bill 1627, House Draft 1 AMENDMENTS REQUESTED

Tuesday, March 20, 2018

2:45 PM

Conference Room 229

Hawaii State Capitol

COMMITTEE ON LABOR

Senator Jill N. Tokuda, Chair

Senator J. Kalani English, Vice Chair

Mahalo for taking the time to consider this bill, which addresses one of the most pressing civil rights issues of today in Hawaii. In our state, people with disabilities do not currently receive the protection of minimum wage requirements, and we respectfully request that exemptions allowing employers to pay us subminimum wages be eliminated.

We support this bill but respectfully request that you amend it to make it stronger and more effective at achieving its goal. In its current form, House Draft 1 disembowels the original bill by limiting the payment of subminimum wages to only workers with intellectual disabilities. Thus, it denies them equal protection under minimum wage requirements. This thinking must be corrected. It is easy to diagnose anyone with a simple intellectual disability to continue qualifying them for subminimum wages. This is discrimination and does not belong in the Aloha State.

On February 06, 2018, this committee made an excellent decision to pass Senate Bill 3023, with a Senate Draft 1, which is a similar bill. That bill demonstrates exactly what HB 1627, HD 1, should do. We respectfully request that this committee essentially repeat the same decision by amending HB 1627, HD 1, to mirror SB 3023, SD 1. We loved your last product and want it passed again.

Employers who exploit people with disabilities by paying them subminimum wages will argue that their employees are simply not productive enough to be worthy of the minimum wage. They assume that workers with disabilities are inherently less productive; as a result, everything that happens thereafter is contaminated by low expectations.

In a sheltered workshop, people with disabilities are essentially guaranteed employment, but they are not guaranteed minimum wage. It is supposed to be training, but people almost never transition out of subminimum-wage work environments. Federal reports demonstrate that, out of all the employees who begin working in these work environments, only 5 percent of them ever

reach the point of earning a minimum wage. This 95 percent failure rate is frequently blamed on the employees' disabilities, but properly trained rehabilitation professionals know that it is a product of low expectations and lack of proper interventions.

These sweatshops claim that they pay people according to productivity, but they do not. Sheltered workshop wages are forecasted by a speed test every six months. The productivity assessment is forward-looking rather than backward-looking. In a job where people are truly paid according to productivity, their pay for a given day is based on how productive they were that day, not on an arbitrary speed test that was performed six months beforehand.

When we put people in subminimum-wage sheltered workshops, their productivity is assessed without regard to their individual talents. At best, their productivity is only assessed in the context of the work that the sheltered workshop has pre-selected as 'appropriate for people with disabilities.' For example, if a sheltered workshop does not employ computer programmers, they will not assess the employee for his or her ability to be a computer programmer. This practice prevents people from reaching their real potential. Their productivity is a function of the suffocating environment known as the subminimum-wage sheltered workshop.

The sheltered workshop system takes people and systematically tells them that they're not as good as the rest of the workforce. The workshops claim that they are focused on the individual, but civil rights must apply to all individuals. Some of the sweatshops argue that the jobs are not primarily for pay, that they are primarily for fulfillment and feelings of importance in the world. It is not difficult in one of these sweatshops to retain a worker who does not believe he is worth more.

These tax-exempt non-profits collect charitable donations, and they present themselves as doing good work, but they are not required to do right by their employees. They can eat up government contracts and grants while disability benefits pay the employees' real costs of living. This allows the employees to stay on disability benefits for the rest of their lives while the sweatshops do not have to pay real wages. There is no incentive to innovate and compete. They say they're market-driven and that they must increase their bottom line in order to be around for the next day, but they are not innovating. The sweatshops for the disabled have no incentive to pay their workers a minimum wage, and they have no incentive to make their workers more productive. They profit immensely from keeping workers unproductive, and they have financial incentives to keep them in the sweatshops. Edward Lazear, a Stanford economist and the father of personnel economics, teaches us that, in order to be most effective, a productivity incentive must be given to the highest levels of management because management creates the environment where productivity happens. These sweatshops demonstrate exactly why he is right.

Nobody is going to be thrown out on the street because this bill passes unless it is a political stunt by the sweatshops to attempt to protect their exploitation interests on the mainland. If people with disabilities want a day program where they can go enjoy themselves, those already exist. If a person wants to go to a sheltered workshop and volunteer, they have every ability to do that. If a person with a disability wants to do an internship with or without a stipend, they can still do that. If a person is going to work for pay, that person should be paid without regard to his or her disability.

Hawaii is an Employment First State. In 2016, the Employment First State Leadership Mentor Program offered this Vision Statement:

National Federation of the Blind of Hawaii

Nani Fife, *President NFBHI* | P.O. Box 4372, Honolulu, HI 96812-4372 | 808-595-6123 | www.hawaii.nfb.org

“Through Employment First partnerships, people with disabilities shall have access to competitive integrated employment. Moreover, employment in the community is the first service option for individuals with disabilities.”

The following state leaders signed the Employment First State Leadership Mentor Program:

- Allicyn C.H. Tasaka, Executive Director, Workforce Development Council
- Linda Chu Takayama, Director, Department of Labor and Industrial Relations
- Leslie Wilkins, Chair, State Workforce Development Council
- David DeLuz, Jr., Chair, Hawaii County Workforce and Development Board
- Pankaj Bhanot, Director of Human Services, Department of Human Services
- Deborah Miyao, Acting Adult Education Director, State of Hawaii, Department of Education
- Virginia Pressler, MD, Director of Health, State of Hawaii, Department of Health
- Waynette K.Y. Cabral, Executive Administrator, Developmental Disabilities Council
- Patricia A. Morrissey, PhD, Director, Center on Disability Studies, University of Hawaii

According to a 2011 press release from the US Department of Labor, the Hawaii Department of Labor and Industrial Relations received \$2,923,674 in federal Disability Employment Initiative funding to transition workers with disabilities out of subminimum-wage sheltered workshops. Critics of this bill may argue that we do not have the supports in place to get our people out of subminimum wage sheltered workshops. We do. If the people who should be providing quality services to people with disabilities are falling short, we should not continue to maintain low expectations for them. If we keep the bar low, we will always get poor results. If we continue to allow them to offload people with disabilities into subminimum-wage sheltered workshops, they will continue to do it, even though it contradicts our Employment First agreement.

Organizations of people with disabilities, both locally and nationally, have called for the end of subminimum wages for workers with disabilities. The people who are subject to this exploitation DO NOT want this exploitation to continue. Please allow us to speak for ourselves. The organizations of people with disabilities, not our custodial service providers and not third-party agencies, are the experts on our own capacity and equality.

This movement has gained much support. At the federal level, both Congresswoman Colleen Hanabusa and Congresswoman Tulsi Gabbard have cosponsored the Transitioning to Integrated and Meaningful Employment (TIME) Act (HR 1377), which will, if passed, end the practice of paying subminimum wages to workers with disabilities throughout the country. The Oahu County Democrats passed a resolution at the County Convention in 2017 calling for the end of subminimum wages for workers with disabilities. The Democratic National Committee has made it part of their platform, as well, and so has the Republican National Committee. It is just good for everyone if we end subminimum wages for workers with disabilities.

The academic research is clear; subminimum wage employment just does not work for us. Rob Cimera’s research demonstrates that sheltered workshops make people less productive than they were before they entered the workshops. Sheltered employment is demonstrated to cost more than supported employment. Supported employment sometimes involves a third-party subsidizing the employee’s wage. Supported employment otherwise involves job coaching and other

National Federation of the Blind of Hawaii

Nani Fife, President NFBHI | P.O. Box 4372, Honolulu, HI 96812-4372 | 808-595-6123 | www.hawaii.nfb.org

supportive services to help get the employee up to speed to be a truly competitive employee. It can be difficult for a governing body to imagine paying part of someone's wage in the beginning, but they eventually transition off that program, largely because they are in an environment with real-world expectations. Then, they need not depend on disability benefits as much or at all.

Some people think that subminimum wages are only being paid in special, segregated work environments. The reality, though, is that the entities holding these special wage certificates can act as subcontractors for other businesses. I have a family member who works as a dishwasher at a large restaurant chain, and she is paid subminimum wages. The restaurant subcontracts with the sheltered workshop, which takes the cream off the top of her paycheck and usually gives her about two or three dollars per hour. I know she can do the work as well as the able-bodied employees next to her, but it's legal to pay her less because she's disabled. She's in an integrated setting, doing real work, and getting paid subminimum wages. It continues right under our noses.

People with disabilities want to be treated like first-class citizens and have the same rights as other people to work to earn the things we need. We want to reach our full potential. We are human beings, and we deserve to be paid like it. We do not want to live our entire lives depending on disability benefits because minimum-wage requirements do not apply to us.

The State of Hawaii has already become an Employment First State with a full Leadership Mentor Program. We have already set up the support structures to serve and empower people with disabilities. The organizations of people with disabilities have spoken, and we want to eradicate the payment of subminimum wages to our people. The only opposition we have faced comes from the sweatshops which exploit us and the agencies which are paid to monitor how they exploit us. We have heard all their arguments against this bill for many decades, and we are still asking for it.

We respectfully request that you listen to us about how we want to be treated. Low expectations are the true obstacles between people with disabilities and our dreams. Our disabilities are not what hold us back; it is low expectations and custodial policies like the one this bill can eliminate.

Please amend and pass House Bill 1627, House Draft 1, giving civil rights to workers with all types of disabilities, with a Senate Draft 1 exactly like your very own Senate Bill 3023, Senate Draft 1.

Mahalo nui loa,

Justin M. Salisbury, MA, NOMC, NCRTB, NCUEB
President
Hawaii Association of Blind Students and Recent Graduates
A Proud Division of the National Federation of the Blind of Hawaii
1617 Kapiolani Boulevard, Unit 1402
Honolulu, Hawaii 96814

"Whenever I hear anyone arguing for slavery, I feel a strong impulse to see it tried on him personally. I am in favor of giving an opportunity to such white men to try it on for themselves."

President Abraham Lincoln to the 140th Indiana Regiment
March 17, 1865

National Federation of the Blind of Hawaii

Nani Fife, *President NFBHI* | P.O. Box 4372, Honolulu, HI 96812-4372 | 808-595-6123 | www.hawaii.nfb.org



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

**TESTIMONY FOR HOUSE BILL 1627, HOUSE DRAFT 1, RELATING TO THE
MINIMUM WAGE**

**Senate Committee on Labor
Hon. Jill N. Tokuda, Chair
Hon. J. Kalani English, Vice Chair**

**Tuesday, March 20, 2018, 2:45 PM
State Capitol, Conference Room 229**

Honorable Chair Tokuda and committee members:

I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in support of, with proposed amendments for House Bill 1627, HD 1, relating to minimum wage.

Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2017* report found that a full-time worker would need to earn \$35.20/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with **minimum wage workers needing to log 116 hours per week to afford a modest one-bedroom apartment at fair market value and 139 hours per week to afford a two-bedroom**—a number that is equivalent to working 20 hours a day with no days off year-round. In the past three years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$15.64/hour, over \$8.00 less than the minimum housing wage for the islands and scarcely enough to meet their basic needs, forcing them to take second and third jobs that, quite frequently, pay minimum wage. One out of every four households in Hawai'i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households. Homelessness is directly tied to our state's exorbitant cost of

living and penchant for catering to people who use the islands as their own private Monopoly board. We beseech you to seek innovative ways of making Hawai'i more affordable for our economically disadvantaged neighbors and hardworking families, who are, far too often, the same slice of our state's population.

Our state's cost of housing has skyrocketed over the last decade, leaving many families searching for affordable alternatives, in shelters, or on the streets. For context, the median price of condominiums on O'ahu increased 6 percent in the summer of 2017 to a record \$425,000, while the median price for single-family homes increased by 3 percent to \$795,000, according to the Honolulu Board of Realtors, a number that they expect to increase by at least another 5 percent in 2018. Average fair market rent for two-bedroom apartments in *outlying* communities in the City and County of Honolulu now exceeds \$2,700, with the cost of a four-bedroom home in urban Honolulu now exceeding \$1.1 million. At least 43 percent of residences in Hawai'i are owner unoccupied, according to the National Low-Income Housing Coalition, meaning that nearly 50 percent—and by some estimates well over half—of Hawai'i's homes are likely investment properties. Many of those properties, in turn, are owned by mainland and foreign buyers, whose real estate market speculation is a prime driver of Hawai'i's highest-in-the-nation cost of housing. According to a study released in May of 2016 by the Hawai'i Department of Business, Economic Development, and Tourism, there are “clear distinctions” between the average price of homes bought by local residents, mainlanders, and foreigners. Analyzing purchases made between 2008 and 2015, DBEDT found: “The average sale price was highest among foreign buyers. The average sale price of the total of 5,775 homes sold to foreign buyers from 2008 to 2015 was \$786,186, 28.3 percent higher than the average sale price to the mainlanders (\$612,770) and 64.7 percent higher than the average sale price to local buyers (\$477,460).”

It is unconscionable that state and federal laws include a loophole allowing disabled individuals to be paid less than the minimum wage. Current labor laws unjustly prohibit workers with disabilities from reaching their full vocational and socioeconomic potential. Written in 1938, Section 14(c) of the Fair Labor Standards Act (FLSA) discriminates against people with disabilities by empowering the Secretary of Labor to grant Special Wage Certificates to employers, permitting them to pay disabled workers less than the federal minimum wage. This provision, mirrored in Hawai'i Revised Statutes §387-9, is based on the immoral assumption that disabled employees are less productive than their able-bodied coworkers. Successful employment models have emerged in the last seventy-five years to assist people with significant disabilities in acquiring the job skills needed for competitive work, giving lie to the theoretical framework for paying disabled employees a subminimum wage.

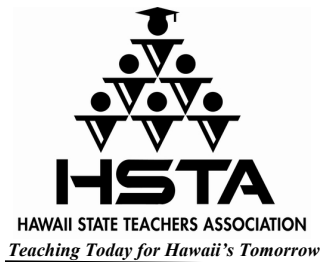
The subminimum wage model is an affront to the economic contributions of disabled workers. Data shows that less than 5 percent of the 400,000 workers with disabilities in segregated subminimum wage workshops will transition into competitive integrated work. Moreover, research shows that the subminimum wage model costs more, while promoting less productivity.

In fact, workers paid a subminimum wage often must unlearn the habits they acquire in such workshops in order to obtain and carry out meaningful employment, which they repeatedly prove able to do. It is poor policy to reward failed programs with wage exemptions. After more than seven decades of the abhorrent subminimum wage practice, it is time to invest in proven, effective job models for disabled workers—such as “supported” or “customized” employment—that successfully advance positive, competitive, and integrated employment outcomes for individuals once deemed to be unemployable. Disabled workers deserve to be paid what they’ve earned, not discriminated against and cast into financial hardship.

That said, **we encourage you to amend this measure by eliminating the subminimum wage for all disabled workers, not just those with physical disabilities.** Currently, the bill does not repeal the subminimum wage for workers with intellectual disabilities. It is ethically repugnant to treat our intellectually challenged neighbors as second-class citizens in the 21st Century.

Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Corey Rosenlee
President
Justin Hughey
Vice President
Amy Perruso
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON
LABOR

RE: HB 1627, HD 1 – RELATING TO THE MINIMUM WAGE

TUESDAY, MARCH 20, 2018

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Tokuda and Members of the Committee:

The Hawaii State Teachers Association **supports HB 1627, HD 1, with suggested amendment**, relating to the minimum wage.

Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Minimum wage workers in the islands must complete 116 hours of work per week to afford a modest one-bedroom apartment at fair market value and 139 hours per week to afford a two-bedroom, which amounts to working 20 hours a day with no days off all year. That's impossible for anyone, especially for individuals with disabilities.

It is unacceptable, then, that we allow disabled individuals to be paid a subminimum wage. Many of these individuals were once special education students, who were guaranteed a free and appropriate education under the Individuals with Disabilities Education Act and promised a life filled with opportunities to realize their full potential. Yet, written in 1938, the Fair Labor Standards Act (FLSA) discriminates against people with disabilities by permitting employers to pay disabled workers less than the federal minimum wage. This provision is echoed in HRS §387-9, but is based on the mistaken idea that disabled employees are less productive than their able-bodied colleagues. Many employment programs have come about since the mid-20th Century to assist people with disabilities in acquiring and using essential job skills.

We respectfully ask you to amend this bill to make it stronger and more effective at achieving its goal. The House Committee on Labor & Public Employment disemboweled this bill on February 06, 2018, by limiting the payment of subminimum wages to only workers with intellectual disabilities. This must be corrected. It is easy to diagnose anyone with a simple intellectual disability in order to continue qualifying them for these subminimum-wage jobs, It furthermore demonstrates no understanding of the spirit of equality nor the aloha spirit. A very similar bill, House Bill 1721, demonstrates what HB 1627 should do. Please amend Section 387-9, Hawaii Revised Statutes, to strike out all mention of people with disabilities, which includes striking Subsection (2). Please also amend Section 103D-1001, Hawaii Revised Statutes, by amending the definition of “qualified community rehabilitation program” to truly finish the job of ending the payment of subminimum wages to workers with disabilities in Hawaii. Making these amendments to mirror HB 1721 would make HB 1627 HD 1 so much stronger. We urge you to pass House Bill 1627, HD 1, with the appropriate amendments to **end the payment of subminimum wages to workers with all types of disabilities.**

A subminimum wage disrespects the contributions of disabled workers. Research shows that the subminimum wage model costs more, while inspiring lower rates of productivity. After more than seventy-five years of demonstrated failure, it is time to invest in more effective models of employment that are successful at advancing the workplace prospects of disabled individuals who were previously—and egregiously—thought to be unemployable.

To ensure that our special needs children receive equal economic opportunities upon entering the workforce, the Hawaii State Teachers Association asks your committee to **support** this bill.

HB-1627-HD-1

Submitted on: 3/19/2018 12:14:50 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Irish Barber	Testifying for IATSE Local 665	Support	No

Comments:

HB-1627-HD-1

Submitted on: 3/19/2018 2:26:38 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

Senate Committee on Labor
Tuesday, March 20th, 2018
2:45PM, Room 229

Attention: Seantor Jill N. Tokuda, Chair
Senator J. Kalani English, Vice Chair

Re: Strong Support for HB1627 Relating to the Minimum Wage

The Labor Caucus of the Democratic Party of Hawai'i strongly supports passage of HB1627. HB1627 aims to end the practice of paying people with disabilities less than the minimum wage. Paying people at a wage lower than the minimum wage undermines the intention of the minimum wage and paying people less because of a disability or impairment is blatantly discriminatory and runs counter to the principle of equal pay for equal work. For these reasons the Labor Caucus of the Democratic Part of Hawai'i urges passage.

HB-1627-HD-1

Submitted on: 3/16/2018 10:31:04 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Louis Erteschik	Testifying for Hawaii Disability Rights Center	Comments	Yes

Comments:

When this Committee heard SB 3023 we had a lengthy discussion on the issue of sub minimum wages. We remain very sympathetic to the goal of eliminating this practice and yet the concerns we expressed still remain. Many of our counterparts around the country as well as our national organization, the National Disability Rights Network, support the elimination of the sub minimum ages. We recently read a report from the agency in Arkansas extolling their efforts to attempt to eliminate them. At the same time, the report notes as a followup that most of the individuals who were employed in these workshops did not find alternative employment. Therein lies our concern. Clearly the push needs to be made to place as many people with disabilities into gainful, competitive employment. Yet, we ought not to forget that some individuals will be negatively impacted if this occurs.

HB 1627, HD1 appears to amend current law to address some outdated language and replace it with the term "intellectual disabilities." We believe that was the suggestion of the Department of Labor. We have no firm position on this other than to say that we have no way of knowing if that would encompass all the individuals with disabilities that might be currently impacted, since obviously not all disabilities are intellectual disabilities. It would be useful to get a handle on who exactly are the individuals that are in these programs. If they are all individuals with intellectual disabilities, then perhaps this language might be sufficient. Otherwise, the Committee might want to look at broader language if it is otherwise inclined to amend the law in that fashion.



Board of Directors
Dennis C. Maher, President
John P. Dellera, Vice-President
Kelly Yamasato, Treasurer
Naomi Tachera, Secretary
Gerald Hew
Lindsey Shepard
Scott Spallina
Charlotte Hance
Jay Fujimoto
Executive Director
Jessica Wong-Sumida

**TESTIMONY COMMENTING ON H.B. 1627, HD 1
RELATING TO THE MINIMUM WAGE**

**THE SENATE
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018
COMMITTEE ON LABOR**

Tuesday, March 20, 2018, 2:45 p.m., Conference Room 229

March 19, 2018

The Honorable Jill N. Tokuda, Chair
The Honorable J. Kalani English, Vice Chair
Committee on Labor

Dear Chair, Vice Chair, and Members of the Committee:

We offer the following comments on the subject bill authorizing the Department of Labor and Industrial Relations (“DLIR”) to issue special certificates for individuals with intellectual disabilities that would allow employers to pay less than the minimum wage. We note that Senate Bill 3023, SD 2, would require payment of at least the minimum wage to all employees, including those with intellectual disabilities.

We agree with testimony filed on February 6, 2018 with the House Committee on Labor and Public Employment by the Hawaii Disability Rights Center (“HDRC”) that commented on this measure. HDRC’s testimony was the basis for House Draft 1 which allows for payment of a subminimum wage to individuals with intellectual disabilities. See HSCR944-18.

Many individuals with intellectual disabilities, including autism, are fully capable of employment, and they should be compensated at competitive rates, not less than the minimum wage set by law. However, others require special accommodations, such as job coaches, personal assistants, and flexible work hours. Many would be shut out of the job market entirely if employers were required to pay the minimum wage in every case.

Autism is an extremely broad spectrum, which makes it impossible to establish appropriate standards of employment for everyone on the spectrum. This subject is, therefore, one that requires broad discretion to consider the individual circumstances of employers and employees and to increase job opportunities while ensuring individuals are not exploited in the workplace.

As HDRC pointed out in its testimony, the Division of Vocational Rehabilitation offers little, if any, help to individuals with disabilities. We would add that DVR's failure is especially true for individuals with more severe forms of autism. Programs of the Developmental Disabilities Division often provide little help beyond custodial care and rarely, if ever, include vocational training.

The Department of Education recently deposited \$8.75 million in federal court to pay for services (including vocational training) for a class of 500 disabled students denied a free appropriate public education after age 20. *E.R.K. v. Dept. of Education*, Civ. No. 10-00436 (SOM/KSC), ECF Doc. 486-1 at pp. 4-5 (D. Haw., Dec. 15, 2017). The State offers no direct assistance in finding appropriate services, however, and relies entirely on retired Supreme Court Justice James E. Duffy, Jr., settlement administrator, who is charged with assembling a list of providers. Any funds uncommitted by December 31, 2020 and unexpended by February 28, 2021 must be returned to the Department of Education.

In sum, State programs offer little help to adults with autism who are capable of joining the workforce but who are left to stay at home or to attend custodial programs that provide little benefit and virtually no opportunities for future advancement. Preserving the option of employment below the minimum wage, subject to DLIR's regulation and legislative oversight, could provide substantial benefits.

Thank you for the opportunity to testify.

Respectfully submitted,

Dennis C. Maher
President, Autism Society of Hawaii

John P. Dellera
Vice-President

SUPPORT WITH AMENDMENTS

House Bill 1627, House Draft 1

COMMITTEE ON LABOR
Senator Jill N. Tokuda, Chair
Senator J. Kalani English, Vice Chair

Tuesday, March 20, 2018
2:45 PM
Conference Room 229
Hawaii State Capitol

To the Senate Committee on Labor:

I support this bill but respectfully request that you amend it to make it stronger and more effective at achieving its goal. In its current form, HB 1627, HD 1, denies equal protections to workers with intellectual disabilities. This is clear discrimination and does not belong in the Aloha State.

On February 06, 2018, this committee made an excellent decision to pass Senate Bill 3023, with a Senate Draft 1, which is a very similar bill. That bill demonstrates exactly what HB 1627, HD 1, should do. I respectfully request that this committee essentially repeat the same decision by amending HB 1627, HD 1, to mirror SB 3023, SD 1.

Here's why I urge you to pass House Bill 1627, House Draft 1, with the appropriate amendments to end the payment of subminimum wages to workers with all types of disabilities:

- People with disabilities can routinely be paid sub-minimum wages. They are not sub-people, no matter what their particular disability happens to be. Sorting disabled persons into categories by disability, then designating that employers are allowed to pay persons with certain disabilities wages which are below the minimum wage is unjust and discriminatory – especially since no one at all should be paid a sub-minimum wage. Isn't the concept of minimum wage meant to protect people from the possibility of receiving such unfair wages?
- Employers who receive government grants, tax credits, and tax exemptions should no longer be allowed to pay people with disabilities sub-minimum wages. Civil rights apply to all Hawaii residents, all U.S. citizens and all human beings. No one should be treated as a second-class citizen. This also means that all persons, not just those with certain categories of disabilities, should receive minimum wage protection, not discrimination.

Respectfully submitted,

Rita Porter
45-577 Waikalua Place
Kaneohe, HI 96744
Member - National Federation of the Blind of Hawaii

Name

Member (or other title)

Chapter or Division Affiliation, if applicable

National Federation of the Blind of Hawaii

Street Address

City, State, ZIP

SUPPORT WITH AMENDMENTS

House Bill 1627, House Draft 1

COMMITTEE ON LABOR
Senator Jill N. Tokuda, Chair
Senator J. Kalani English, Vice Chair

Tuesday, March 20, 2018
2:45 PM
Conference Room 229
Hawaii State Capitol

To the Senate Committee on Labor:

I support this bill but respectfully request that you amend it to make it stronger and more effective at achieving its goal. In its current form, HB 1627, HD 1, denies equal protections to workers with intellectual disabilities. This is clear discrimination and does not belong in the Aloha State.

On February 06, 2018, this committee made an excellent decision to pass Senate Bill 3023, with a Senate Draft 1, which is a very similar bill. That bill demonstrates exactly what HB 1627, HD 1, should do. I respectfully request that this committee essentially repeat the same decision by amending HB 1627, HD 1, to mirror SB 3023, SD 1.

Here's why I urge you to pass House Bill 1627, House Draft 1, with the appropriate amendments to end the payment of subminimum wages to workers with all types of disabilities:

- Is there an allowable practice under Hawaii State Law to pay some non-disabled persons at least the minimum wage, and other non-disabled persons less than the minimum wage? If there were, it would be discrimination.
- How could it then be acceptable to pay some disabled persons a fair wage, and other disabled persons sub-minimum wage? Wouldn't it be discrimination?
- There is no justification for paying any disabled persons who are employed a sub-minimum wage. Additionally, if grant money and tax benefits are provided to employers, they should use them to develop the workforce, meet standards, be accountable. They should not be allowed to take the funds, assume disabled persons are unproductive, and believe they are justified in paying their disabled employees substandard wages. This is a poor business model in any situation, but additionally, it ignores the abilities and potential of disabled employees. We need our legislators to protect the rights of all, not just some, disabled persons in Hawaii.

Respectfully submitted,

Khamtoun Porter
Member, National Federation of the Blind of Hawaii
45-577 Waikalua Place
Kaneohe, HI 96744

HB-1627-HD-1

Submitted on: 3/16/2018 9:25:38 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Minton	Individual	Support	No

Comments:

HB-1627-HD-1

Submitted on: 3/18/2018 9:13:52 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Morais Webster Ph.D.	Individual	Comments	No

Comments:

I support the elimination of discriminatory pay practices towards those who are disabled. The rationale for subminimum-wage sheltered employment is outdated and misguided. The reality, according to decades of research and independent organizations of people with disabilities is that subminimum-wage sheltered employment is not good for anyone. Workers actually become less productive in those work environments. They have less incentive to strive for the training that will make them more productive. They are segregated from society and learn to think of themselves as second-class citizens, which their meager paychecks reaffirm over and over. Let's not perpetuate this discriminatory practice. This bill needs to adopt the amended language of SB 3023 SD 1 in order to treat disabled workers with the dignity they deserve rather than further penalizing them.

**LATE
TESTIMONY**

LATE



Senate Committee on Labor

Board of Directors:

Hawai'i Alliance for Progressive Action supports: HB1627, HD1 with amendments

Gary L. Hooser
President

Aloha Chair Tokuda, Vice Chair English and members of the Committee,

Andrea N. Brower
Ikaika M. Hussey
Co-Vice Presidents

Hawai'i Alliance for Progressive Action (HAPA) supports of HB1627, HD1 with the following amendments:

Kim Coco Iwamoto
Treasurer

- Amend Section 387-9, Hawaii Revised Statutes, to strike out all mention of people with disabilities, which includes striking Subsection (2).
- Amend Section 103D-1001, Hawaii Revised Statutes, by amending the definition of "qualified community rehabilitation program" to truly finish the job of ending the payment of subminimum wages to workers with disabilities in Hawaii.
- Making these amendments to mirror HB 1721 would make HB 1627 HD 1 truly address the inequities that people with disabilities are facing.

Bart E. Dame
Secretary

Paul Achitoff
Malia K. Chun

Current labor laws unjustly prohibit workers with disabilities from reaching their full vocational and socioeconomic potential.

Laura Harrelson
Katie McMillan

Written in 1938, Section 14(c) of the Fair Labor Standards Act (FLSA) discriminates against people with disabilities. The provision allows the Secretary of Labor to grant Special Wage Certificates to employers, permitting them to pay workers with disabilities less than the federal minimum wage. This is based on the false assumption that disabled workers are less productive than nondisabled workers, but successful employment models have emerged in the last seventy-five years to assist people with significant disabilities in acquiring the job skills needed for competitive work. Section 14(c) sustains segregated subminimum wage workshops that exploit disabled workers, paying some only pennies an hour for mundane, repetitive tasks.

Walter Ritte Jr.
Karen Shishido

Leslie Malu Shizue Miki

Kekaulike Prosper Tomich

Cade Watanabe



The subminimum wage model fails to provide adequate training or employment to disabled workers. Data shows that less than five percent of the four-hundred thousand workers with disabilities in segregated subminimum wage workshops will transition into competitive integrated work. Moreover, research shows that the subminimum wage model costs more but actually produces less! In fact, workers must unlearn the useless skills they acquire in order to obtain meaningful employment. It is poor policy to reward such failed programs with wage exemptions, preferential federal contracts, and public and charitable contributions.

After more than seventy-five years of demonstrated failure, it is time to invest in proven, effective models for employment.

Please amend HB 1627, HD1 and support fair wages for workers with disabilities.

Best Regards,

Anne Frederick, Executive Director
Hawai'i Alliance for Progressive Action

LATE



Progressive Democrats of Hawai'i

<http://pd-hawaii.com>

1418 Mokuna Pl, HON HI 96816

email: info@pd-hawaii.com

March 19, 2018

To: Senate Committee on Labor
Senator Jill N. Tokuda, Chair
Senator J. Kalani English, Vice Chair

Re: HB 1627, HD 1 – Minimum Wage for Persons with Intellectual Disabilities

Hearing: Tuesday, March 20, 2018, 2:45 p.m. Room 229

Position: Strong Support

Members of the Progressive Democrats of Hawai'i were astonished to learn last year that Hawai'i and many other states tolerate a paternalistic policy in which persons with disabilities are employed at sub-minimum wages that are not "livable" wages and are certainly intolerable in this society and in our present very difficult economy in Hawai'i. This situation must stop and HRS Section 387-9 must be appropriately amended.

We strongly support HB 1627, HD 1, and we urge the Committee to pass it with an early effective date.

Some people may speculate that disabled persons may be unable to benefit from anything other than subminimum-wage sheltered employment. The reality, at least according to decades of research and independent organizations of people with disabilities (led by people who actually have disabilities), is that subminimum-wage sheltered employment is not good for anyone. Workers actually become less productive in those work environments. They have less incentive to strive for the training that will make them more productive. They are segregated from society and learn to think of themselves as second-class citizens, which their meager paychecks reaffirm over and over.

Thank you very much for the opportunity to testify on this important matter for the intellectually disabled.

Alan B. Burdick, co-chair
Progressive Democrats of Hawai'i
Burdick808@gmail.com / 486-1018

From: Ashley Helsing <ahelsing@ndss.org>
Sent: Tuesday, March 20, 2018 7:11 AM
To: LBR Testimony
Subject: Support for HB 1627, HD 1 with the striking of the discriminatory subsection two



Senate Committee on Labor
Senator Jill N. Tokuda, Chair
Senator J. Kalani English, Vice Chair
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Senators Tokuda and Kalani:

The National Down Syndrome Society, the leading human rights organization for all individuals with Down syndrome, supports the passage of HB 1627, HD 1 with the striking of the discriminatory subsection two and addition of appropriate amendments to end the payment of subminimum wages to workers with ALL disabilities.

On February 06, 2018, this committee made an excellent decision to pass Senate Bill 3023, with a Senate Draft 1, which is a very similar bill. That bill demonstrates exactly what HB 1627, HD 1, should do. NDSS respectfully requests that this committee essentially repeat the same decision by amending HB 1627, HD 1, to mirror SB 3023, SD 1.

By ending subminimum wage, this bill would recognize that workers with disabilities have the potential to succeed in integrated, meaningful, competitive employment settings and will get paid real wages for real work. Currently Maryland, New Hampshire, Vermont and Alaska have similar legislation in place.

With over 375 affiliate groups spanning across all 50 states, NDSS works tirelessly on the federal and state levels to break down barriers and create opportunities for individuals with Down syndrome to be included in all aspects of society and fulfill their hopes and dreams. Individuals with Down syndrome are working, getting married and integrating into their communities now more than ever. They deserve to be paid a fair wage.

We envision a world in which all people with Down syndrome have the opportunity to enhance their quality of life, realize their life aspirations and become valued members of welcoming communities. We hope that Hawaii will end sub-minimum wages, and we thank you for your leadership regarding this important piece of legislation.

Sincerely,

Handwritten signature of Ashley J. Helsing in black ink.

Ashley Helsing
Director of Government Relations
National Down Syndrome Society
AHelsing@ndss.org
202-766-2407



LATE

P.O. Box 1407, Honokaa, Hawaii 96727 • Telephone: (808) 775-7245

Fax: (808) 775-0211 • Email: bcenter2@hawaiiantel.net

"Rehabilitation Opportunities for People with Disabilities"

A Nonprofit 501 (c) (3) Organization

My Name is Dareth Pung-Boteilho, I am writing on behalf of Brantley Center Inc located in Honoka'a, Hawaii. I wanted to ask you to please oppose the HB 1627 and any other legislation that would be detrimental to the continuation of sheltered workshops and similar work opportunities for our disabled individuals. I am in a unique position as I am able to see first hand how beneficial these work opportunities are for these very valuable members of our society.

I have been at Brantley Center for the past 10 years. In that time, I have seen many students with developmental disabilities successfully complete high school and move to meaningful employment here at Brantley Center. The smiles on their faces and the hugs our staff and visitors receive tell the whole story of their experiences here at the Center. Brantley Center has a lawn maintenance department, janitorial department, two green houses that provide fresh vegetables to many people and businesses in our area, and several contracts with participating businesses through out our rural town. Our staff is continually looking for other job opportunities for our employees and the workshop is an integral and vital part of our community.

Our employees are very happy to be working or training; and the Sheltered Workshop gives them that opportunity, not only to work, but to be a contributing member of society. These are individuals that we have tried in "competitive employment" and were not successful. If the Workshop was no longer available, they would not have anywhere to go to nurture their growth, to allow each individual their independence, as our center is the only one



▶ Hawaii Island

Hamakua Coast.

If we're forced to pay minimum wage, we would not have enough funding to keep the Workshops open. They ARE being paid a fair wage for their ability level, which is carefully being documented by our workshop director through detailed time studies.

If you have the opportunity I invite you to Brantley Center to talk with our staff and employees about what their experiences are like in that setting. You WILL leave with a NO DOUBT feeling that these facilities are vital in the lives of the individuals they serve. Thank you in advance for your help in continuing to secure the future of Sheltered Workshops in Hawaii. MAHALO!

A handwritten signature in black ink, appearing to be the initials 'OPJ' followed by a large, stylized flourish.



**LANAKILA
PACIFIC**

Building Independence for Challenged Lives

PRESIDENT & CEO
Marian E. Tsuji

**LANAKILA PACIFIC
BOARD OF DIRECTORS**

Chair

Carl Hinson

Vice Chair

Scott Nahme

Secretary

Todd Yamanaka

Treasurer

Dwayne Takeno

Directors

Maria Borje-Bonkowski

Frank Ho

Tom Hutton

Debra Kagawa-Yogi

Suzanne Kaulukukui

Kristi O'Heron

Savan Patel

Randy Perreira

Bob Toyofuku

Sherri Yim

JoAnn Yosemori

**LANAKILA PACIFIC
FOUNDATION
BOARD OF DIRECTORS**

Chair

Ryan Yamamoto

Vice Chair

Cleo Brown

Treasurer/Secretary

Alton Murakami

Directors

Jodi Endo Chai

Ken Hayashida

Bryan Kapeckas

Bill Kern

Jackson Nakasone

Ed Sugimoto

Masaichi Tasaka

Lynn Zane

1809 Bachelot Street
Honolulu, Hawaii 96817
Phone: 808-531-0555
Fax: 808-533-7264
www.lanakilapacific.org

An Equal Opportunity Employer



LATE

Hawaii State Senate
Committee on Labor
Senator Jill Tokuda, Chair
Senator J. Kalani English, Vice Chair
Tuesday, March 20, 2018, 2:45 pm
Conference Room 229

RE: HB 1627, HD1 RELATING TO THE MINIMUM WAGE

Good Afternoon, Chair Tokuda, Vice Chair English and members of the Labor Committee,

Lanakila Pacific is a local non-profit that has been providing work training and employment to individuals with disabilities for 79 years. While we support the concept of this bill, we are concerned of its outcome.

Lanakila Pacific currently employs 73 individuals who have medically documented disabilities. They are all paid prevailing wages with most paid \$11/hour and above.

We also provide work training for individuals with disabilities (cognitive, physical, social and age related) with the intended goal of competitive employment. They are paid commensurate wages --- according to their productivity --- also called sub-minimum wages.

In order to support and encourage their success, Lanakila Pacific also employs seven professionals: Rehabilitation Counselors, Employment Specialists, Skills Trainers, and Job Coaches who provide daily, on-site support to address the challenges our employees and trainees face. They also evaluate the appropriateness of the work. As with all employees, with or without a disability, sometimes the worker and the work do not match. In these cases the Certified Rehabilitation Counselor assesses the situation and identifies the barriers to the employee's success. If the job is not a match, an Employment Specialist helps the employee develop a more appropriate career path. They are assisted with job placement or are referred to an appropriate program to achieve their goals.

We also used to employ and train about 30 individuals with disabilities in our sheltered workshop. These individuals generally performed piece rate work. Those who were able, "graduated" and secured competitive employment. Those who were not able to be competitively placed enjoyed a place where they belonged, where they could contribute their skills, and earn some money. The meaningfulness of work was derived from a

pride of belonging, accomplishing something, and being compensated for it.

To my regret, we closed the program when the State indicated they would not support “sheltered” work programs. About half of the workers transferred to an Adult Day Program, and the other half now stay at home. There was no other comparable program to transition to.

Certainly, everyone should have the opportunity to earn a competitive wage and be appropriately compensated for the work that is performed. Everyone should be pushed to their greatest capacity and no one should be held down. But we need to also respect the fact that everyone’s capacity is different; and we need to provide different opportunities that can fulfill a continuum of capabilities. Eliminating the subminimum wage certificate will certainly eliminate employment for those who are our most vulnerable and most unable to speak out for themselves. Neither does it guarantee that more individuals with disabilities will be employed.

We all want the same thing: meaningful work opportunities with appropriate compensation for individuals with disabilities. We are not going to get there by eliminating sub-minimum wage certificates. We need a plan that includes individuals with all abilities. This can include:

- Addressing the abuse of the subminimum wage certificates. Providing the resources for better enforcement and better training for users of the certificates.
- Supporting the agencies that work with individuals with disabilities. DDD and DVR have new programs that promote competitive employment and training for transition students leaving high school. Let’s see how they roll out in the coming year.
- Educating employers so they can overcome the stereotypes associated with hiring individuals with disabilities. Teach employers how to best support a potentially valuable employee.
- And starting with a mandate that each state department fill 10% of their positions with individuals with disabilities. This can later be expanded to all companies who hold state contracts.

Eliminating a tool that enables those who need the most support from us is not the answer to eliminating unfair labor practices. It only further excludes, rather than includes, all into the workforce.

Thank you for your consideration.

LATE

HB-1627-HD-1

Submitted on: 3/19/2018 8:10:36 PM

Testimony for LBR on 3/20/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Yvonne de Luna	Individual	Comments	No

Comments:

I support keeping the option of a special subminimum wage certificate program but also other program and policies that support employment of people with disabilities. For instance, a current measure, SB2050, is under consideration at the legislature which would allow individuals with disabilities to retain their Medicaid coverage under an Earned Income Disregard Program with Department of Human Services. There should be various options available to address the special needs of people with disabilities.

LATE

My name is Zeiyleigh Cortez, I am 23 years and I work at Brantley Center Inc. I make \$9.25 an hour.
Please oppose bill HB 1627.

I enjoy working at Brantley Center. My staff members let me work how I work and at my own speed. I enjoy making fish bags and cutting the newspapers for the bags. I get to see my friends everyday and I love Brantley Center and my staff. If Brantley Center was not here I would have to stay home and would have no extra money for my CD's. I love music.

You may call my grandma Betty Esmerida at 808 885-5815.

Zeiyleigh K Cortez

LATE

3/20/2018

Hi, my name is Pauline Lapinid and I am a worker here at Brantley Center, Inc. I oppose the subminimum wage. Working here with at Brantley Center, Inc. and seeing how some of them perform they can't get what a non-subminimum wage person gets. It would be sad to see them go because our center would have to close if we couldn't get the subminimum wage. We have been here for 54 years and its has been a family place for all of them to come to without this place most or all of them who has subminimum wage probably won't find another job that will be here to support them and give them what we can.



LATE

Desha Souza
P.O. Box 548
Honokaa, HI 96720
March 20, 2018

Aloha:

My name is Desha Souza and I am opposed to HB 1627 and any other legislation that would be disadvantageous to the continuation of work opportunities for disabled individuals. Four years ago, I was blessed to be given an opportunity to start working with special individuals in our community. The warmth and innocence that they have brought into my life can never be replaced.

Since I started working with these extraordinary individuals, I have been able to see them blossom and grow. At Brantley Center they lead an engaging life and are able to become valuable citizens in our community. The employees participating in vocational rehabilitation departments can go into the community in a supervised capacity and be a contributing member of their households. Individuals in our Waiver program look to our employees as shining examples of what hard work and focus can achieve. Our employees are given the self-esteem and confidence they need to flourish. We here at Brantley Center are continuously looking for new opportunities for our employees and for our waiver participants to engage with others in our community.

Brantley Center employees are pleased to be working knowing that we provide them this opportunity, not only to work, but to be surrounded and engaged with similar peers. Many of them have tried "standard" employment and unfortunately, were unsuccessful. As a non-profit organization, the special minimum wage certification allows us the chance to give these opportunities to our clients. Without a certificate as such, we would no longer be able to operate these transformative programs.

As the only center available for this amazing group of people, having HB 1627 approved would directly impact 60% of the programs available in our facility. This would eliminate the opportunity to contribute back to the community and their families that our employees have been able to enjoy until now. Without our ability to find an employer like us who will provide transportation, training and mentoring support, these citizens will be far less productive. The passage of this bill will have a substantial negative impact on Brantley Center and its ability to serve this special community. We again ask that you vote against it and help us continue to work towards the improvement of lives of these very special people in our community.

Mahalo

