



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

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February 27, 2019

To: The Honorable Sylvia Luke, Chair,
The Honorable Ty J. K. Cullen, Vice Chair, and
Members of the House Committee on Finance

Date: Wednesday, February 27, 2019
Time: 11:00 a.m.
Place: Conference Room 308, State Capitol

From: Scott T. Murakami, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 34 H. D. 1 RELATING TO WAGES

I. OVERVIEW OF PROPOSED LEGISLATION

HB34 HD1 amends the Wages and Hours of Employees on Public Works Law, section 104-2 by adding a foreperson classification required to be reported on the certified payrolls for public works construction.

DLIR provides comments.

II. CURRENT LAW

Currently forepersons working at the construction site are included under the classification of work they are participating in. Supervisory forepersons who are not working as a laborer or mechanic at the public work site are not required to be reported on the certified payrolls

III. COMMENTS ON THE HOUSE BILL

DLIR believes that the law currently captures, but does not require coverage of, working forepersons on the job as most prevailing rates in Hawaii are covered under a collective bargaining agreement, which may include when the designation of a foreman is required. Also, collective bargaining agreements may distinguish between.

The proposal states, "... follow the requirements stated in the collective bargaining

agreement when the basic hourly rate is established by a collective bargaining agreement;”. The Department seeks clarification about the nature of these collective bargaining requirements, and should they be stated in the measure? DLIR notes that collective bargaining agreements have varying requirements and any change to such agreements would bind State statute.

The Department notes this measure is intended to bolster the enforcement of prevailing wage law, but it may require additional resources to effectuate. DLIR suggests consideration of the request for an additional staff as identified in the Governor's Biennium Budget request and in section 7 of HB1186HD1 as a method to bolster enforcement and restore the capacity of the Wage Standards Division.



LiUNA!

**TESTIMONY OF RYAN K. KOBAYASHI
GOVERNMENT AND COMMUNITY RELATIONS DIRECTOR
HAWAII LABORERS UNION LOCAL 368**

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*Business Manager/
Secretary-Treasurer*

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Auditor

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Auditor

ALFRED HUFANA JR.
Sergeant-At-Arms

COMMITTEE ON FINANCE

NOTICE OF HEARING

DATE: Wednesday, February 27, 2019
TIME: 11:00 a.m.
PLACE: Room 306

COMMENTS REGARDING HB34 RELATING TO WAGES

ALOHA COMMITTEE CHAIR LUKE, VICE-CHAIR CULLEN, AND COMMITTEE MEMBERS,

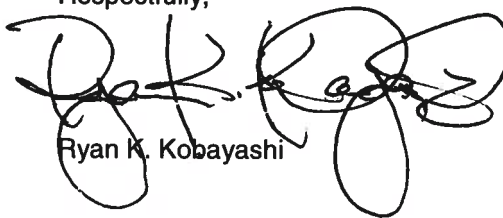
My name is Ryan K. Kobayashi, Government and Community Relations Director for the Hawaii Laborers Union, Local 368. The Hawaii Laborers Union is made up of over 5000 working and retired members across the State of Hawaii. We offer comments regarding this Bill and would like to express our concerns with this HB34 Relating to Wages.

We feel that this law is unnecessary as under the current law as an entity may already submit a "foreman" classification under the prevailing wage law if it so chooses. This law may be overreaching in nature requiring all entities to submit a wage classification for a "foreman", "working foreman", or "foreperson".

At this time, we can see no reason that an entity should be compelled to submit a "foreman" or "foreperson" classification if it does not feel the need to do so.

Thank you for the opportunity to comment and express our concerns with regard to Bill 52 Relating to Wages.

Respectfully,



Ryan K. Kobayashi

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Feel the Power



OPERATING ENGINEERS LOCAL UNION No. 3

2181 LAUWILIWILI STREET, KAPOLEI, HI 96707 • (808) 845-7871 • FAX (808) 682-0906

Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

House Committee on Finance

Honorable Sylvia Luke, Chair

Honorable Ty Cullen, Vice Chair

Honorable Members of the House Committee on Finance

February 22, 2019

RE: SUPPORT OF H.B. 34 HD1 - RELATING TO WAGES

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee,

Hawaii Operating Engineers Local 3 **supports Bill HB34 HD1 and comments**, which requires that the foreperson classification be recognized in wage and hour requirements contained in statute and in collective bargaining agreements for laborers and mechanics on public works projects. (HB34 HD1)

The Foreperson position is a key role on any construction site. A good foreperson is said by many engineers to be the keystone to their projects. Typically, the foreperson is a person with specialist knowledge of a given trade who has moved into the position and is now focused on an overall management of his trade on the job site. He or she is responsible for providing proper documentation to his workers so they can proceed with their tasks. To put it simply, if the project supervisor is the coach, the foreperson is the quarterback that executes the play. Making sure that a foreperson is working on site with their crews is key to keeping projects on time and on budget.

During our visits to many job sites around the state and in reviewing certified payrolls for these job sites, we have encountered many instances where the foreperson or working foreperson classification has not been recognized in certified payrolls. Due to the importance of this position we find it hard to believe that there is no foreperson assigned to a construction project, although this could be the case for some projects. What we do find egregious is that workers who have assumed this role of responsibly are not being paid their correct wages.

The importance of foreperson position cannot be understated on a construction project and making sure that this type of position is reported in all state and county construction projects certified payroll are important to the interest of the contractor doing the job, the labor organization representing the worker, and most especially the state or city department managing the project.

Mahalo for the opportunity to provide our testimony of support.

Pene Mery

HB-34-HD-1

Submitted on: 2/25/2019 2:31:32 PM

Testimony for FIN on 2/27/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
LECET	Hawaii LECET	Comments	No

Comments:

Concerns the bill language may have unintended consequences.

HB-34-HD-1

Submitted on: 2/26/2019 12:47:10 PM

Testimony for FIN on 2/27/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Individual	Support	No

Comments: