



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

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February 5, 2019

To: The Honorable Brian T. Taniguchi, Chair,
The Honorable Les Ihara, Jr., Vice Chair, and
Members of the Senate Committee on Labor, Culture and the Arts

Date: Tuesday, February 5, 2019
Time: 2:45 p.m.
Place: Conference Room 224, State Capitol

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

Re: S.B. No. 1475 RELATING TO WAGES

I. OVERVIEW OF PROPOSED LEGISLATION

SB1475 amends the Wages and Hours of Employees on Public Works Law (Chapter 104, Hawaii Revised Statutes [HRS]), 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 SENATE 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

“working foremen” and “foreman”.

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 suggests seeking clarification about the collective bargaining requirements, and whether or not they should be stated in the measure? DLIR notes that collective bargaining agreements have varying requirements and any change to such agreements would bind State statute.

If the measure continues to go forward through the legislative process, DLIR recommends adding a neutral gender definition for “foreperson”.

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 10 of SB797 as a method to bolster enforcement and restore the capacity of the Wage Standards Division.