

STAND. COM. REP. NO. 2012

Honolulu, Hawaii

APR 27 2023

RE: GOV. MSG. NO. 515

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred Governor's Message No. 515, submitting for study and consideration the nomination of:

DIRECTOR, DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

G.M. No. 515 JADE BUTAY,
for a term to expire at noon on 12-07-
2026,

begs leave to report as follows:

Your Committee reviewed the personal history, resume, and statement submitted by Jade Butay for service as the Director of Labor and Industrial Relations.

Your Committee received testimony in support of the nomination for the appointment of Jade Butay from the Governor; Department of Labor and Industrial Relations; Department of Transportation; Department of Law Enforcement; Department of Budget and Finance; Department of Agriculture; Department of Defense; Department of Commerce and Consumer Affairs; Department of Public Safety; Department of Hawaiian Home Lands; Department of Land and Natural Resources; Department of Human Services; Department of Taxation; Department of Human Resources Development; Hawaii Public Housing Authority; Office of Enterprise Technology Services; Office of Community Services; Labor and Industrial Relations Appeals Board; Hawai'i Civil Rights Commission; Mayor of the City and County of Honolulu; Mayor of the County of Hawaii; Mayor of the County of Kauai; one member of the Maui County Council; Āliamanu-Salt Lake-Foster Village-Airport Neighborhood



Board of the City and County of Honolulu; Board of Water Supply of the City and County of Honolulu; Oahu Metropolitan Planning Organization; Hawaii Operating Engineers Industry Stabilization Fund Political Action Committee; Operating Engineers Local Union No. 3; Hawaii Laborers-Employers Cooperation and Education Trust; Retail Merchants of Hawaii; Work Injury Medical Association of Hawaii; United Public Workers, AFSCME Local 646, AFL-CIO; Airlines Committee of Hawaii; Unite Here Local 5; Waikiki Improvement Association; University of Hawaii Professional Assembly; Hawai'i Friends of Civil Rights; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; International Brotherhood of Electrical Workers Local 1260; Airport Concessionaires Committee; Oahu Filipino Community Council; Hawai'i State AFL-CIO; Filipinos for Affirmative Action; Environmental Caucus of the Democratic Party of Hawai'i; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; We Are Oceania; Hawai'i Lodging & Tourism Association; Nakem Conferences, Inc.; Hawaii Masons' and Plasterers' Unions Stabilization Fund; Hawaii Carpenters Apprenticeship and Training Fund; Hawaii Workers Center; Hawai'i Farm Bureau; Hawaii Medical Service Association; and one hundred six individuals. Your Committee received testimony in opposition to the nomination for the appointment of Jade Butay from two individuals. Your Committee received comments on the nomination for the appointment of Jade Butay from one individual.

Mr. Butay earned a Bachelor of Business Administration with Distinction from the University of Hawaii at Manoa and a Master of Business Administration from Babson College. Since then, he has accumulated twelve years of experience as a management consultant and over eleven years of experience in positions of leadership within the executive branch. Prior to being nominated to serve as the Director of Labor and Industrial Relations, Mr. Butay was the Director of Transportation, a position he has held since November 2017. Your Committee notes that Mr. Butay not only served as the Deputy Director of the Department of Transportation from 2011 to 2013, and 2014 to 2017, but also served as the Deputy Director of the Department of Labor and Industrial Relations from 2013 to 2014. Your Committee further notes that Mr. Butay has served as the interim Director of Labor and Industrial Relations since December 2022.

Your Committee recognizes the wide-ranging testimony it has received in support of Mr. Butay's nomination from both state and county departments, for-profit and nonprofit organizations, and



numerous individuals across various industries and communities. Testimony in support of Mr. Butay's nomination speak positively to his character and professionalism, along with his many contributions to the Filipino community. In response to your Committee's questionnaire, Mr. Butay shared his vision to have a thriving workforce by enhancing current programs of the Department of Labor and Industrial Relations and developing new programs to positively impact the community and help displaced workers gain the skills necessary to rejoin the workforce.

Your Committee recognizes that it is the solemn responsibility of the Senate to evaluate whether the Governor's nominees are qualified for the position to which they are nominated. Your Committee notes that its assessment is based on the past performance of the nominee, the performance of the nominee during the public hearing, and testimony of those with direct knowledge of the nominee's ability to lead. Your Committee finds that the testifiers agree that Mr. Butay is attentive, collaborative, and personable. However, those who have worked directly with him report his lack of leadership, that his role as Director of Transportation was purely ceremonial as he acted as a caretaker rather than improving the organization. Your Committee thus has grave concerns about the ability of the nominee to lead the Department of Labor and Industrial Relations based on his performance to date. More is needed to meet the post-pandemic challenges, goals, and mission of the Department.

Your Committee believes that during this new administration, the State needs leaders who can address and solve the labor challenges that have emerged from the coronavirus disease 2019 pandemic. Your Committee further believes that the Director of Labor and Industrial Relations must be proactive and results-oriented to effectively and efficiently fulfill the mission of the Department. Hearing these concerns, Mr. Butay has committed to work more proactively with department managers and staff to address the State's workforce shortage, create incentives to retain talent in the State, care for workers of small businesses, and balance labor and management concerns. Therefore, while your Committee has concerns, based on the aforementioned commitment by the nominee, it recommends, with reservations, that Jade Butay be appointed as Director of Labor and Industrial Relations.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee, after full consideration of the background,



experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

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




SHARON MORIWAKI, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT
Advise and Consent

Governor's Message No.:* 515	Committee Referral: LBT	Date: 4/14/23		
<input type="checkbox"/> The Committee is reconsidering its decision				
The Recommendation is: <input checked="" type="checkbox"/> Advise and Consent 2340 <input type="checkbox"/> Not Advise and Consent 2345				
Members	Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)		x		
LEE, Chris (VC)		x		
IHARA, Jr., Les	x			
KEITH-AGARAN, Gilbert S.C.				x
FEVELLA, Kurt		x		
TOTAL	1	3		1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;"></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one Governor's Message per Record of Votes