



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Monday, February 27, 2023
1:30 PM
State Capitol, Conference Room 308

In consideration of
HB987 HD1
RELATING TO LABOR DATA COLLECTION.

Chair Yamashita, Vice Chair Kitagawa and members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) supports HB987 HD1 that allows DBEDT to collect and analyze labor related information and data from employers.

Act 88, SLH 2021, eliminated the Department of Labor and Industrial Relations (DLIR) Research and Statistics Office and transferred a majority of the research programs and staff to the Research and Economic Analysis Division of DBEDT. However, while the labor research program and staff were transferred, DBEDT does not have the authority to collect and analyze employer data related to industry and occupational wages by county, and other conditions and practices of employment in the State. This data and analysis support vital programs including the Quarterly Census of Employment and Wages program and the Occupational Employment and Wage Statistics program.

The authorization is critical for DBEDT to continue the labor research programs as when they were with DLIR.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 27, 2023

To: The Honorable Kyle T. Yamashita, Chair,
The Honorable Lisa Kitagawa, Vice Chair, and
Members of the House Committee on Finance

Date: Monday, February 27, 2023
Time: 1:30 p.m.
Place: Videoconference Conference Room 308 State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 987 HD1 RELATING TO LABOR DATA COLLECTION

I. OVERVIEW OF PROPOSED LEGISLATION

The DLIR **supports the intent** of this bill. HB987 HD1 proposes to amend Chapter 201, Hawaii Revised Statutes (HRS), by adding a new section to allow the Department of Business, Economic Development, and Tourism (DBEDT) to collect and analyze employer information and data.

II. COMMENTS ON THE HOUSE BILL

The DLIR supports the intent of this bill and currently works with DBEDT to share employer information and data within the statutory disclosure provisions contained in Chapter 383, HRS.



**Testimony to the House Finance Committee
Monday, February 27, 2023, at 1:30 p.m.
Conference Room 308 and via Videoconference**

RE: HB987 HD1 Relating to Labor Data Collection

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

FCH Enterprises, Inc., and its most recognized brand, Zippy's Restaurants, would like to express opposition to HB987 HD1, which Amends section 201-13.8, Hawaii Revised Statutes, to allow the Department of Business, Economic Development, and Tourism to collect and analyze employer information and data.

While the intent of this bill is to gather data and information to better understand the economy, as currently drafted, this bill is written too broadly and could have harmful and unforeseen negative consequences for us and the wider business community. Under this bill, the State could ask companies for sensitive and proprietary information, all under the guise of "Employment" or "Employee" that could go far beyond the typical information that would be reported for employment or employee. This bill should more clearly define what information is to be collected and how the information could be aggregated to protect the individual employers from inadvertent leaks of proprietary information that could lead to loss of a competitive advantage.

We are also concerned about the lack of security parameters in this bill, specifically regarding sensitive information. We have seen in the past few years that government and businesses around the world, and even in Hawaii, can be victims of cyber-attacks. If confidential data is leaked, it could mean harm to public health and public safety, legal troubles, and Hawaii businesses losing a competitive advantage in their industry. Confidential information could also be shared across departments, further multiplying the potential for inadvertent data releases and cyber intrusions. HB987 HD1 does not outline how the data will be kept secure, what information can be shared, and for what purposes.

The DLIR's access to employer's records is clearly within the scope of Hawaii's Wage and Hour Law. HB987 HD1, however, creates access to "employer's records" which far exceeds a reasonable purpose on the part of DBEDT and the State of Hawaii.

Zippy's Restaurants employs nearly 1,300 people statewide and serves a large percentage of the Hawaii's population each month. We are interested in fostering an economic climate that ensures a thriving business community in Hawaii. We oppose this bill because we believe it is not conducive to a positive business environment.

Mahalo for the opportunity to testify.



Ryan Tanaka, Chairman – Giovanni Pastrami Ave Kwok, Incoming Chair- Jade Dynasty

Tambara Garrick, Secretary – Hawaii Farm Project

Kahili Soon, Treasurer – Hukilau Marketplace

Greg Maples, Past Chair – Polynesian Cultural Center

Sheryl Matsuoka, Executive Director Ginny Wright, Operations Assistant Holly Kessler, Director of Membership Relations

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Date: February 25, 2023

To: Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagwa, Vice Chair
Committee on Finance

From: Victor Lim, Legislative Lead

Subj: HB987, HD1 Relating to Labor Data Collection

The Hawaii Restaurant Association representing 4,017 Eating and Drinking Place locations here in Hawaii, strongly opposes HB987, HD1 that requires employers to maintain specified records and allows the Department of Business, Economic Development, and Tourism to collect and analyze employer information and data.

We understand the intent of this bill is to gather data and information to better understand the economy but the language is too broadly written and could be counterproductive for our business community by collecting sensitive and proprietary information all under the guise of Employment or Employee that goes way beyond your typical information. It needs to better define what information is to be collected and how this information could be aggregated to protect the individual employers and provide inadvertent leaks of proprietary that could be devastating to a business.

We are also concerned about the lack of guidelines in this bill as to what type of data can be collected, specifically regarding sensitive information, and how this might be shared and for what purposes.

Having to provide a blank access to Employer's records also far exceed what DBEDT might need to ascertain employment statistics.

For all of the above reasons, we oppose this bill and ask that you do not pass it out of this committee.

Mahalo for this opportunity to testify.





**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 27, 2023
Re: HB 987 HD1 RELATING TO LABOR DATA COLLECTION**

Good afternoon, Chair Yamashita members of the House Committee on Finance. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

While we understand the state's desire for this type of information, we are strongly opposed to HB 987 HD 1 Relating to Labor Data Collection. This measure requires employers to maintain specified records; allows the department of business, economic development, and tourism to collect and analyze employer information and data and is effective 6/30/3000.

Retailers are concerned about the type of information that is being sought since this measure has no real parameters on what information could be asked and that businesses would have to provide.

Government could ask businesses for a variety of information that goes beyond the scope and all under the guise of wages, hours, conditions, and practices of employment. This measure also does not specify that information would be aggregated.

We are especially concerned with the department having access to and the right to copy records of any matter or thing pertinent to this subsection from employers. The information being asked for could include sensitive information that is proprietary. As we have seen, Government and private businesses are not immune to data breaches or cyber-attacks. If sensitive information is leaked, it could mean that company may lose a competitive edge or business contracts. While this information could be shared with other government agencies, it is not clear how this information will be kept secure, what information could be shared and for what purpose.

We are also very concerned that this type of data and information can be used against businesses in regard to future legislation, rules, and regulations.

We humbly ask that you hold this measure.

Mahalo again for this opportunity to testify.



Chamber of Commerce HAWAII

The Voice of Business

Testimony to the House Committee on Finance Monday, February 27, 2023, at 1:30 P.M. Conference Room 308 & Videoconference

RE: HB 987 Relating to Labor Data Collection

Chair Yamashita, Vice Chair Kitagawa and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **does not support** HB 987, which Requires employers to maintain specified records. Allows the department of business, economic development, and tourism to collect and analyze employer information and data

We appreciate and understand the intent of this bill to gather data and information to better understand the economy. We believe this bill is written too broadly and could be counterproductive for our business community. Under this bill, the state could ask companies for several different data points, all under the guise of "Employment" or "Employee" related that could go way beyond the typical information that would be reported for employment or employee. The Chamber is concerned that if this bill passes, certain types of data or information can be used against our business community and harm our overall economy with future rules and regulations.

The Chamber is also concerned about the lack of parameters in this bill on what type of data can be collected, specifically regarding sensitive information. We have seen the past few years that government and businesses around the world and even in Hawaii can be victims of cyber-attacks. If confidential data is leaked, it could mean harm to public health and public safety, legal troubles, and Hawaii businesses losing a competitive advantage in their industry. HB 987 does not outline how the data will be kept secure, what information can be shared, and for what purposes.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for the opportunity to testify.



**House Committee on Finance
Monday, February 27, 2023 at 1:30 P.M.
Conference Room 308 and Via Videoconference**

RE: HB 987, RELATING TO LABOR DATA COLLECTION

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Society of Human Resource Management (SHRM) Hawaii respectfully opposes HB987 which requires employers to maintain specified records and allows the Department of Business, Economic Development, and Tourism to collect and analyze employer information and data.

SHRM Hawaii serves and represents nearly 600 members and employers statewide. Human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the needs of both the employers and employees and caring for businesses' most valuable asset: the working people of our state.

We appreciate and understand the intent of this bill to gather more data from employers to make the economy stronger in Hawaii. However, there are grave concerns around the broad scope of the bill. Under this bill, the state could require that companies maintain and produce a wide variety of information that would far exceed the typical information that would be reported to the Department. For example, as currently proposed, the bill does not state what type of data can be collected, specifically regarding proprietary or other sensitive information, information that may be protected by privilege, or personal information of an employee.

The bill also does not address the security around the data that will be collected. HR professionals have seen the devastating impact a cyber-attack could have on businesses, and if confidential data is leaked, it could harm the well being of employees. HB 987 does not outline how the data will be kept secure, how it will protect business interests, or under what circumstances the data may or will be made public.



We respectfully ask that this bill not be advanced in its current form and look forward to contributing positively to the development of sound public policy and continuing to serve as a resource to the legislature on matters related to labor and employment legislation.

Thank you for this opportunity to provide testimony.

Dailyn Yanagida
Legislative Affairs Committee Co-Chair

Rosanne M. Nolan
Legislative Affairs Committee Co-Chair



SHRM Hawaii, P. O. Box 3175, Honolulu, Hawaii (808) 447-1840