

COUNTY COUNCIL

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Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kauai, Hawaii 96766

February 12, 2024

TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 2615, RELATING TO COUNTY LABOR STANDARDS
Senate Committee on Government Operations
Senate Committee on Labor and Technology
Thursday, February 15, 2024
3:10 p.m.
Conference Room 225
Via Videoconference

Dear Chair McKelvey, Chair Aquino, and Members of the Committees:

Thank you for this opportunity to provide testimony in SUPPORT of SB 2615, Relating to County Labor Standards. My testimony is submitted in my individual capacity as a member of the Kauai County Council.

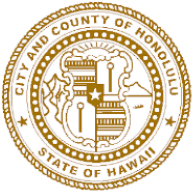
I wholeheartedly support the intent of SB 2615, which would greatly affect the Kauai community.

Thank you again for this opportunity to provide testimony in support of SB 2615. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN
Councilmember, Kauai County Council

AAO:ss



HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

530 S. KING ST. STE. 202, HONOLULU, HI 96813

TYLER DOS SANTOS-TAM
HONOLULU CITY COUNCIL
DISTRICT VI
TELEPHONE: (808) 768-5006
FAX: (808) 768-1176
EMAIL: tdossantos-tam@honolulu.gov

February 12, 2024

Senate Committee on Government Operations
Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair
and Members
415 South Beretania Street
Honolulu, Hawai'i 96813

Senate Committee on Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair
and Members
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chairs McKelvey and Aquino, Vice Chairs Gabbard and Moriwaki, and Members:

I write to support SB2615, Relating to County Labor Standards. The bill proposes to grant counties the power to “to adopt labor standards, including but not limited to living wages, benefits, and requirements for participation in state-approved apprenticeship programs.”

The City and County of Honolulu enacted Ordinances 19-24 and 20-14, which set up the terms and conditions for “citywide community workforce agreements,” for certain City projects exceeding \$2M. The workforce agreements contain a number of key terms relating to labor standards, such as prohibiting discrimination on any basis prohibited by federal, State, or local law; resolving disputes by a mandatory, final, and binding arbitration procedure; a requirement against strikes, picketing, lockouts, and other labor actions; a requirement for apprentices to be indentured in a State-approved apprenticeship program; and the incorporation of the “Helmets to Hardhats” program, which creates pathways for careers in construction to returning veterans. For private projects, the City and County of Honolulu has extensive permitting requirements, which are monitored by building inspectors from the Department of Permitting and Planning.

To have such requirements would empower the inspectors who already visit construction sites to verify labor standards, such as wages, benefits, and apprenticeship standards.

As you may have seen in the news, there have been many instances of construction projects occurring with labor abuses – including workers being subjected to unsafe conditions, wage theft, and being denied required benefits. There have been further allegations, including within my district, about immigrant construction workers on residential properties having their passports withheld or being required to live on jobsites during construction of residential properties.

If the Counties had the power to adopt labor standards, with enforcement via existing City inspectors, we would have the ability to stop these unscrupulous actors more quickly, versus having to engage in a multiagency enforcement process, as is the case now.

Mahalo nui for the opportunity to provide these comments in support of SB2615.

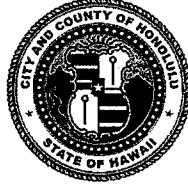
Me ka mahalo,

Tyler Dos Santos-Tam
Councilmember, District 6

OFFICE OF THE MAYOR
KE KE'ENA O KA MEIA
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov

RICK BLANGIARDI
MAYOR
MEIA



MICHAEL D. FORMBY
MANAGING DIRECTOR
PO'O HO'OKELE

KRISHNA F. JAYARAM
DEPUTY MANAGING DIRECTOR
HOPE PO'O HO'OKELE

February 13, 2024

The Honorable Angus L.K. McKelvey, Chair
The Honorable Mike Gabbard, Vice Chair
and Members of the Committee on Government
The Honorable Henry J.C. Aquino, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
and Members of the Committee on Labor and Technology
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

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

Subject: SB 2615, Relating to County Labor Standards

The City and County of Honolulu (City) respectfully asks for your **support** of SB2615.

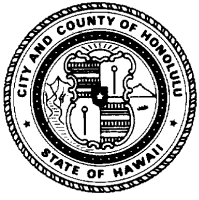
SB2615 would allow each county to adopt labor standards, including wages, benefits, and other requirements for participation in state-approved apprenticeship programs. The City and County of Honolulu would look forward to set and adjust standards in order to support our local workforce in a way that ensures the needs of each county is met and the labor laws of the State of Hawaii are followed. Greater authority to enforce compliance and allow for additional transparency is appreciated.

Thank you for the opportunity to testify in support of this measure, please do not hesitate to contact the undersigned if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael D. Formby". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael D. Formby
Managing Director



HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
530 S. KING ST. STE. 202, HONOLULU, HI 96813

MATT WEYER
HONOLULU CITY COUNCIL
DISTRICT II
TELEPHONE: (808) 768-5002
FAX: (808) 768-1222
EMAIL: mweyer@honolulu.gov

February 15, 2024

Senate Committee on Government Operations
Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair

Senate Committee on Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

RE: SB2615 - Relating to County Labor Standards

Chair McKelvey, Chair Aquino, Vice Chair Gabbard, Vice Chair Moriwaki, and Committee Members,

I am writing in support of SB2615, Relating to County Labor Standards, which would allow the City and County of Honolulu to adopt labor standards.

This measure would help to ensure that workers in each county are paid what they are owed according to law for an honest day's work. By allowing the counties to adopt their own labor standards, counties would be better able to ensure the safety of their workers by enforcing proper safety standards, as well as protect residents from unscrupulous employers who would seek to improperly pay their employees or fail to carry the required insurance coverage as mandated by law.

Therefore, I stand in support of SB2615, Relating to County Labor Standards. Thank you for the opportunity to submit testimony on this matter.

Respectfully,

Matt Weyer
Councilmember, District 2
Honolulu City Council

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

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Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL

COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 13, 2024

TO: Honorable Angus L.K. McKelvey, Chair
Honorable Mike Gabbard, Vice Chair, and Members of the Senate
Committee on Government Operations

Honorable Henry J.C. Aquino, Chair
Honorable Sharon Y. Moriwaki, Vice Chair, and
Members of the Senate Committee on Labor and Technology

FROM: Thomas Cook
Councilmember

A handwritten signature in blue ink that reads "Thomas Cook".

SUBJECT: **TESTIMONY IN SUPPORT OF SB 2615, RELATING TO COUNTY LABOR STANDARDS**

Thank you for the opportunity to testify in **support** of Senate Bill 2615, relating to County Labor Standards. This measure allows the Counties to have the power to adopt labor standards by amending Section 46-1.5 of the Hawaii Revised Statutes.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. The measure authorizes each county to have the power to adopt labor standards pertaining to living wages, benefits, and requirements for participation in state-approved apprenticeship programs.
2. The measure allows the counties to be leaders for change, standing up for the working people, their families, and their community.
3. Labor law violations in areas such as labor, employment, tax, insurance, and occupational safety negatively impact hardworking families when businesses fail to comply with fair labor standards. If passed, the measure can provide counties with a policy tool to drive labor compliance and higher labor standards in their community.

For the foregoing reasons, I support this measure.



February 15, 2024

TO: HONORABLE ANGUS L.K. MCKELVEY, CHAIR, HONORABLE MIKE GABBARD, VICE CHAIR, COMMITTEE ON GOVERNMENT OPERATIONS. HONORABLE HENRY J.C. AQUINO, CHAIR, HONORABLE SHARON Y. MORIWAKI, VICE CHAIR, COMMITTEE ON LABOR AND TECHNOLOGY

SUBJECT: **COMMENTS ON S.B. 2615, RELATING TO COUNTY LABOR STANDARDS.** Authorizes the counties to adopt labor standards.

HEARING

DATE: Thursday, February 15, 2024
TIME: 3:10 a.m.
PLACE: Capitol Room 225

Dear Chair McKelvey, Vice Chair Gabbard, Chair Aquino, Vice Chair Moriwaki and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA provides comments on S.B. 2615, which authorizes the counties to adopt labor standards.

GCA is unsure of the term "labor standards" in this measure. If the intent is to allow counties to set its own minimum wage standards and/or state prevailing wage standards different from those of the State, it will create a host of problems for contractors to pay different rates for its people.

Thank you for the opportunity to provide comments.



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

February 15, 2024

To: The Honorable Angus L.K. McKelvey, Chair,
The Honorable Mike Gabbard, Vice Chair, and
Members of the Senate Committee on Government Operations

The Honorable Henry J.C. Aquino, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
Members of the Senate Committee on Labor and Technology

Date: Thursday, February 15, 2024
Time: 3:10 p.m.
Place: Conference Room 225, State Capitol

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

Re: S.B. 2615 RELATING TO COUNTY LABOR STANDARDS

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR offers comments**. S.B.2615 amends Section 46-1.5, Hawaii Revised Statutes (HRS), "General powers and limitation of the counties" by adding the power for each county to adopt labor standards, including but not limited to living wages, benefits, and requirements for participation in state-approved apprenticeship programs.

II. CURRENT LAW

Title 21, Labor and Industrial Relations, does not have a provision or definition of "labor standards."

III. COMMENTS ON THE HOUSE BILL

It is unclear what labor standards the counties will be given the authority to adopt and there is a concern that the standards may be inconsistent or conflict with the laws administered by the department. The department respectfully requests that the labor standards be clarified.

Testimony of
Pacific Resource Partnership

Senate Committee On Government Operations
Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair

Senate Committee On Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

SB 2615—Relating To County Labor Standards
Thursday, February 15, 2024
3:10 P.M.

Aloha Chairs McKelvey and Aquino, Vice Chairs Gabbard and Moriwaki, and Members of the Committees:

Pacific Resource Partnership (PRP) is a nonprofit organization that represents the Hawai'i Regional Council of Carpenters, the largest construction union in the state with approximately 6,000 members, in addition to more than 250 diverse contractors ranging from mom-and-pop owned businesses to national companies.

PRP writes in **support** of SB 2615, which allows, not requires, each county to have the power to adopt labor standards.

The hard-working men and women in the counties are victimized by an “underground economy” where individuals and businesses utilize schemes to conceal or misrepresent their employee population to avoid one or more of their employer responsibilities related to wages, payroll taxes, insurance, licensing, safety, or other regulatory requirements. The Maile Sky Court hotel-condo project in Waikiki is an example of the underground economy at work in the state. This was a \$25 million renovation project awarded to unscrupulous contractors who violated labor and licensing laws. On August 29, 2016, the joint enforcement working group raided the project which resulted in the following:

- Department of Labor and Industrial Relations issued a \$767,095 fine to R&R Construction for failing to provide prepaid health care, temporary disability, and workers' compensation insurance to employees.
- The U.S. Department of Labor ordered R&R Construction to pay workers \$371,376 in back wages and damages for overtime violations.
- RICO issued Selby Construction Services a \$25,000 fine for unlicensed activity.
- Ron's Electrical Services (sub) issued a \$10,000 fine for unlicensed activity.
- RICO issued TRG Construction a \$25,000 fine for unlicensed activity.

Unfortunately, fines issued by federal and state agencies did not stop unscrupulous contractors from completing this project, and these types of situations occur throughout the state. If, however, counties have the power to adopt and enforce ordinances allowing building officials to deny, revoke, or suspend a building permit application or permit for violating laws related to wages, benefits, hours, and employment status,



(Continued From Page 1)

property owners and developers are more likely to carefully select law-abiding contractors to build their projects.

As such, we respectfully request your favorable decision on this measure. Thank you for this opportunity to submit written testimony.

HAWAII HARBORS USERS GROUP

Testimony of the Hawaii Harbors Users Group
Comments on SB 2615, Relating to County Labor Standards
Before the Senate Committee on Government Operation and
The Senate Committee on Labor and Technology
February 15, 2024

Aloha Chair McKelvey, Chair Aquino, Vice Chair Gabbard, Vice Chair Moriwaki, and Members of the Committees:

The Hawaii Harbor Users Group (HHUG) is a non-profit maritime transportation industry group comprised of key commercial harbor users statewide. Members of HHUG play a vital role in our state's economic development and sustainability, as well as cargo operations and tourism. The safe and efficient operations of Hawaii harbors are critical to connecting Hawaii's most remote and isolated communities to the rest of the state and, indeed, the world.

SB 2615 would grant each county the power to adopt labor standards, facilitating a county to set differing wage standards from other counties should it choose to, or to make other changes taking into account the unique needs and characteristics of each county's economy. HHUG appreciates the intent of this measure. We respectfully request, however, that this bill be amended to provide an exemption for harbors-related operations. Scheduling changes, a need for rapid deployment of workers, and the nature of harbor operations which may cross multiple counties, necessitate our request for this exemption.

As an island state, Hawaii is very dependent upon our commercial harbors to ensure the continued and unimpeded flow of cargo in and out of our State. It is estimated that over 90 percent of Hawaii's imported goods pass through our commercial harbors, including consumer goods, motor vehicles, construction materials, and fuel. Given the critical role of our commercial harbors, it is imperative that the state support dependable and efficient cargo transportation and handling to service our residents and businesses.

While most of HHUG members' employees are either employed under collective bargaining agreements or are otherwise provided with written notice of their schedules, there are instances in which last minute schedule changes are required. For example, severe weather could cause last minute changes in schedules. This measure could cause delays as employees must meet the eligibility requirements for a particular county in such situations. Accordingly, it could slow delivery and increase the cost of goods to the residents of our state.

Thank you for considering our testimony.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

S.B. NO. 2615, RELATING TO COUNTY LABOR STANDARDS.

BEFORE THE:

SENATE COMMITTEES ON GOVERNMENT OPERATIONS AND ON LABOR AND TECHNOLOGY

DATE: Monday, February 15, 2024 **TIME:** 3:10 p.m.

LOCATION: State Capitol, Room 225 and Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Michael J.S. Moriyama, Nelson T. Higa, or Dale M. Fujimoto
Deputy Attorneys General

Chairs McKelvey and Aquino and Members of the Committees:

The Department of the Attorney General (Department) provides the following comments on this bill.

The purpose of this bill is to allow the counties to adopt labor standards including, but not limited to, standards for living wages, benefits, and requirements for participation in state-approved apprenticeship programs.

The Department is concerned that it is unclear what labor standards this bill would authorize the counties to adopt. Without further clarification and limitation, counties could adopt labor standards that may conflict with existing federal or state laws, which could lead to litigation. As a first step, we recommend amending the bill to clarify that labor standards adopted by counties must still comply with state laws by adding a proviso at the end of proposed section 46-1.5(28), on page 20, line 14:

; provided that the labor standards adopted by counties do not directly conflict with the labor standards established by the State.

The Department notes, however, that further amendments to limit the scope of labor standards counties can adopt may be necessary to accomplish the intent of the bill. We are unable to make any further recommendations unless we know what is intended by the bill. The Department is available to assist the Committee

in drafting amended provisions to clarify the scope of the labor standards counties can adopt.

Thank you for the opportunity to provide these comments.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 13, 2024

TO: Honorable Angus L. K. McKelvey, Chair, and
Members of the Senate Committee on Government Operations

Honorable Henry J. C. Aquino, Chair, and
Members of the Senate Committee on Labor and Technology

FROM: Nohelani U'u-Hodgins *Nohelani U'u-Hodgins*
Councilmember

SUBJECT: **TESTIMONY IN SUPPORT OF SB 2615, RELATING TO COUNTY
LABOR STANDARDS**

DATE: Thursday, February 15, 2024
3:10 p.m., Conference Room 225

Thank you for the opportunity to testify in support of this important measure. The purpose of this measure is to allow each county to have the power to adopt labor standards, including but not limited to living wages, benefits, and requirements for participation in state-approved apprenticeship programs.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

SB 2615, will empower each county with the authority to adopt labor standards and to become leaders in standing up for working people and their families.

February 13, 2024

Page 2

Many hard-working men and women are victimized by an “underground economy” where individuals and businesses utilize schemes to conceal or misrepresent their employee population to avoid one or more of their employer responsibilities related to wages, payroll taxes, insurance, licensing, safety, or other regulatory requirements.

It has become increasingly evident that labor violations have a detrimental impact on the livelihoods of our local workforce and the overall success of our communities. Counties can play an important role in stopping unlawful contractors who take advantage of workers by not paying them earned wages and benefits.

I urge you to lend your support to SB 2615. By granting counties the authority to adopt labor standards, we take a significant step toward protecting our local workforce and ensuring the well-being of individuals and their families.

Mahalo for the opportunity to submit testimony in support of SB 2615.