

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 728
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 728, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT CONTRACTS,"

begs leave to report as follows:

The purpose and intent of this measure is to require equal pay for men and women who do similar work under certain government contracts.

More specifically, this measure establishes requirements for government contracts with a value in excess of \$25,000 that:

- (1) Require contractors and subcontractors to pay equal wages or salaries for equal work, regardless of employee gender;
- (2) Prohibit government contractors from discriminating or retaliating against or discharging employees for inquiring about, discussing, or disclosing wage information; and
- (3) Require contractors to report to the governmental contracting agency all wages paid to its employees, categorized by gender.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, the Hawaii Civil Rights Commission, Planned Parenthood of Hawaii,



the Chamber of Commerce of Hawaii, and one individual. The General Contractors Association of Hawaii submitted written comments on this measure.

Your Committee notes that in 2013, full-time, year-round female employees earned 78.3 percent of the wages earned by their male counterparts. Your Committee finds that women in the workplace often stay silent about unequal compensation due to fears of retaliation by their employer.

Your Committee also finds that the federal government and other states have enacted laws and regulations that prohibit discrimination against or discharge of government contract employees who inquire about, discuss, or disclose their compensation or the compensation of another. One of these regulations is federal Executive Order 13665, which suggests that compensation discrimination is more likely to persist when employees are prohibited from inquiring about, disclosing, or discussing their compensation with fellow workers. Thus, gender compensation discrimination is less likely to occur when employees are free to discuss and reveal issues of unequal compensation between women and men. Your Committee believes that more can be done in Hawaii to encourage wage equity and prevent gender discrimination on state government contracts.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion.

Your Committee requests that, as this measure progresses through the legislative session, the Department of Accounting and General Services consider presenting proposed amendments to chapters 103 and 104, Hawaii Revised Statutes, to the relevant Standing Committees, to address the implementation and enforcement issues raised in the Department's written comments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 728, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 728, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB728 SD1</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CIVIL/DL, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/27/15</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam			✓	
TOTAL	8	0	1	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">mm n. m.</div>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes