

# HAWAI'I CIVIL RIGHTS COMMISSION KOMIKINA PONO KĪWILA O HAWAI'I

830 PUNCHBOWL STREET, ROOM 411, HONOLULU, HI 96813 · PHONE: (808) 586-8636 · FAX: (808) 586-8655 · TDD: (808) 586-8692

Wednesday, March 29, 2023, at 2:00 p.m. Conference Room 325 & Videoconference

- To: The Honorable David A. Tarnas, Chair The Honorable Gregg Takayama, Vice Chair Members of the House Committee on Judiciary and Hawaiian Affairs
- From: Liann Ebesugawa, Chair and Commissioners of the Hawai'i Civil Rights Commission

Re: S.B. No. 1057, S.D.2, H.D.1

The Hawai'i Civil Rights Commission (HCRC) has enforcement jurisdiction over Hawai'i's laws prohibiting discrimination in employment, housing, public accommodations, and access to state and state funded services (on the basis of disability). The HCRC carries out the Hawai'i constitutional mandate that no person shall be discriminated against in the exercise of their civil rights. Art. I, Sec. 5.

The HCRC supports S.B. No. 1057, S.D.2, H.D.1 which seeks to reduce pay inequalities by requiring job listings to disclose the hourly rate or salary range. The measure also prohibits an employer from discriminating between employees because of any protected category established under state law, by paying wages to employees in an establishment at a rate less than the rate at which the employer pays wages to other employees in the establishment for substantially similar work on jobs the performance of which requires equal skill, effort, and responsibility, and that are performed under similar working conditions.

HRS § 378-2(a)(1) prohibits discrimination in compensation based on race, sex, including gender identity or expression, sexual orientation, age, religion, color, ancestry, disability, marital status, arrest and court record, reproductive health decision, or domestic or sexual violence victim status.

The proposed addition of a new statute to require employer posting and disclosure of pay information and ranges is intended to provide transparency. The proposed amendment of HRS §

378-2.3 in Section 3 of the bill clarifies the Legislature's intent that equal pay applies to all protected bases, and applies to substantially similar work. In the absence of such transparency, it is difficult for applicants and employees to have knowledge and evidence of equal pay violations, or to negotiate for pay equality. Women and minorities have historically been paid lower salaries than their male non-minority counterparts, even for the performance of the same jobs. In the absence of pay transparency, it is difficult to level the playing field. S.B. No. 1057, S.D.2, H.D.1 would remedy that, following other jurisdictions that require employers to disclose hourly rates or salary ranges in job listings.

Colorado, Connecticut, Washington, New York, California and numerous municipalities have passed legislation regarding wage transparency, finding that it removes inequities in pay and reduces wage gaps. Other states such as Maryland, Rhode Island, and Nevada also have pay transparency to varying degrees.

HCRC supports S.B. 1057, S.D.2, H.D.1.



To:Committee on Judiciary and Hawaiian Affairs Hearing Date/Time: March 29, 2023 2:00 PM Place: Hawaii State Capitol, Room 325 Re: Testimony in SUPPORT of SB1057 SD2 HD1

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

Members of AAUW of Hawaii thank you for this opportunity to testify in support of SB1057 SD2 HD1 which would require certain job listings to include an hourly rate or salary range.

Hawaii can be a leader in pay equity and was making significant progress in reducing the pay gap until a few years ago. However, the gap has now worsened according to US Bureau of Labor statistics. In 2020, women's-to-men's earning ratio in Hawaii fell below 80% for the first time since 2011.

Salary transparency plays a role in ensuring pay equity and can do so with minimal cost or disruption to employers. Research shows that addressing pay inequality improves work force measures as attendance, cooperation and productivity, and decreases employee turnover.

I know from my personal 35 year experience in corporate America from an entry level employee to a department manager, all in an environment of salary secrecy that:

- talking about salaries creating concern by spreading information and misinformation is common,
- managing people in a business without transparent salary ranges and performance criteria increases the difficulty of addressing inequities within one's budget,
- hiring the best job candidates was jeopardized when we made a job offer and finally disclosed salary only to learn it was unacceptable. This wasted time and money for both the business and the job candidates.

Salary transparency would have addressed such issues to the benefit of all.

Many other states, cities and counties already require posting of salary ranges: California; Cincinnati, Ohio; Colorado; Connecticut; Ithaca, New York; Jersey City, New Jersey; Maryland; Nevada; New York City; Rhode Island; Toledo, Ohio; Washington; Westchester County, New York. And, many more currently have legislation pending including Alaska, the District of Columbia, Georgia, Hawaii, Illinois, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, New Jersey, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Vermont, Virginia, and West Virginia.

Please add Hawaii to this list by supporting SB1057 SD2 HD1. Thank you.

The American Association of University Women (AAUW) of Hawaii is an all volunteer, statewide chapter of a national organization and is made up of six branches: Hilo, Honolulu, Kaua'i, Kona, Maui, and Windward Oahu. UH Hilo, UH Manoa, UH Maui College, and Windward Community College are also AAUW partners. AAUW's mission is to advance gender equity for equal opportunities in education, at workplace and for economic security, and in leadership.

Sincerely, Nancy Rustad Public Policy Committee, AAUW of Hawaii publicpolicy-hi@aauw.net



# Testimony to the House Committee on Judiciary & Hawaiian Affairs Wednesday, March 29, 2023, at 2:00 P.M. Conference Room 325 & Videoconference

# RE: SB 1057 SD2 HD1 Relating to Employment Earnings

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

The Chamber of Commerce Hawaii ("The Chamber") **does not support portions of SB 1057 SD2 HD1**, which requires job listings to include an hourly rate or salary range. Prohibits an employer from discriminating between employees because of any protected category established under state law, by paying wages to employees in an establishment at a rate less than the rate at which the employer pays wages to other employees in the establishment for substantially similar work on jobs the performance of which requires equal skill, effort, and responsibility, and that are performed under similar working conditions.

While we appreciate the intentions of this bill, we believe that it will ultimately do more harm than good for both employers and job seekers. Including an hourly or salary range on job listings could limit a company's ability to negotiate compensation packages with potential hires, resulting in less flexibility and fewer options for both the employer and the employee. This could impact the amount of qualified candidates who are willing to take the job, which would hurt an already struggling workforce problem in our state.

Furthermore, this proposal could have a negative impact on job seekers. While the intention is to promote transparency, it could actually limit the opportunities available to job seekers who might otherwise be willing to consider a position with a lower advertised salary, but with the potential for greater compensation and benefits down the line. Additionally, this legislation could lead to a standstill in the growth of salary ranges for certain job types, which could stifle competition and innovation in the marketplace and overall hurt the job seeker.

We believe that the best way to promote transparency in the job market is to encourage companies to provide salary information voluntarily. Many employers already do this, recognizing that it helps attract qualified candidates and fosters trust and transparency in the hiring process. Mandating this practice through legislation and a mandate, however, is not the answer.

While we agree with the equal pay portion of the bill, we ask that you amend section 2 of this bill for the reasons listed above.

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.



Committee:House Judiciary and Hawaiian AffairsHearing Date/Time:Wednesday, March 29, 2023, 2:00 PMPlace:Conference Room 325 & VideoconferenceRe:S.B. 1057, S.D. 2, H.D. 1 Relating to Employment Earnings:<br/>SUPPORT

Aloha Chair Tarnas, Vice Chair Takayama and Committee Members:

The ACLU of Hawai'i strongly supports **S.B. 1057**, **S.D. 2**, **H.D.1 Relating to Employment Earnings** that requires certain job listings to include an hourly rate or salary range. This bill will also prohibit an employer from discriminating between employees because of any protected category established under state law, by paying wages to employees in an establishment at a rate less than the rate at which the employer pays wages to other employees in the establishment for substantially similar work.

Article I, Section 5 of the Hawai'i Constitution provides that "no person shall be denied the enjoyment of civil rights or be discriminated against in the exercise thereof because of race, religion, sex or ancestry."

Despite our strong commitment to the protection of civil rights enshrined in our Constitution and statutory law, gaps in wages based on protected classes persist.<sup>1</sup> Beginning with the hiring process, women<sup>2</sup> continue to face significant structural barriers to achieving equal pay for equal work. Other marginalized and intersectional groups including women of color, LGBTQ+ people, and women with disabilities, are especially vulnerable to pay inequities.

Pay secrecy – the longstanding employer practice of withholding critical information about compensation, contributes to pay inequity. Without access to compensation information, many job applicants are forced to negotiate their own salaries. As women and women of color are more affected by harmful stereotypes when they advocate for themselves, the act of negotiation often negatively impacts hiring, promotion and compensation.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> In 2022, women earned an average of 82% of what men earned, according to the median hourly earnings of both full- and part-time workers. These results are similar to where the pay gap stood in 2002, when women earned 80% as much as men. See Rakesh Kochhar, *The Enduring Grip of the Gender Pay Gap*, Pew Research Center. (March 1, 2023). <u>https://www.pewresearch.org/fact-tank/2023/03/01/gender-pay-gap-facts/</u>

<sup>&</sup>lt;sup>2</sup> The use of the term "women" is meant to inclusively capture all individuals who face pay disparities because of their identity as women.

<sup>&</sup>lt;sup>3</sup> See Tara S. Bernard, Moving Past Gender Barriers to Negotiate a Raise, N.Y.TIMES (March 24, 2014),

Chair Tarnas and Committee on Judiciary & Hawaiian Affairs March 29, 2023, 2:00 P.M. Page 2 of 2

Furthermore, when women do negotiate, they are disproportionately impaired by a history of discrimination and lower wages making negative negotiation outcomes more likely.<sup>4</sup> When employers rely on applicants' salary histories to determinate their compensation, they build upon years of compounded disparities -which further widens the pay gap.

Contrary to concerns raised in opposition to this measure, this bill would help employers too. Pay transparency has proven to help employers retain talent and build more trusting relationship with employees.<sup>5</sup> In addition, requiring all employers to disclose this information would develop a data-driven approach to compensation.

In closing, the proposed measure would advance pay equity by requiring employers to disclose compensation to applicants and employees, and to ensure employees in protected categories that do substantially similar work as other employees are paid at the same rate.

For these reasons, the ACLU of Hawai'i urges passage of **SB 1057 Relating to Employment** *Earnings.* 

Sincerely,

# Carrie Ann Shirota

Carrie Ann Shirota Policy Director ACLU of Hawai'i <u>cshirota@acluhawaii.org</u>

The mission of the ACLU of Hawai'i is to protect the fundamental freedoms enshrined in the U.S. and State Constitutions. The ACLU of Hawai'i fulfills this through legislative, litigation, and public education programs statewide. The ACLU of Hawai'i is a non-partisan and private non-profit organization that provides its services at no cost to the public and does not accept government funds. The ACLU of Hawai'i has been serving Hawai'i for over 50 years.

> American Civil Liberties Union of Hawai'i P.O. Box 3410 Honolulu, Hawai'i 96801 T: 808.522.5900 F: 808.522.5909 E: office@acluhawaii.org www.acluhawaii.org

https://www.nytimes.com/2014/03/25/your-money/moving-past-gender-barriers-to-negotiate-a-raise.html (noting that employment discrimination can emerge when women advocate for themselves.)

<sup>&</sup>lt;sup>4</sup> See, e.g., Benjamin Artz, Amanda Goodalll & Andrew J. Oswald, *Research: Women Ask for Raises as Often as Men, but Are Less Likely to Get Them,* HARVARD BUS. REV. (June 25, 2018).

<sup>&</sup>lt;sup>5</sup> See, e.g., 2021 Compensation and Culture Report, BEQOM )2021,



#### TESTIMONY OF TINA YAMAKI, PRESIDENT RETAIL MERCHANTS OF HAWAII March 29, 2023 Re: SB 1057 SD2 HD1 RELATING TO EMPLOYMENT EARNINGS

Good afternoon, Chair Tarnas House Committee on Judiciary & Hawaiian Affairs. 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 intent of SB 1057 SD2 HD1 Relating to Employment Earnings, we are respectfully opposed. This measure requires certain job listings to include an hourly rate or salary range; prohibits an employer from discriminating between employees because of any protected category established under state law, by paying wages to employees in an establishment at a rate less than the rate at which the employer pays wages to other employees in the establishment for substantially similar work.

Retailers, like many other industries are having a tough time finding qualified employees. **Measures like this may force small mom & pop businesses to close their doors as this would be detrimental to small local businesses who cannot compete with the higher salary being offered by some of the larger or nationally owned companies.** Small locally owned companies are already dealing with competition, higher shipping, manufacturing and supply costs and let us not forget higher mandated medical insurance and unemployment insurance for each of their current employees. Retailers like so many other businesses are having a hard time finding workers. If the salary range is mandated to be in ads, **employers would have an even small pool of candidates to consider**. The candidates would only be concentrating on the pay and would most likely jump if another company offered more. **These candidates would not consider company culture or promotion ability, or other benefits offered.** 

Furthermore, it also allows their business competition as well as the employees in the company will find out what your company is offering. For current employees this may spark jealousy and resentment therefore making the workplace a toxic environment. Retail has a lot of high school students working in our stores. We would also like to have flexibility on what we offer to those who are seeking their first job vs those with experience. It is NOT based on someone's religious belief, race, color, sexual identity, or orientation – it IS based on what the company can afford and what skills and experience the person has. Employers all vary in how much they pay each employee that is based on their job description and experience. Retailers, like all businesses, have a bottom line on what they can and cannot pay their employees.

Retail is an extremely competitive industry. However, we must also recognize that larger businesses may be able to pay their employees more than small mom and pop type businesses. We need to protect and help small businesses in Hawaii. Measures like this have the potential to hurt businesses attract employees, especially our smaller locally owned and operated ones.

We ask that you hold this bill.

Mahalo again for this opportunity to testify.



# **WOMEN'S CAUCUS** DEMOCRATIC PARTY OF HAWAI'I

To: House Committees on Judiciary & Hawaiian Affairs Hearing Date/Time: Wednesday, March 29, 2023, 2:00 PM Re: Testimony in SUPPORT of SB1057 SD2 HD1

Dear Chair Tarnas, Vice Chair Takayama, and Committee Members,

Members of Hawaii State Democratic Women's Caucus thank you for this opportunity to testify in support of SB1057 SD2 HD1, which would require job listings to include an hourly rate or salary range, in order to increase pay transparency and equal pay for all employees. It would also prohibit employers from discriminating, by providing unequal pay, against employees in protected categories established by state law.

Pay transparency can be implemented with minimal cost or disruption to employers, and the research shows pay transparency and attempts at pay equity will attract millennials, making the employers in Hawaii more attractive in this competitive market to attract competent employees. Hawaii can be a leader in the field of pay equity, as Hawaii has led the way in civil rights.

Thank you for your consideration.

Sincerely,

Members of Hawaii State Democratic Women's Caucus

The Hawai'i State Democratic Women's Caucus is a catalyst for progressive, social, economic, and political change through action on critical issues facing Hawai'i's women and girls.



745 Fort St. Mall 17<sup>th</sup> Floor Honolulu, HI 96813

808-521-9500 NFIB.com

March 28, 2023

- TO: Representative David A. Tarnas, Chair Representative Gregg Takayama, Vice Chair Members of the Committee on Judiciary & Hawaiian Affairs
- FR: Michael Iosua, State Director NFIB, Hawaii Chapter
- RE: **OPPOSITION** TO SB 1057, SD2, HD1 RELATING TO EMPLOYMENT EARNINGS Hearing date – March 29, 2023 at 2:00 PM

Aloha Chair Tarnas, Vice-chair Takayama and members of the committees,

Mahalo for the opportunity to submit testimony on behalf of NFIB's Hawaii Chapter in **OPPOSITION** to SB 1057, SD2, HD1 – RELATING TO EMPLOYMENT EARNINGS. NFIB is a nonprofit, nonpartisan, and member-driven organization exclusively dedicated to small and independent businesses. With members in all four counties, NFIB's Hawaii chapter advocates on issues that affect Hawaii's small and independent business owners.

SB 1057, SD2, HD1 would require job listings to include an hourly rate or salary range, as well as amend the protections for employees from discrimination based on any protected category established under HRS § 378-2(a)(1). While well intended, the wage transparency requirement in SB 1057, SD2, HD1 would do little to address or provide additional protections against a gender pay gap already included in current laws. Instead, this legislation would set employers up for unnecessary and costly burdens that small businesses are unable to absorb at this time.

Disclosing salary information creates a needless administrative burden that doesn't recognize the particularized needs of Hawaii small businesses. Job responsibilities, titles, and specific roles with small and independent businesses are often imprecise and ever evolving. Compensation and wage ranges may not be uniform for any given available position but can fluctuate based on individual candidates' qualifications, experience, availability as well as the employee's willingness to take on new job duties. Additionally, such mandates do not differentiate between large corporations and small businesses, and always disproportionally burden the latter. Large employers can hire human resource staff to determine salaries, document and analyze pay ranges, create job descriptions, and train employees on new laws. They are also far more equipped to handle transparency guidelines, without putting additional job responsibilities and stress on existing employees. Small businesses, on the other hand, would likely depend on existing employees to perform these tasks, as many lack dedicated human resource staff. Otherwise, small businesses would have to take on expenses they would normally not incur and could potentially not afford.

The bill also would potentially impact small businesses by intruding on the privacy of employees and employers. Requiring employers to disclose salary information could reveal sensitive and personal information about employees and could create tension and resentment in the workplace. It would also encourage employees to leave for what they may falsely believe is a higher-paying job just based on the salary range or create an environment of unhealthy competition among coworkers.

Simply put, SB 1057, SD2, HD1 does not provide any substantial protections against the gender pay gap but does significantly impact small and independent businesses in a negative way. These businesses cannot afford the substantial burdens of this bill, especially during this fragile economic period. Accordingly, NFIB urges you to defer this bill.

Mahalo for your consideration.



Testimony of the Hawai'i Appleseed Center for Law & Economic Justice In Support of SB 1057 SD2 HD1 – Relating to Employment Earnings House Committee on Judiciary & Hawaiian Affairs Wednesday, March 29, 2023, 2:00 PM, Room 325 & Via Videoconference

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

Thank you for the opportunity to provide testimony in strong support of SB 1057 SD2 HD1. In 2018, Hawai'i took strides to reduce wage gaps in our state by passing an equal pay law. SB 1057 SD2 HD1 builds on that progress by requiring job listings to include an hourly rate or salary range and specifying that these employment earnings protections cover all people in protected categories for substantially similar work performed by other employees.

According to the U.S. Bureau of Labor Statistics, Hawai'i women had median usual weekly earnings of \$797 in 2018, or 82.6 percent of the \$965 median usual weekly earnings of their male counterparts.<sup>1</sup> Unfortunately, that is a *decrease* of 10 percentage points from Hawai'i women's earnings peak at 92.8 percent of men's earnings in 2014.<sup>2</sup>

If women earned the same pay as comparable men, not only would their pay increase, but poverty for women and their children would fall, too. The poverty rate among working women in Hawai'i would decrease by more than half, from 5.4 to 2.5 percent, and the poverty rate for families headed by working single mothers would drop by close to half, from 21.3 to 10.7 percent.<sup>3</sup> In addition, if working women in Hawai'i received equal pay, 61.2 percent of working mothers would have increased earnings and the poverty rate among children of working mothers would fall by more than half, from 10.9 percent to 4.5 percent.

We can and should find ways to better ensure that all workers are able to access economic security in the Aloha State, regardless of gender or any other characteristic of their identity. Modest and common-sense proposals, such as requiring employers to release salary ranges to employees and job candidates, as contained within this bill, would move us closer towards that goal.

Mahalo for the opportunity to testify.

<sup>2</sup> "Highlights of women's earnings in 2014," U.S. Bureau of Labor Statistics, November 2015,

The Hawai'i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

<sup>&</sup>lt;sup>1</sup> "Highlights of women's earnings in 2018," U.S. Bureau of Labor Statistics, November 2019, <u>https://www.bls.gov/opub/reports/womens-earnings/2018/home.htm</u>

https://www.bls.gov/opub/reports/womens-earnings/archive/highlights-of-womens-earnings-in-2014.pdf <sup>3</sup> "The Economic Impact of Equal Pay by State," Institute for Women's Policy Research, February 2015, https://statusofwomendata.org/wp-content/uploads/2015/02/C457.pdf



# House Committee on Judiciary & Hawaiian Affairs Wednesday, March 29, 2023 at 2:00 P.M. Conference Room 325 and Via Videoconference

# RE: SB 1057 SD2 Relating to Employment Earnings

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

The Society of Human Resource Management (SHRM) Hawaii respectfully opposes and offers amendments to SB 1057 – Relating to Employment Earnings which requires job listings to include an hourly rate or salary range. Prohibits an employer from discriminating between employees because of any protected category established under state law, by paying wages to employees in an establishment at a rate less than the rate at which the employer pays wages to other employees in the establishment for substantially similar work on jobs the performance of which requires equal skill, effort, and responsibility, and that are performed under similar working conditions.

SHRM Hawaii serves and represents nearly 600 members and employers' statewide and 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.

SHRM Hawaii is in full support of Section 3 of this bill regarding Equal Pay. Due to the comments provided above, we ask that you amend the bill to strike section 2 which deals with job listing, disclosures.

As human resources professionals, we believe that including an hourly rate or salary range on job postings can limit an organization's ability to negotiate salaries with potential employees and can also severely limit the pool of qualified candidates who are willing to take the job. Salary itself is often one component of a compensation package. Posting a salary or range may unduly focus the potential applicant on only one aspect of the position. Employers are competing for talent, often



within the same industry or skill set. Requiring pay rates in job listings may remove their most competitive advantage.

Additionally, posting a salary range can create a false sense of security for both the employer and the employee, as it can prevent either party from recognizing the full potential value of the job.

Posting a salary range can also create an environment of mistrust between the employer and the potential employee, as the employee may view the offer as an attempt to undervalue their skill and experience. Such a requirement also potentially causes "salary compression" issues with existing employees and may foster an increased turnover rate for the employer. In summary, including an hourly rate or salary range on job postings can do more harm than good.

Hawaii Employers must compete for limited talent. Requiring pay rates in job listings takes away valuable competitive advantage, particularly for small and local employers. This bill puts them at a significant recruiting disadvantage to larger and more predatory companies who could utilize pay rate publishing requirements to compete unfairly.

Candidates often apply for "stretch" jobs, and Employers often "take a chance" and hire candidates who lack some needed qualifications but nonetheless offer promising opportunities. This is most often accomplished with lower pay for an initial probationary period. This is one of the most powerful ways employees advance their careers. It is also a valuable way for employers to find promising talent and promote career development in a limited and competitive applicant pool. The job posting requirements in this bill would inappropriately make those invaluable practices a violation of HRS 378, subjecting employers to all the associated potential damages and liabilities.

There are also unaddressed concerns about compliance after hire. Poor performance by employees, changing market conditions, employee turnover reorganizations needed for survival, and many other factors are valid reasons for changing pay rates. Without enforcement, false representations of pay rates and practices will divide those employers who play fair and those who don't, using bait-and-switch practices and other unethical tactics.

Thank you for this opportunity to provide testimony.

Dailyn Yanagida Legislative Affairs Committee Co-Chair Rosanne M. Nolan Legislative Affairs Committee Co-Chair



LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.



#### HEARING BEFORE THE HOUSE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325 WEDNESDAY, MARCH 29, 2023 AT 2:00 P.M.

To The Honorable David A. Tarnas, Chair The Honorable Gregg Takayama, Vice Chair Members of the committee on Judiciary and Hawaiian Affairs

## **OPPOSITION TO SB1057 SD2 HD1 RELATING TO EMPLOYMENT EARNINGS**

The Maui Chamber of Commerce **opposes SB1057 SD2 HD1** that requires job listings to include an hourly rate or salary range. While we understand the intent of this bill, we are concerned that it will have unintended negative consequences. In hiring, businesses often need flexibility in pay ranges so they can negotiate compensation packages and make adjustments based on skill level and previous experience, neither of which you have prior to posting the job.

Additionally, it may reduce the number of job seekers an employer could receive as pay ranges alone do not account for benefits, job perks, and company culture, as well as hinder job seekers applying for positions that may provide valuable experience and opportunities for promotion and advancement.

Given workforce shortages and changing worker priorities, we already see many employers posting their pay and salary ranges up front and prior to scheduling interviews, but understand why others do not.

Mahalo for the opportunity to provide testimony **OPPOSING SB1057 SD2 HD1**.

Sincerely,

amela Jumpap

Pamela Tumpap President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics. Hearing Date: Wednesday, March 29 2023 2:00 PM, Room 325

To: House Committee on Judiciary and Hawaiian Affairs

Chair, Representative David Tarnas Vice Chair, Representative Gregg Takayama

From: Jean Evans, (Individual)

# Re: TESTIMONY IN SUPPORT OF SB 1057, SD2, HD1 - RELATING TO EMPLOYMENT EARNINGS

My name is Jean Evans. I retired after 40 years holding executive positions in Hawaii nonprofit agencies. In these positions I have interviewed and hired hundreds of applicants. I am also a member of AAUW Hawaii.

# I support of SB 1057, SD2, HD1 Relating to Employment Earnings

This salary transparency bill requires job listings to include an hourly rate or salary range.

It is well documented that there is a large gap in gender pay across the nation and in Hawaii where women earned only 79% of what men earn in 2020. This pay gap hits women especially hard here in Hawaii with our notoriously high cost of living often making it very difficult to make ends meet.

Non-profit agencies in Hawaii have historically offered low salaries which did not reflect the level of education, experience and responsibility associated with the positions. These agencies, which were predominately filled by females with a few male top executives, were seen as helping and giving organizations and so perpetuated the idea that the women should work for lower wages for the good of the community. Slowly this mind-set is changing to reflect a more professional attitude toward the non-profit workforce. However, this change has been slow and contributes to the state-wide wage gap.

When I applied for the two executive director positions which I subsequently secured, I had no idea of the salary ranges or even if there were any. When I inquired about the salary I was told only that it was "flexible". That response did not give me a clue as to what to expect. Only after being in these positions with a salary, I thought fair, did I discover that previous Executive Directors were compensated well above me. In one case the salary was over **twice** my salary. Interestingly, one was a female and the other a male. Offered salaries amounts seemed arbitrary and unfair and got me looking for positions elsewhere.

As an executive seeking to hire qualified people, I interviewed many good candidates only to find out that their salary requirements were higher than I could offer. If I had been required to post the ranges, I could have saved their time and mine. Based on the budget, I

knew what the salary ranges were, but formally posting those was not the customary way recruitment was done. I realize now that compensation transparency would have helped me both as an employer and employee.

Employee turnover continues to be a problem in Hawaii, especially when unemployment is low. This bill is an important step in reducing turnover by ensuring competitive salaries, equal treatment, and assisting employers to control their expenses with set pay ranges.

Let Hawaii become a leader in the area of salary transparency by passing this legislation as another step toward leveling salary discrepancies and retaining talented employees. I see this measure as a win for both employers and employees. I encourage your support for this bill.

Mahalo for allowing me to submit my testimony today.

Jean Evans

# SB-1057-HD-1

Submitted on: 3/28/2023 3:10:57 PM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Kelly Chan	Individual	Support	Remotely Via Zoom

Comments:

Aloha Chair Tarnas, Vice Chair Takayama, and esteemed members of the committee,

I testify in strong support of SB1057 as it moves us towards steps in transparency from the company and a sense of decision making for the individual to make while looking for jobs. It provides towards a movement in fair and equal pay across all job positions be it private or public employers.

The bill also provides for an important step towards a better society in fairness and respect by prohibiting an employer from discriminating between employees due to state law under protected categories.

Thank you for considering my testimony,

Kelly Chan

#### <u>SB-1057-HD-1</u> Submitted on: 3/24/2023 8:18:06 PM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Elizabeth Hansen	Individual	Support	Written Testimony Only

Comments:

Aloha Please support this bill, which can make Hawaii a leader in the area of pay by providing pay transparency and adding protections to our statutes. The main point of the bill is to require employers to list an hourly rate of salary range when posting job openings. The bill also provides more comprehensive language regarding protected classes, justifications for pay differences, exceptions and defines several terms.

The gender pay gap has worsened in Hawaii: Women in Hawaii earned 79.4% of what men earned in 2020 compared to 82.3% nationwide. This makes us 37th among all states and the District of Columbia in income equality. The state's ratio fell below 80% for the first time since 2011.

Mahalo for your consideration.

Elizabeth Hansen, Hakalau HI 96710

# SB-1057-HD-1

Submitted on: 3/24/2023 8:27:59 PM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Rodger Hansen	Individual	Support	Written Testimony Only

Comments:

Aloha - Please support this bill, which can make Hawaii a leader in the area of pay equity, by providing pay transparency and adding protections to our statutes. The main point of the bill is to require employers to list an hourly rate of salary range when posting job openings. The bill also provides more comprehensive language regarding protected classes, justifications for pay differences, exceptions and defines several terms.

The gender pay gap has worsened in Hawaii: Women in Hawaii earned 79.4% of what men earned in 2020 compared to 82.3% nationwide. This makes us 37th among all states and the District of Columbia in income equality. The state's ratio fell below 80% for the first time since 2011.

Mahalo,

Rodger Hansen, Hakalau HI 96710

#### <u>SB-1057-HD-1</u> Submitted on: 3/25/2023 1:36:10 PM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Caroline Kunitake	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rep. David A. Tarnas, Vice Chair Rep. Gregg Takayama, and Committee on Judiciary and Hawaiian Affairs,

My name is Caroline Kunitake and I support SB 1057 SD2, HD1.

This bill can make Hawaii a leader in the area of pay equity, by providing pay transparency and adding protections to our statutes. The main point of the bill is to require employers to list an hourly rate of salary range when posting job openings. The bill also provides more comprehensive language regarding protected classes, justifications for pay differences, exceptions and defines several terms.

The gender pay gap has worsened in Hawaii: Women in Hawaii earned 79.4% of what men earned in 2020 compared to 82.3% nationwide. This makes us 37th among all states and the District of Columbia in income equality. The state's ratio fell below 80% for the first time since 2011.

I firmly believe that single mothers who are raising their families will benefit from this legislation. Without greater pay equity, the keiki of single mothers are at risk of falling into poverty or remaining in poverty. We need legislation that will protect wages earned by working mothers. The high cost of living in Hawaii warrant these legal protections to ensure fair wages.

Please pass this bill. I appreciate the opportunity to submit testimony on this bill.

Mahalo,

Caroline Kunitake

## SB-1057-HD-1

Submitted on: 3/26/2023 11:12:15 AM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Younghee Overly	Individual	Support	Written Testimony Only

Comments:

Thank you for this opportunity to submit a testimony in support of SB1057 SD2 HD1. Posting salary range would provide the transparency which would narrow wage gaps and even retain employees. As a manager at IBM in 2000s, I used the salary range as employee retention tool and it's wonderful to see this now being recommended by business consultants such as Deloitte, Harvard Business Review and even Payscale based on research. Please pass this measure to end the intended and unintended wage discriminations in Hawaii.

#### <u>SB-1057-HD-1</u> Submitted on: 3/26/2023 10:39:05 PM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Beth Anderson	Individual	Support	Written Testimony Only

Comments:

I strongly support SB 1057 because it provides strong equal pay protection with minimal cost or disruption to employers. The goal to reduce pay inequalities by requiring job listings to disclose the hourly rate or salary range is vitally important in order to ensure pay equity. This bill can make Hawaii a leader in the area of pay equity, by providing pay transparency and adding protections to our statutes. Hawaii can be a leader in the field of pay equity, as Hawaii has led the way in civil rights, but the gender pay gap has actually worsened in Hawaii recently. This is a problem that needs to be addressed.

Women in Hawaii earned 79.4% of what men earned in 2020 compared to 82.3% nationwide. This makes us 37th among all states and the District of Columbia in income equality. The state's ratio fell below 80% for the first time since 2011.

There are practical reasons as well as critically important civil rights issues to consider as to why to support this bill. Studies indicate that being up front about wages saves businesses time so that they are not interviewing candidates that will eventually turn them down. In addition to fairness, this is also about efficiency. Both contribute to good business practice and equity. Salary transparency and attempts at pay equity have been shown to attract millennials because they will be knowledgeable about the pay, its fairness and how it fits into their aspirations.

It is critical that employers have rational explanations for why they pay their employees a certain rate, and defined salary ranges help accomplish that. Thank you for this opportunity to submit testimony and thank you for supporting SB 1057, supporting civil rights, fair business practices, and salary transparency.

# <u>SB-1057-HD-1</u> Submitted on: 3/27/2023 8:39:57 AM

Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Breanna Zoey	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Takayama, and esteemed members of the committee,

I am testifying in **strong support** of SB1057.

As a transgender individual, I sometimes suspect that I may be getting paid less than my cisgender coworker counterparts who are doing substantially similar or the same work as I. It's not a good feeling to have, and suspicions like mine are unfortunately true for toooooo many working people who are a part of a protected class, especially women and LGBTQ+ folks.

This measure helps provide the transparency needed for more equal pay and prohibits an employer from discriminating between employees because of any protected category established by state law. This bill makes sense and moves us toward greater pay equity and pay transparency, which are goals fundamental to a prosperous, free and just society for all. This kind of pay transparency has already been adopted by several other states and it is so valuable to job seekers when salary ranges are posted in the job descriptions.

Thank you for hearing my testimony. -breanna zoey (she/they)

#### <u>SB-1057-HD-1</u> Submitted on: 3/27/2023 9:05:30 AM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Sarah Rosenbach	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Takayama, and esteemed members of the committee,

I testify in strong support of SB1057.

The bill provides the transparency needed for more equal pay and prohibits an employer from discriminating between employees because of any protected category established by state law.

This bill moves us toward more pay equity and pay transparency, which are goals fundamental to a prosperous, free and just society for all.

Thank you for considering my testimony.

Sarah Rosenbach

### SB-1057-HD-1

Submitted on: 3/27/2023 9:13:24 AM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Abby Simmons	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and esteemed members of the committee,

I, Abby Simmons from Honolulu, testify in strong support of SB1057.

The bill provides the transparency needed for more equal pay and prohibits an employer from discriminating between employees because of any protected category established by state law. This bill makes sense and moves us toward more pay equity and pay transparency, which are goals fundamental to a prosperous, free and just society for all.

Thank you for considering my testimony.

To:	The House Committee on Judiciary & Hawaiian Affairs
<b>Hearing Date/Time:</b>	March 29, 2023 at 2PM
Place:	Hawaii State Capitol, Rm. 325
Subject:	Testimony in support with revisions of SB1057 SD2 HD1
	RELATING TO EMPLOYMENT EARNINGS

Dear Chair Tarnas and Members of the Committee,

I support the intent of SB1057 SD2 HD1 that aims to remedy the gender pay gap in Hawaii.

Throughout history, women have been discriminated against and still face many systemic biases. In Hawaii, women earn 79 cents to the man's dollar, according to the United States Bureau of Labor and Statistics. In addition, the pay gap is still an ongoing problem that disproportionately affects certain racial groups, specifically Native Hawaiians and Pacific Islanders in the State.

SB1057 SD2 HD aims to end the gender pay gap and strengthen equal pay and pay transparency. The purpose of the bill is to require employers to disclose the hourly rate and salary range on job listings. While this bill is a step forward in the right direction, it needs to go further.

I humbly request that this bill is amended to adopt the language contained in HB745 (2023) RELATING TO EQUAL PAY. Not only is the language more comprehensive, this is a bill that has been in the making for the past three years. This bill originates from the 2020 HB1701 and SB2253 RELATING TO EQUAL PAY, two bills that I was heavily invested in during my time as an intern at the Hawaii State Capitol. HB745 goes further by preventing wage discrimination, providing remedies for pay disparities, and allowing for the open flow of pay transparency among employees, without the fear of retaliation from employers.

We have to be unequivocal with the fact that women's rights are non-negotiable. Equality for women is non-negotiable. It would be preferable to have a system where women are not disrespected and put down. Hopefully Hawaii takes that leap forward and these ideas take hold in our nation, and hopefully the rest of the world.

For the reasons above, I support this measure with revisions.

Thank you for the opportunity to testify on this important measure.

Jarret Pascual

SB 1057, SD2, HD1 Dear Senators: The gender pay gap has worsened in Hawaii: Women in Hawaii earned 79.4% of what men earned in 2020 compared to 82.3% nationwide. Pervasive pay inequities will remain until the pay gap is fully eliminated. We've long known that on average, pay inequities mean that women in the workforce take home less than men-and that women of color are often paid far less. Why are we still talking about the gender pay gap? Because it has barely changed in decades, and these historic inequities were further exacerbated when the COVID-19 crisis hit. Women over the past three years, especially women of color and mothers, were pushed into part-time or seasonal work, or out of the workforce altogether.

The goal of this bill is to reduce pay inequalities by requiring job listings to disclose the hourly rate or salary range reasonably reflecting the actual expected compensation. While passage of Act 108 in 2018 that became effective January 1, 2019 was a step towards ensuring pay equity, this bill would increase pay transparency and provide a strong equal pay protection with a minimal cost or disruption to employers.

I encourage you to pass SB 1057, SD2, and also to replace the term "equal work" with "substantially similar work" in our state nondiscrimination statutes which is the more accurate term used in many other states. Thank you for the opportunity to submit testimony.. Janet Morse

# SB-1057-HD-1

Submitted on: 3/28/2023 8:21:57 AM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Jody Shiroma	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Takayama, and esteemed members of the committee,

I testify in strong support of SB1057.

The bill provides the transparency needed for more equal pay and prohibits an employer from discriminating between employees because of any protected category established by state law.

This bill makes sense and moves us toward more pay equity and pay transparency, which are goals fundamental to a prosperous, free and just society for all.

Thank you for considering my testimony.

# SB-1057-HD-1

Submitted on: 3/28/2023 9:17:25 AM Testimony for JHA on 3/29/2023 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Thank you for the opportunity to provide testimony in strong support of SB1057 SD2 HD1. In 2018, Hawai'i took strides to reduce wage gaps in our state by passing an equal pay law. SB1057 SD2 HD1 builds on that progress by requiring job listings to include an hourly rate or salary range and specifying that these employment earnings protections cover all people in protected categories for substantially similar work performed by other employees. Please support this bill.

Date: March 28, 2023

To: Hawaii State House of Representatives Committee on Judiciary and Hawaiian Affairs

Chair: Representative Tarnas From: Laurie Temple Hearing Date/Time/Room: March 29, 2023, 2:00 pm, Rm. 325

RE: TESTIMONY IN SUPPORT OF SB 1057, SD2, HD1 RELATING TO EMPLOYMENT EARNINGS

Dear Chair Tarnas and members of the Committee. My name is Laurie Temple and I write in support of SB 1057, SD2, HD1.

This bill will help to establish Hawaii as a pay equity leader by ensuring pay transparency and adding protections to our statutes. The main point of the bill is to require employers to list an hourly rate of salary range when posting job openings. The bill also provides more comprehensive language regarding protected classes, justifications for pay differences, exceptions and defines several terms.

The gender pay gap has worsened in Hawaii: Women in Hawaii earned 79.4% of what men earned in 2020 compared to 82.3% nationwide. This makes us 37th among all states and the District of Columbia in income equality. The state's ratio fell below 80% for the first time since 2011.

Please bring pay equity to the private sector and help to ensure that all workers are treated fairly.

Thank you for your support.

Sincerely, Laurie Temple **TESTIMONY IN SUPPORT** 

# SB 1057, SD2, HD1 RELATING TO EMPLOYMENT EARNINGS

TO: Chair Tarnas ,Vice Chair Takayama and members of the Committee.

This bill can make Hawaii a leader in the area of pay equity, by providing pay transparency and adding protections to our statutes. The main point of the bill is to require employers to list an hourly rate of salary range when posting job openings. The bill also provides more comprehensive language regarding protected classes, justifications for pay differences, exceptions and defines several terms.

The gender pay gap has worsened in Hawaii: Women in Hawaii earned 79.4% of what men earned in 2020 compared to 82.3% nationwide. This makes us 37th among all states and the District of Columbia in income equality. Auwe! The state's ratio fell below 80% for the first time since 2011. Lets make Hawaii a better place to work and live!

From: Pua Auyong-White 3432 B2 Kalihi Street Honolulu, HI 96819