

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI A HO'OMĀKA'IKA'I

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Statement of CHRIS J. SADAYASU Director Department of Business, Economic Development, and Tourism before the HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS

> Thursday, February 9, 2023 9:30 AM State Capitol, Conference Room 309

In consideration of HB987 RELATING TO LABOR DATA COLLECTION.

Chair Matayoshi, Vice Chair Garrett and members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) supports HB987 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 HAWAI'I KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS KA 'OIHANA PONO LIMAHANA

February 9, 2023

To: The Honorable Scot Z. Matayoshi, Chair, The Honorable Andrew Takuya Garrett, Vice Chair, and Members of the House Committee on Labor & Government Operations

Date: Thursday, February 9, 2023

Time: 9:30 a.m.

- Place: Room 309, State Capitol
- From: Jade T. Butay, Director Department of Labor and Industrial Relations (DLIR)

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

I. OVERVIEW OF PROPOSED LEGISLATION

HB987 proposes to amend Chapter 201, Hawaii Revised Statues (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 Committee on Labor and Government Operations Thursday, February 9, 2023, at 9:30 A.M. Conference Room 309 & Videoconference

RE: HB 987 Relating to Labor Data Collection

Chair Matayoshi, Vice Chair Takuya Garrett and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **does not support** HB 987, 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.

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. SB 1285 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.



TESTIMONY OF TINA YAMAKI, PRESIDENT RETAIL MERCHANTS OF HAWAII February 9, 2023 Re: HB 987 RELATING TO LABOR DATA COLLECTION

Good morning, Chair Matayoshi members of the House Committee on Labor and Government Operations. 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 Relating to Labor Data Collection. This measure amends section 201-13.8, Hawai'i Revised Statutes, to allow the Department of Business, Economic Development, and Tourism to collect and analyze employer information and data.

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.

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



Eric W. Gill, Financial Secretary-Treasurer

Cade Watanabe, Senior Vice-President

February 8, 2023

Committee on Labor & Government Operations Representative Scot Matayoshi, Chair Representative Andrew Garrett, Vice Chair

Testimony in support of HB987 with amendment

Chair Matayoshi, Vice Chair Garrett and Members of the Committee:

UNITE HERE Local 5 represents working people throughout Hawaii's hotel, food service and health care industries. UNITE HERE Local 5 is in support of HB987 with a suggested amendment.

Transparency and access to information is important for any stakeholder concerned with working conditions and employer practices. HB987 will allow information to be anonymously gathered. That data can be used to help public policy makers, private business, workers and other stakeholders make informed decisions.

The data DBEDT would collect through HB987 should be available to the public rather than a product meant for internal government use only. The language should be amended to more explicitly provide for the public's access to the information. **UNITE HERE Local 5 is in support of HB987 with such an amendment**.

Thank you for your consideration.

UNITE HERE Local 5