

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii
Sir:

Your Committee on Labor & Tourism, to which was referred S.B. No. 793, S.D. 1, entitled:
"A BILL FOR AN ACT RELATING TO THE MINIMUM WAGE,"

begs leave to report as follows:

The purpose of this measure is to repeal the provision allowing for employment at wages below the minimum wage for individuals with disabilities.

Your Committee received testimony in support of this measure from the Department of Health, Disability and Communication Access Board, State Council on Developmental Disabilities, Hawaii Disability Rights Center, PHOCUSED, International Longshore & Warehouse Union Local 142, National Federation of the Blind, Hawaii State Teachers Association, Imua Alliance, Democratic Party of Hawai'i Education Caucus, Young Democrats of Hawai'i, 503(c) Partners, Democratic Party of Hawaii Labor Caucus, Rainbow Family 808, and numerous individuals. Your Committee received comments on this measure from the Department of Labor and Industrial Relations and one individual.

Your Committee finds that the law allowing for workers with disabilities to be paid subminimum wages was enacted as part of the Fair Labor Standards Act in 1938 and was intended to serve as a stepping stone to full gainful employment. Your Committee further finds that subminimum wage as an employment tool is archaic and contrary to the equal worth and dignity of individuals with disabilities. Your Committee also finds that the minimum ratio of three disabled employees to one nondisabled employee proposed by this measure may have the unintended effect of creating a barrier to the entry into employment of individuals with disabilities.

Accordingly, your Committee has amended this measure by:

- (1) Changing the minimum ratio to one disabled employee for every three nondisabled employees for purposes of defining a qualified community rehabilitation program;
- (2) Uniformly referring to individuals with disabilities, rather than persons with disabilities throughout the measure;
- (3) Changing the effective date to December 25, 2040, to encourage further discussion and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 793, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 793, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Tourism,

RICHARD H.K. ONISHI, Chair