

CONFERENCE COMMITTEE REP. NO. 75

Honolulu, Hawaii

, 2021

RE: S.B. No. 793
S.D. 1
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii
Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii
Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 793, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE MINIMUM WAGE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to repeal existing law that exempts individuals with disabilities from the State's minimum wage requirements. More specifically, this measure:

(1) Amends the definition of "qualified community rehabilitation program" in the Hawaii Public Procurement Code by:

(A) Repealing certain certification requirements; and

(B) Requiring that the program maintain a certain disabled-to-non-disabled employee ratio; and

(2) Repeals the provision in the State's Wage and Hour Law that allows employment of certain individuals, including individuals with disabilities, at sub-minimum wage.

Your Committee on Conference finds that laws that allow payment of sub-minimum wage based on an individual's disability status are based on a provision in the Fair Labor Standards Act that was enacted in 1938 to create a platform to train and prepare individuals with disabilities to gain open-market competitive jobs. Your Committee on Conference further finds that these laws are archaic and no longer serve their original purpose. The employers in the State who currently hold certificates that allow for payment of sub-minimum wage to individuals with disabilities are currently paying them statutory minimum wage, and the only reason the employers obtain the certificates is to meet the definition of "qualified community rehabilitation program" under the Hawaii Public Procurement Code. This measure repeals outdated laws that allow payment of sub-minimum wage to individuals with disabilities and replaces the qualified community rehabilitation program's special certificates requirement with an employee-ratio requirement.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 793, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 793, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

RICHARD H.K. ONISHI
Co-Chair

BRIAN T. TANIGUCHI
Chair

JACKSON D. SAYAMA
Co-Chair

LAURA ACASIO
Co-Chair

SHARON MORIWAKI
Co-Chair

