

Honolulu, Hawaii
February 14, 2014

RE: H.B. No. 2266
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.B. No. 2266, H.D. 1, entitled:

"A BILL FOR AN ACT MAKING AN APPROPRIATION TO SUPPORT
UNIVERSITY OF HAWAII COLLECTIVE BARGAINING COSTS,"

begs leave to report as follows:

The purpose of this measure is to provide a general fund
appropriation for employment costs for the members of University
of Hawaii Collective Bargaining Unit (7) and their excluded
counterparts.

The University of Hawaii, Department of Budget and Finance,
University of Hawaii Professional Assembly, Hawaii Government
Employees Association, Hawaii State AFL-CIO, and three concerned
individuals supported this bill.

Your Committee has amended this bill by:

- (1) Deleting the amount of the appropriation; and
- (2) Making technical, nonsubstantive amendments for clarity,
consistency, and style.

Your Committee finds that of the \$33,500,000 requested,
\$19,500,000 is for pay increases for faculty members and
lecturers--a three-percent increase effective July 1, 2013, and
another three-percent increase effective July 1, 2014. Your



Committee supports the request for \$19,500,000 and has placed this amount into its budget recommendations to your Committee on Finance. It is appropriate to place this sum into the Executive Budget, because it will be a recurring expense. However, the remaining sum of \$14,000,000 that was requested is an arbitrary amount based on a change in the means of financing as a result of section 3 in Act 164, Session Laws of Hawaii 2011, and is not supported by your Committee.

Furthermore, your Committee finds that the \$14,000,000 that was requested was for salary restorations that have already been paid to faculty members and lecturers with tuition dollars-- \$14,000,000 per year since July 1, 2011. During the public hearing, the representative of the University of Hawaii Professional Assembly testified that all faculty members and lecturers have had their salaries restored in a timely manner. Therefore, the \$14,000,000 is not a collective bargaining appropriation but rather a request for the reimbursement of tuition dollars with general fund revenues. The University of Hawaii's budget testimony indicated that they intend to use the \$14,000,000 in order to free tuition dollars to finance revenue bonds for systemwide repair and maintenance projects.

The Conference Committee Report for H.B. No. 200 (2011), adopted the following position with respect to the \$14,000,000 salary restoration:

"The current collective bargaining agreement with UHPA calls for the restoration of original salaries on July 1, 2011. Your Committee on Conference believes the university is fully responsible for funding these costs. Accordingly, your Committee on Conference has changed the means of financing for \$14 million in general funds to special funds."

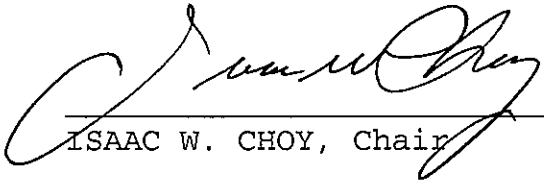
Your Committee continues to support the intent of the statement above. Furthermore, as noted at the public hearing, your Committee on Labor and Public Employment has given its prior concurrence to these changes.

Your Committee strongly recommends that your Committee on Finance does not advance this bill, because the request for \$19,500,000 should be placed into the Executive Budget and the amount of \$14,000,000 is not supported by your Committee.



As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2266, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,


ISAAC W. CHOY, Chair



