



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Twenty-Eighth Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
February 26, 2015

**H.B. 546 – RELATING TO
EDUCATIONAL BENEFITS**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports H.B.546 but with amendments to include all other bargaining units within the University of Hawaii not entitled to educational benefits provided to BU07.

HGEA would like to note that all educational benefits for any employee at the University of Hawaii have been negotiated through a collective bargaining agreement.

Thank you for the opportunity provide testimony support with amendments for H.B. 546.

Respectfully submitted,

Randy Perreira
Executive Director

THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Eighth Legislature
Regular Session of 2015

COMMITTEE ON FINANCE

Honorable Representative Sylvia Luke, Chair
Honorable Representative Scott Y. Nishimoto, Vice Chair

DATE OF HEARING: Thursday, February 26, 2015

TIME OF HEARING: 3:00 p.m.

PLACE OF HEARING: Conference Room 308, State Capitol

TESTIMONY ON HB546 RELATING TO EDUCATIONAL BENEFITS

By Dayton M. Nakanelua,
State Director of the United Public Workers,
AFSCME, Local 646, AFL-CIO

My name is Dayton M. Nakanelua, and I am the state director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 member of the private sector.

The UPW supports HB546 Relating to Educational Benefits. We appreciate the concerns by the University of Hawaii in providing tuition waivers for employees of the U.H. However, in reviewing the official University of Hawaii Tuition Waiver form as revised on January 2012, the tuition waiver applies only to BU-07, BU-08, BU-87 and BU-88. Bargaining unit 01 is not listed.

Thank you for the opportunity to submit this testimony.



AMERICANS FOR DEMOCRATIC ACTION

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February 25, 2015

Chair Luke and the Finance Committee

Re: HB 546 Relating to Educational Benefits
Testimony in Support
Hearing on Feb. 26, 2015

Dear Rep. Luke and Committee Members:

Americans for Democratic Action is an organization devoted to the promotion of progressive public policies.

We support HB 546 to provide blue-collar workers at the University of Hawai'i to receive the same educational benefits as faculty. Blue-collar workers do much for our university system. It seems only fair that benefits be the same for them as for white-collar workers.

Thank you for your consideration.

Sincerely,

John Bickel
President



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Thursday, February 26, 2015 at 3:00 pm

By
Jan Gouveia
Vice President for Administration
University of Hawai'i System

LATE

HB 546 – RELATING TO EDUCATIONAL BENEFITS

Chair Luke, Vice Chair Nishimoto, and Members of the House Finance Committee:

I am respectfully submitting written testimony on behalf of the University of Hawai'i regarding House Bill 546 – Relating to Educational Benefits – which proposes to provide the same educational benefits to non-supervisory employees in blue collar positions of the University of Hawai'i assigned to bargaining unit 1 as educational benefits for faculty of the University of Hawai'i assigned to bargaining unit 7. Educational benefits as defined in the proposed bill includes tuition waivers, reduced tuition, and tuition benefits for the employee or officer and the spouse, domestic partner, and children of the employee or officer. Currently, education benefits for faculty of the University of Hawai'i assigned to bargaining unit 7 is not afforded to children of the employee or officer.

The University of Hawai'i **strongly opposes** this bill as a matter of governance, business protocol, and in defense of the policy authority of the Board of Regents. Moreover, the intent of the proposed language would reverse the intent and work this honorable body undertook in Act 253, SLH 2000. In Act 253, SLH 2000, the Legislature took the action of creating the “bright-line” separation between civil service and collective bargaining by modernizing the system to clear the blurred line of responsibility and authority under the prior statutes. The proposed language would re-enact a matter subject to collective bargaining effectuated through statutes in which Act 253, SLH 2000, resolved.

The adoption of this proposed legislation would have significant impact on the University of Hawai'i's current collective bargaining contracts with unit 7 and unit 8, in which tuition waivers for faculty were first negotiated into the 1979-1981 Unit 7 Agreement and for APTs in the 1973-1976 Unit 8 Agreement pursuant to HRS, Chapter 89. Over time and multiple successor agreement negotiations, these negotiated benefits were extended to include spouses or domestic partners in bargaining units 7 and 8. However, as with all contract negotiations, concessions and/or tradeoffs were made between the parties for the Employer to initially provide and then extend these negotiated benefits. In addition, the creation of such legislation without an opportunity to negotiate these benefits would circumvent the collective bargaining process and rights of the Employer under HRS, Chapter 89. If the exclusive bargaining representative of Unit 1 employees is interested in seeking such

negotiated benefits for their employees, a process already exists under HRS, Chapter 89 to provide such a venue.

Nevertheless, the University of Hawai'i recognizes free or subsidized education is a tremendous value and benefit. The University is equally committed to fulfilling its mission towards broadly accessible education – including for all of its employees. As such, the Board of Regents has a policy in effect that already provides all eligible employees, including faculty, administrative, professional and technical staff, clerical staff, and blue collar employees, the opportunity to register for credit courses at any University campus and be exempt from the payment of tuition for a maximum of six (6) credits per academic semester.

The University already provides educational benefits to certain employees and staff beyond what is provided by the Board of Regents. However, even in these instances, the offered benefits are still similar to those provided under Board policy, but are the result of the collective bargaining process (with Unit 7 and Unit 8) provided under HRS, Chapter 89. For these employees, subsidized tuition was negotiated and is provided for employees, their spouses and domestic partners. Again, these benefits do not extend to children of employees as HB 546 purports.

Although a less appropriate standard than determination by policy itself, the collective bargaining process is arguably still more appropriate than legislatively mandating tuition policy. The collective bargaining process inherently considers employee benefits and employer's ability to afford such benefits. In House Standing Committee Report no. 88, Chair Nakashima and members of the House Committee on Labor and Public Employment also recognized the concerns raised by legislatively mandating benefits that should be addressed through collective bargaining.

Providing tuition waivers, reduced tuition, or other subsidized tuition benefits is a cost and expense for the University. Extending such benefits to children of employees, spouses of employees, and others further exacerbates the cost of such a program. The Board of Regents provides tuition benefits to students, employees, and other citizens to the extent that the University has the sufficient revenue stream, assets, and funds to afford such benefits. An expansion of these benefits beyond employees will definitely have an economic impact on the University and for that reason, decisions over the degree and extent of where and how tuition revenues are subrogated are best left to policy governance of the Board of Regents and not legislation. Should this be legislatively mandated on the University, the University requests that all costs associated with this employee benefit be subject to Legislative approval and appropriations in accordance with section 89-10(b).

While the University supports employees continuing their education, we respectfully oppose HB 546, and request the measure be deferred. All eligible employees of the University currently have the opportunity to register for credit courses and be exempt from the payment of tuition up to six (6) credits per academic semester. In the spirit and intent of Act 253, SLH 2000, such benefits to employees are more appropriately handled through Regents policy or through collective bargaining rather than pushed through by legislation.

Thank you for the opportunity to testify on this bill.



UNIVERSITY OF HAWAII SYSTEM

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