



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

COMMITTEE ON HIGHER EDUCATION

The Honorable Representative Isaac Choy, Chair
The Honorable Representative Linda Ichiyama, Vice Chair

DATE OF HEARING: Thursday, February 12, 2015

TIME OF HEARING: 2:03 p.m.

PLACE OF HEARING: Conference Room 309

State Capitol

415 South Beretania Street

TESTIMONY ON HOUSE BILL 546 RELATING TO EDUCATIONAL BENEFITS

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO ("UPW")

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 bargaining representative for approximately 12,000 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 members of the private sector.

The UPW strongly supports HB546 that requires the UH to provide nonsupervisory employees in blue-collar positions with the same educational benefits provided to faculty.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

LATE

Testimony Presented Before the
House Committee on Higher Education
Thursday, February 12, 2015 at 2:03 p.m.

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

HB 546 – RELATING TO EDUCATIONAL BENEFITS

Chair Choy, Vice Chair Ichiyama, and Members of the 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.

The University of Hawai'i 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.

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). For these employees, subsidized

tuition is provided for employees, their spouses and domestic partners. In no case is the benefit extended to children of employees as HB 546 mandates.

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 may be more appropriately 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, this cost item will require appropriations by the appropriate legislative bodies 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 legislation.

Thank you for the opportunity to testify on this bill.



888 Mililani Street, Suite 601
Honolulu, Hawaii 96813-2991

Telephone: 808.543.0000
Facsimile: 808.528.4059

www.hgea.org

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

LATE

Testimony by
Hawaii Government Employees Association
February 12, 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.

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

Respectfully submitted,

Lena Fernandes
Field Services Officer