

**STATE OF HAWAII
OFFICE OF COLLECTIVE BARGAINING
EXECUTIVE OFFICE OF THE GOVERNOR**
235 S. BERETANIA STREET, SUITE 1201
HONOLULU, HAWAII 96813-2437

January 31, 2017

TESTIMONY TO THE
SENATE COMMITTEE ON JUDICIARY AND LABOR AND
SENATE COMMITTEE ON HIGHER EDUCATION
For Hearing on Thursday, February 2, 2017
1:15 p.m., Conference Room 224

By

JAMES K. NISHIMOTO
OFFICE OF COLLECTIVE BARGAINING, CHIEF NEGOTIATOR

**Senate Bill No. 1112
Relating to Educational Benefits**

(WRITTEN TESTIMONY ONLY)

CHAIRPERSONS KEITH-AGARAN AND KAHELE, VICE-CHAIRPERSONS RHOADS
AND KIDANI AND MEMBERS OF THE COMMITTEES:

S.B. 1112 would require the University of Hawaii (UH) at Manoa to provide its nonsupervisory blue collar employees in collective bargaining unit (1) and supervisory blue collar employees in collective bargaining unit (2), or one of their family members with tuition waivers comparable to the tuition waivers provided to faculty and their family members.

The Office of Collective Bargaining (OCB) **has concerns** with S.B. 1112 because the tuition waivers covered by the bill are subject to bargaining under Chapter 89, HRS and as such have been negotiated with other bargaining units.

OCB defers to UH. The inclusion of the minor children would incur additional

costs for the UH.

Moreover, the University of Hawaii during the 2016 legislative session indicated that tuition waivers are already provided to employees in bargaining units (1) and (2), or one of their family members, with the exception of their minor children.

Thank you for the opportunity to testify on this measure.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 30, 2017 11:49 AM
To: HRE Testimony
Cc: pulermq@gmail.com
Subject: *Submitted testimony for SB1112 on Feb 2, 2017 13:15PM*

Follow Up Flag: Follow up
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SB1112

Submitted on: 1/30/2017

Testimony for HRE/JDL on Feb 2, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
RuthMarie Quirk	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
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SB1112

Submitted on: 1/30/2017

Testimony for HRE/JDL on Feb 2, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committees on Higher Education and Judiciary and Labor
February 2, 2017 at 1:15 p.m.

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

SB 1112 – RELATING TO EDUCATIONAL BENEFITS

Chairs Kahele and Keith-Agaran and, Vice Chairs Kidani and Rhoads, and members of the committees:

I am submitting written testimony on behalf of the University of Hawai'i regarding Senate Bill 1112 – Relating to Educational Benefits – which proposes to statutorily require the University of Hawai'i at Mānoa to provide each of its officers or other employees assigned to the collective bargaining units established pursuant to section 89-6 (a) (1), (nonsupervisory employees in blue collar positions) and section 89-6 (a) (2) (supervisory employees in blue collar positions) with no less than one tuition waiver, either for the officer or employee's own tuition, or for the tuition of a family member of the officer or employee. The bill defines family member as a spouse, domestic partner, or minor child of an 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. These types of benefits are rightfully to be determined as a matter of the employer through the collective bargaining process, not legislation. In addition, the bill incorrectly characterizes the inequity of employee benefits offered to UH faculty members and other employees employed at the University. All University employees, including Unit 1 and 2 University employees, are entitled to tuition waivers for credit courses in accordance with UH Board of Regents Policy RP 6.207, Exemption from Tuition and Other Fees (unless superseded by a collective bargaining agreement), as long as the employee is employed on a half-time basis or more in which tuition waivers are available at any University campus for a maximum of six (6) credit hours per academic semester. In this respect, all current Unit 1 and 2 employees employed at the University in a 50% FTE position or more are entitled to this benefit which is identical to UH faculty and other employees of the University. Therefore, the University already affords Unit 1 and 2 employees with tuition waiver benefits.

Upon further examination, it appears that the proposed statutory language as drafted "...provide each of its officers or other employees assigned to the collective bargaining units established pursuant to section 89-6 (a) (1) (nonsupervisory employees in blue collar positions) and section 89-6 (a) (2) (supervisory employees in blue collar positions)

..." could be interpreted to include ALL State employees assigned to collective bargaining unit 1 and 2 under HRS, §89-6(a)(1) and HRS, §89-6(a)(2), respectively. The gravity of allowing ALL Unit 1 and 2 State employees with tuition waiver benefits for themselves or their family members at the UH Mānoa campus will be financially and operationally incomprehensible. In addition, we have grave concerns about this draft language and the fact that the bill's description leads one to believe that the bill will only apply to Unit 1 and 2 employees employed at the University of Hawai'i at Mānoa campus when the bill could be interpreted otherwise.

Moreover, the intent of the proposed language would reverse the intent and work the Legislature took in Act 253, SLH 2000. In Act 253, 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 resolved.

The University does provide educational benefits that do extend to the employee's spouse or domestic partner for 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 BOR Policy RP 6.207, and were accomplished and agreed upon as a result of the collective bargaining process (with Unit 7 and 8). For these employees, subsidized tuition is provided for employees, and their spouses or domestic partners, and the value of the tuition waiver may be taxable to the employee. Nevertheless, in no case is the tuition waiver benefit extended to the minor child of a University employee as SB 1112 attempts to legislatively mandate for all Unit 1 and 2 employees Statewide. Therefore, we are also very concerned that the proposed legislation, if enacted, will open the door for other UH bargaining unit employees (i.e. Units 3, 4, 9 and 10) to introduce legislation to attach themselves to these benefits, and of course, nothing will prevent UH Unit 7 and 8 employees to follow course.

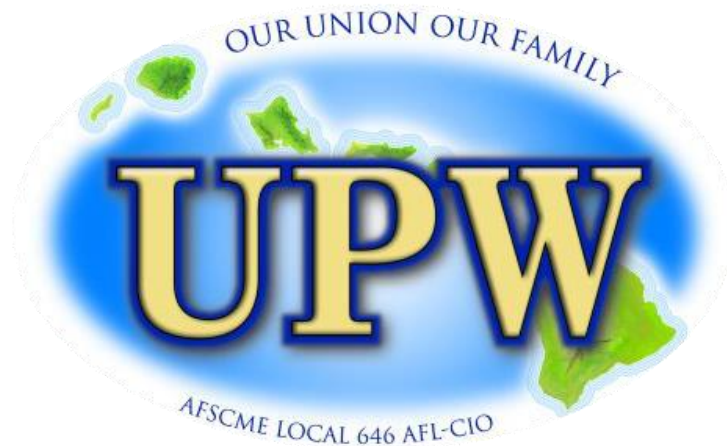
Although a less appropriate standard than determination by policy itself, the collective bargaining process is arguably still more appropriate than legislatively mandating tuition waivers which is considered a "permissive subject of bargaining." The collective bargaining process inherently considers employee benefits and employer's ability to afford such benefits. Legislatively mandated benefits is contrary to the intent and purpose of HRS, Chapter 89, and its preamble where the legislature states that joint decision-making is the modern way of administering government and the enactment of positive legislation establishing guidelines for public employment relations is the best way to harness and direct the energies of public employees eager to have a voice in determining their conditions of work. This is the appropriate process to negotiate such a matter.

Providing tuition waivers, reduced tuition, or other subsidized tuition benefits is a cost and expense for the University. For the legislature to mandate such expenses and

provide no funding to afford such expenses of extending benefits to minor children of employees, spouses and domestic partners of employees, and others further exacerbates the cost of all programs. Established BOR policies already 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 by and through enacting 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 SB 1112. 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 pursuant to BOR Policy RP 6.207. In the spirit and intent of Act 253, SLH 2000, the University believes that such benefits to employees and their spouse, domestic partner, and possible minor children, are more appropriately handled through Board of Regents policy or through collective bargaining as with Unit 7 and 8 rather than enacting legislation.

Thank you for the opportunity to testify on this bill.



The Hawaii State Senate
The Twenty-Ninth Legislature
Regular Session of 2017

COMMITTEE ON JUDICIARY AND LABOR

The Honorable Gilbert S.C. Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair

COMMITTEE ON HIGHER EDUCATION

The Honorable Kaiali'i Kahele, Chair
The Honorable Michelle Kidani, Vice Chair

DATE OF HEARING: Thursday, February 2, 2017
TIME OF HEARING: 1:15 p.m.
PLACE OF HEARING: Conference Room 224

TESTIMONY ON SB1112 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, state director of the United Public Workers, AFSCME, Local 646, and AFL-CIO (UPW). The UPW is the exclusive representative for approximately 14,000 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.

Hawaii's educational leaders have a vision that 55% of working age adults will have a two or four-year higher education degree by the year 2025. Their goal is to ensure that Hawaii's work force will be competitive in the 21st century with globalization. This is the "55 by 25" educational program. There is evidence that by 2018 about seven in ten jobs will require some college training.

SB1112 will provide some educational support to blue-collar workers at the U. of H. or their family members and thereby support the "55 by 25" program goal. The bill when enacted, will make available tuition waivers for BU-01 and BU-02 members employed full time at the UH, comparable to the tuition waivers provided to faculty members at the UH.

The UPW requests that all full-time employees working at UH Manoa be offered these same tuition waivers as the UH faculty members and their families in accordance with Board of Regents policy, Chapter 6-13. This is an excellent example for equal opportunity in educational tuition waivers.

The UPW strongly supports this measure and humbly requests for the above-mentioned amendment.

Thank you for the opportunity to submit this testimony.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii
The Senate
Committee on Judiciary and Labor
Committee on Higher Education

Testimony by
Hawaii Government Employees Association

February 2, 2017

S.B. 1112 – RELATING TO EDUCATIONAL BENEFITS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of S.B. 1112, which requires the University of Hawaii at Manoa to provide its supervisory and nonsupervisory blue collar employees or one of their family members with tuition waivers comparable to the tuition waivers provided to faculty and their family members, with a proposed amendment.

While we greatly appreciate the intent of this measure, the University also employs white collar employees, supervisory white collar employees, administrative, professional and technical employees and registered professional nurses. We respectfully request your favorable consideration to include equitable provisions of this benefit for all employees in all bargaining units throughout the University's system.

Thank you for the opportunity to testify on S.B. 1112 with the proposed amendments.

Respectfully submitted,

Randy Perreira
Executive Director

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 1, 2017 7:24 PM
To: HRE Testimony
Cc: jkkeliip@hawaii.edu
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SB1112

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Submitted By	Organization	Testifier Position	Present at Hearing
Kepoo Keliipaakaua	Individual	Support	No

Comments:

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