



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
February 9, 2017 at 2:02 p.m.

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

HB 28 – RELATING TO EDUCATIONAL BENEFITS

Chair Woodson, Vice Chair Hashem, and members of the committee:

I am submitting written testimony on behalf of the University of Hawai'i regarding House Bill 28 – 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credit courses in accordance with UH Board of Regents Policy RP 6.207, Exemption from Tuition and Other Fees (unless superseded by a collective bargaining agreement), as long as the employee is employed on a half-time basis or more in which tuition waivers are available at any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 HB 28 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 Chapter 89, HRS, 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 HB 28. 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, 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.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
CHIEF NEGOTIATOR

**STATE OF HAWAII
OFFICE OF COLLECTIVE BARGAINING
EXECUTIVE OFFICE OF THE GOVERNOR**
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February 3, 2017

TESTIMONY TO THE
HOUSE COMMITTEE ON HIGHER EDUCATION
For Hearing on Thursday, February 9, 2017
2:02 p.m., Conference Room 309

By

JAMES K. NISHIMOTO
CHIEF NEGOTIATOR, OFFICE OF COLLECTIVE BARGAINING

**House Bill No. 28
Relating to Educational Benefits**

(WRITTEN TESTIMONY ONLY)

CHAIRPERSON WOODSON, VICE CHAIR HASHEM AND MEMBERS OF THE
HOUSE COMMITTEE ON HIGHER EDUCATION:

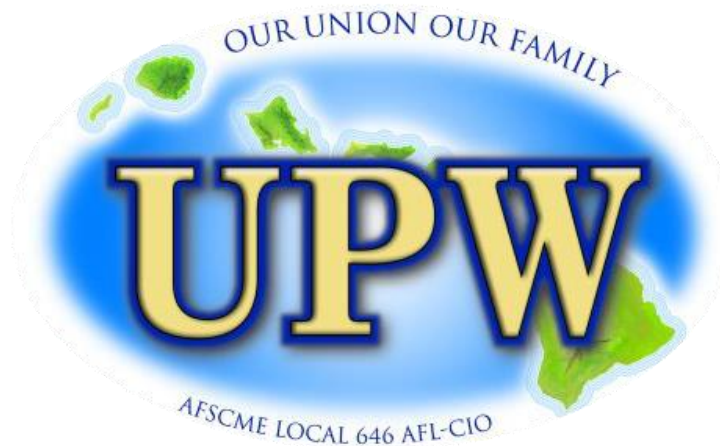
H.B. 28 would require the University of Hawai'i (UH) at Manoa to provide its nonsupervisory blue collar employees in collective bargaining unit (1) and supervisory blue collar employees in collective bargaining unit (2), or one of their family members with tuition waivers comparable to the tuition waivers provided to faculty and their family members.

The Office of Collective Bargaining (OCB) **has concerns** with H.B. 28 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.



The Hawaii State House of Representatives
The Twenty-Ninth Legislature
Regular Session of 2017

COMMITTEE ON HIGHER EDUCATION

Representative Justin Woodson, Chair
Representative Mark Hashem, Vice Chair

DATE OF HEARING: Thursday, February 9, 2017
TIME OF HEARING: 2:02 p.m.
PLACE OF HEARING: Conference Room 309

TESTIMONY ON HB28 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.

HB28 proposes to have the University of Hawaii at Manoa provide its non-supervisory blue-collar employees in collective bargaining unit (1) and supervisory blue-collar employees in collective bargaining unit (2), or a family member, with tuition waivers comparable to the tuition waivers provided to UH faculty and their family members.

The formal application form for the UH tuition waiver is the form, "University of Hawaii Tuition Waiver". The form is for "employee", "employee spouse", and "employee domestic partner". The form reads, "Use this waiver form if you are (1) a University of Hawaii employee

who is employed half-time (.50 FTE) or more, (2) a spouse or domestic partner of a University of Hawaii employee who is employed half-time (.50) or more and in BU07, 08, 87, and 88.....”.

Tuition waivers are provided by other universities to staff including blue collar employees: University of Illinois, University of Denver, University of Alaska and University of Connecticut to name a few. The UPW requests that all full-time employees working in the University system be offered these same tuition waivers as the UH faculty members and their families and not limit it to Manoa campus.

The UPW strongly supports this measure and humbly requests that the committee pass this bill and include all UH campuses.

Thank you for the opportunity to submit this testimony.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 1:16 PM
To: HEDtestimony
Cc: fu_dog_5@yahoo.com
Subject: *Submitted testimony for HB28 on Feb 9, 2017 14:02PM*

HB28

Submitted on: 2/6/2017

Testimony for HED on Feb 9, 2017 14:02PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
robert	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 10:25 PM
To: HEDtestimony
Cc: geryll@hawaii.edu
Subject: *Submitted testimony for HB28 on Feb 9, 2017 14:02PM*

HB28

Submitted on: 2/8/2017

Testimony for HED on Feb 9, 2017 14:02PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Geryll Anthony Agno	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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