



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Labor and Technology
and
Senate Committee on Higher Education
February 8, 2024 at 3:05 p.m.

By
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
and
Jan Gouveia
Vice President for Administration
University of Hawai'i System

SB 2507 – RELATING TO CIVIL SERVICE

Chairs Aquino and Kim, Vice Chairs Moriwaki and Kidani, and Members of the Committees:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) **supports** SB 2507, Relating to Civil Service. This bill would permit certain personal services to be excluded from civil service in certain situations, notably at student or employee (faculty) housing of the UH, where the property or facility is leased to a non-governmental entity.

There are examples of private student housing being built near the UH. At the University of Hawai'i at Mānoa (UH-Mānoa), Atherton RISE opened in August of 2023 on property not owned by the UH or the State of Hawai'i. Although the facility is for student housing of UH students, it is not owned or operated by the UH. At the University of Hawai'i at Hilo (UH-Hilo), Adult Student Housing is a private operation of family housing for UH students on property adjacent to UH-Hilo. Although the facility is for families of UH students, it is not operated by the UH. The UH has recently leased land adjacent to the UH-Mānoa campus to a private developer to build and operate housing for graduate students. Set to open in 2025, the facility will not be constructed, operated, or maintained by the UH.

UH seeks to expand affordable housing inventory for both students and employees. Partnering with private industry is a strategic approach. Private industry collaboration allows UH to engage in revenue-generating commercial activities while securing the necessary financing for developing new housing inventory. The increased number of UH housing units also expands the housing inventory available to the general public.

Every student or employee in a UH residence is one less person looking to rent in a community that already struggles with housing options.

To be successful in these endeavors, however, UH must have the flexibility to collaborate with private industry without mandating that those partners use public employees for day-to-day operational needs, such as custodial services, facility repairs and maintenance. This flexibility ensures that UH can operate in a financially sustainable manner while delivering high-quality services.

SB 2507 will make clear in the statute that at facilities that are privately owned or operated by a non-governmental entity, that there is not a requirement for civil service employees to perform personal services. This is also consistent in those instances when governmental offices lease private spaces for government offices.

Thank you for this opportunity to testify.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

THE SENATE
KA 'AHA KENEKOA
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2024

COMMITTEE ON HIGHER EDUCATION

Senator Donna Mercado Kim, Chair
Senator Michelle N. Kidani, Vice Chair

COMMITTEE ON LABOR AND TECHNOLOGY

Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Thursday, February 8, 2024, 3:05 PM
Conference Room 229 & Videoconference

Re: Testimony on SB2507 – RELATING TO CIVIL SERVICE

Chairs Kim and Aquino, Vice Chairs Kidani and Moriwaki, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **strongly opposes** SB2507, which excludes from civil service requirements employees performing services in University of Hawaii (“UH”) student or employee housing and certain personal services in privately financed leased or owned buildings.

This bill creates two new civil service exceptions to Section 76-16, Hawaii Revised Statutes (“HRS”). The first exception created by this bill would exempt all “employees performing services in UH student or employee housing” from civil service. This exception would also pertain to civil service janitors who are currently assigned to university housing facilities at the Manoa and Hilo campuses.

The second exception created by this legislation also exempts all “positions performing personal services for all users and tenants of privately financed leased or owned buildings” from civil service requirements. This exception appears to create a legislative remedy for a lawsuit UPW filed last month against UH, the University of Hawaii Foundation (“UHF”), and UHF Rise Student Housing LLC over the privatization of student housing services.

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It is clear to us that the intent of this bill is to provide UH with the authority to privatize the work currently being performed by hard-working civil servants. We reiterate that we are strongly opposed to this bill, and we urge the committee to defer this legislation.

Mahalo for the opportunity to testify on this measure.

Sincerely,



Kalani Werner
State Director

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HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
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The Thirty-Second Legislature, State of Hawaii
The Senate
Committee on Labor and Technology
Committee on Higher Education

Testimony by
Hawaii Government Employees Association

February 8, 2024

S.B. 2507 — RELATING TO CIVIL SERVICE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of S.B. 2507 which excludes from civil service requirements employees performing services in University of Hawaii student or employee housing and certain personal services in privately financed leased or owned buildings.

Granting this blanket conversion of all positions within Student Housing at UH Manoa goes against civil service law and the merit principles, where exempt employees are performing duties that have been traditionally performed by civil servants. Exempt employees are considered at-will and are not afforded the same protections and benefits compared to a civil service employee. We raise questions and concerns about the need and reasoning to exempt this entire department from civil service.

Additionally, we have questions and concerns regarding exempting positions performing personal services for all users and tenants of privately financed leased or owned buildings. Which current civil service employees would fall into this provision?

This measure goes to the larger issue which is that the state needs to invest in its current and future civil service workforce – increasing the position pay and offering modern and attractive recruitment and retention incentives, along with increasing the hiring time is paramount. Excluding an entire department from civil service is a band-aid fix to address the underlying issues within the state government workforce.

Thank you for the opportunity to provide testimony in opposition of S.B. 2507.

Respectfully submitted,

Randy Perreira
Executive Director