



# 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

### 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 extended 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.