



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Judiciary and Labor
Wednesday, February 3, 2016 at 9:30 a.m.

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

SB 2435 – RELATING TO COLLECTIVE BARGAINING

Chair Keith-Agaran, Vice Chair Shimabukuro, and Members of the Senate Committee on Judiciary and Labor:

We hereby provide the following testimony regarding Senate Bill 2435 – Relating to Collective Bargaining which proposes to amend Chapter 89, HRS, to specify that the benefits of the Hawai'i Employer-Union Health Benefits Trust (EUTF) becomes a mandatory subject of bargaining, and that disputes must be submitted to an arbitration panel for a final and binding decision.

The University of Hawai'i (UH) has concerns over the impact of these changes to Chapter 89, HRS, if such legislation is adopted and enacted.

The UH's workforce consists of employees in Bargaining Units 1, 2, 3, 4, 7, 8, 9 and 10. For Bargaining Units 7 and 8, the University of Hawai'i is legislatively established as the employer pursuant to HRS, §89-6(d)(4), since we are the only employer who employs Faculty and Administrative, Professional, and Technical employees. For purposes of negotiating successor agreements to Bargaining Units 7 and 8, the University of Hawai'i takes lead on negotiations with assistance, support, and guidance from the State Office of Collective Bargaining, through its Chief Negotiator.

Considering UH's unique distinction compared to other state units, the UH does not have the technical expertise, knowledge, and experience to engage in negotiations over health benefits since we have never been required to bargain over health benefits in the past. We believe we would need to either acquire and/or obtain outside professionals who possess the technical knowledge and understanding on the negotiation over health benefits and its related costs. Currently, we are not structured or prepared for such a change in practice.

As noted above, we administer and manage eight (8) of the established fourteen (14) bargaining units under Chapter 89, HRS. If health benefits become subject to negotiations, the state could face situations in which bargaining units may have different benefit plans or the possibility of having the same benefit plan but different contribution rates for each bargaining unit based on the decision of an arbitration panel for those units subject to arbitration for impasse resolution. Moreover, for Bargaining Unit 7 impasse resolution through a final and binding arbitration decision is not legislatively mandated since they still have retained their right to strike.

Thank you for the opportunity to testify on this matter.