UNIVERSITY OF HAWAI'I SYSTEM
Legislative Testimony

Testimony Presented Before the
House Committee on Labor and Public Employment
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HB 1685 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Nakashima, Vice Chair Keohokalole and members of the House committee on Labor and Public Employment:

I am providing testimony on behalf of the University of Hawai'i (UH) regarding House Bill 1685 – Relating to the University of Hawaii – which proposes to amend Chapter 304A, HRS, and add a new section, to prohibit the University from hiring individuals where salaries are equal to or greater than twice the salary of the governor without legislative approval at the next occurring session, and to require disclosure in an annual report on employees with salaries in excess of the governor's salary.

The University of Hawai'i would like to express our concerns over the impact of the proposed legislation.

This bill would require the Board of Regents to submit to the legislature for approval proposed salaries that are equal to or greater than twice that of the salary of the governor. Currently there are 17 University employees whose positions would be affected by this bill:

- One is an athletic coach.
- Eight are Unit 7 faculty members who are researchers and professors in the School of Medicine, Cancer Research Center, and College of Natural Sciences.
- Eight are executives including the President, UH Hilo Chancellor, and deans of the schools and colleges of medicine, law, business, ocean and earth science and technology, and engineering, and the director of the Institute for Astronomy.

We have several concerns over the impact of the proposed legislation.

First, the proposed legislation does not support the spirit and intent of Article X, Section 6. of the Hawai'i State Constitution which provides in part that the BOR *"..shall have the exclusive jurisdiction over the internal structure, management, and operation of the university."* The board has the power to formulate policy, and exercise control over the university through its executive officer, the president of the University. Such proposed

legislation removes and denies the board's constitutional governance and authority over the University.

Second, the university's faculty and administrators are our primary assets and the principal means by which the university carries out its mission to educate students and support the missions of the University. This measure does not contemplate the competitive market nature of the higher education industry. Competition for the most qualified individuals for positions is fierce amongst talent for universities. The positions that would be affected by this bill are typically recruited through national searches in which the University competes with other universities and institutions across the country to attract and acquire personnel with demonstrated competence and experience to lead competitive and/or highly specialized programs and disciplines such as medicine, law, business, ocean earth science and technology, engineering and astronomy, which all have been nationally recognized and in some cases, unique to the University of Hawai'i.

This bill will increase bureaucracy intentionally affecting the University's ability to recruit for positions. Vacancies often cannot be predicted; if one of the affected position(s) became vacant soon after the end of the legislative session, the University would be unable to secure until the end of the following session, which could lead to extended vacancies or interim appointments to such critical positions. The inability to timely fill vacancies in academic leadership would seriously affect the University's operations and initiatives in these areas, and also raise significant accreditation concerns. For example, if the head football coach position becomes vacant after the end of the legislative session, then the University will not be able to secure an individual prior to the start of the next football season and such a vacancy impacts the current student-athletes and potentially the season/program for years to come by affecting the recruitment process. In a labor market where unemployment rates have been decreasing and competition for such specialized professions is increasing, this bill deters prospective employees from accepting positions even on a conditional basis as the length of time to secure approval may be long and other employers will be able to make appointments in a more timely manner.

In addition, this proposed bill requires the University to report to the legislature all employees whose combined salary, allowance, expense reimbursement, bonus and other earned benefits are in excess of the governor's salary. This requirement would be inconsistent with existing statutory law, more specifically HRS, Chapter 92-F, §92F-14(a)(14) regarding the disclosure of public information. The affected employees may include the future salaries of our administrative, professional and technical (APT) employees, wherein the existing statute provides for only the salary ranges to be disclosed, similar to other employees included in HRS, chapters 76 and 302A.

Of practical consideration is that the bill makes no distinction between positions that are recruited at a particular salary level or positions that have matriculated to a particular salary level – such as through collectively bargained longevity progression and salary

increases. Delaying payment of salary awaiting legislative action would affect both. Plus, this bill does not consider how to deny a scheduled collectively bargained salary increase.

Lastly, the Board of Regents and the President have been working towards managing the salaries of such senior or specialized individuals. In the last two years, the University has been able to secure senior leaders at salaries lower than the previous incumbents, but the ability to approve the appointments in a timely manner was critical to ensure stability for the institution.

We respectfully requests that the Board continue to be the appropriate body to determine and approve the salaries of University employees, and not adversely impact the University's ability to continue to provide necessary leadership for the system and more so, to provide leadership of competitive and/or highly specialized schools and colleges such as law, business, ocean and earth science and technology, engineering, and astronomy and highly specialized faculty at the sole research campus of the University of Hawai‘i.

Based on the above, we request that this measure be held.

Thank you for the opportunity to testify on this measure.