



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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By
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HB 2012 HD1 – RELATING TO COLLECTIVE BARGAINING

Chair Luke, Vice Chair Nishimoto, and Members of the House Committee on Finance:

We hereby provide the following testimony regarding House Bill 2012, House Draft 1 – 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) become a mandatory subject of bargaining.

The University of Hawai'i (UH) continues to have 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 (APT) 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 in the area of negotiating health benefits and its related costs. Currently, we are not structured or prepared for such a change in practice. Furthermore, while contributions amounts are not subject to arbitration it still remains unclear as to whether benefits will be and whether that is the Legislature's intent.

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. Such potential differences in bargaining unit plans and contribution rates would reduce any possible economies of scale, as well as, increase administrative requirements to ensure expertise in negotiating and managing such different benefit plans. While employer contributions has been the standard, including the subject of benefits as a mandatory subject will definitely change the scope and application of negotiations in which we have concerns over its intended and unintended impact and scope. Thank you for the opportunity to testify on this matter.