Honolulu, Hawaii

Pebruary 14, 2014

RE: H.B. No. 2266

H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred H.B. No. 2266, H.D. 1, entitled:

"A BILL FOR AN ACT MAKING AN APPROPRIATION TO SUPPORT UNIVERSITY OF HAWAII COLLECTIVE BARGAINING COSTS,"

begs leave to report as follows:

The purpose of this measure is to provide a general fund appropriation for employment costs for the members of University of Hawaii Collective Bargaining Unit (7) and their excluded counterparts.

The University of Hawaii, Department of Budget and Finance, University of Hawaii Professional Assembly, Hawaii Government Employees Association, Hawaii State AFL-CIO, and three concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Deleting the amount of the appropriation; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee finds that of the \$33,500,000 requested, \$19,500,000 is for pay increases for faculty members and lecturers—a three-percent increase effective July 1, 2013, and another three-percent increase effective July 1, 2014. Your

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Committee supports the request for \$19,500,000 and has placed this amount into its budget recommendations to your Committee on Finance. It is appropriate to place this sum into the Executive Budget, because it will be a recurring expense. However, the remaining sum of \$14,000,000 that was requested is an arbitrary amount based on a change in the means of financing as a result of section 3 in Act 164, Session Laws of Hawaii 2011, and is not supported by your Committee.

Furthermore, your Committee finds that the \$14,000,000 that was requested was for salary restorations that have already been paid to faculty members and lecturers with tuition dollars—\$14,000,000 per year since July 1, 2011. During the public hearing, the representative of the University of Hawaii Professional Assembly testified that all faculty members and lecturers have had their salaries restored in a timely manner. Therefore, the \$14,000,000 is not a collective bargaining appropriation but rather a request for the reimbursement of tuition dollars with general fund revenues. The University of Hawaii's budget testimony indicated that they intend to use the \$14,000,000 in order to free tuition dollars to finance revenue bonds for systemwide repair and maintenance projects.

The Conference Committee Report for H.B. No. 200 (2011), adopted the following position with respect to the \$14,000,000 salary restoration:

"The current collective bargaining agreement with UHPA calls for the restoration of original salaries on July 1, 2011. Your Committee on Conference believes the university is fully responsible for funding these costs. Accordingly, your Committee on Conference has changed the means of financing for \$14 million in general funds to special funds."

Your Committee continues to support the intent of the statement above. Furthermore, as noted at the public hearing, your Committee on Labor and Public Employment has given its prior concurrence to these changes.

Your Committee strongly recommends that your Committee on Finance does not advance this bill, because the request for \$19,500,000 should be placed into the Executive Budget and the amount of \$14,000,000 is not supported by your Committee.

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As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2266, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Higher Education,

ISAAC W. CHOY, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

Record of Votes of the Committee on Higher Education

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☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
HED Members	Ayes	Ayes (WR)	Nays	Excused
1. CHOY, Isaac W. (C)	1	1. 144		
2. ICHIYAMA, Linda (VC)	1		-	
3. AQUINO, Henry J.C.				
4. AWANA, Karen	✓			
5. HANOHANO, Faye P.				
6. OHNO, Takashi				
7. SAY, Calvin K.Y.		\$7.1. 2.1.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.		
8. TAKAI, K. Mark		F		
9. TAKUMI, Roy M.				
10. MATSUMOTO, Lauren Kealohilani 11. FALE, Richard Lee	<u> </u>	r _[]www	Aug San a	ST.
11. FALE, Kichard Lee		r (Awar) Victoria Victoria		
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TOTAL (11)	9	0	0	2
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				