



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Labor and Public Employment
January 25, 2018 at 9:00 a.m.

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HB 1651 – RELATING TO COLLECTIVE BARGAINING

Chair Johanson, Vice Chair Holt, and members of the Committee:

On behalf of the University of Hawai'i, I am submitting testimony regarding House Bill 1651 – Relating to Collective Bargaining – which proposes to amend HRS §89-6, to allow graduate student assistants employed at the University of Hawai'i to organize for collective bargaining purposes and to form a new bargaining unit. In addition, this bill proposes to amend HRS 89-11 and provide the Hawai'i Labor Relations Board the requisite authority to assist in the resolution of impasse.

The University of Hawai'i opposes the passage of this measure.

As we explained in prior testimony submitted in response to similar bills introduced in the 2015, 2016 and 2017 legislative sessions, there are several issues associated with allowing University-employed graduate student assistants to be included in collective bargaining that the Legislature should seriously consider.

First, graduate students are primarily students first and are only secondarily employees. They attend the University to learn about their chosen fields of study and prepare for careers; they do not enroll at the University to obtain a job. These graduate students are mentored and supervised by our rank 3, 4, and 5 faculty members who hold PhDs or other terminal level degrees, with many years of proven professional competence and experience including evidence of proficiency in teaching and/or research.

Although a large part of our efforts as University mentors is aimed at teaching graduate assistants the actual subject matter, a similar large part is devoted to developing graduate student assistants as professionals prepared for careers in research, teaching, or public service. Graduate assistants learn essential skills for their careers while in their graduate assistant positions under the guidance and supervision of our current faculty employees. The purpose of a graduate assistantship is to train and mentor a graduate student in specific skills with the explicit goal of increasing their competitiveness as the graduate student enters a professional academic career. Graduate assistantships are a component of graduate student education and training designed to help them prepare for their future careers.

Second, “graduate student assistant” is not a career position, but instead is temporary and limited. There are no long-term career opportunities for graduate student assistant positions at the University. The transitory status of a graduate teaching assistant is thus different from the forms of employment represented by the collective bargaining units established under HRS §89-6. An important purpose of these collective bargaining units is to ensure sustainable, long-term careers in local government service in Hawai'i for teachers, fire fighters, police officers, corrections officers, clerical support staff, custodial and grounds staff and trades employees. Graduate teaching assistants differ substantially from this purpose as there are no long-term careers possible for this category.

Third, establishing a collective bargaining unit for graduate assistants will create a financial burden for the state and, potentially, for graduate students. Currently, the University manages the compensation for graduate assistants, including tuition waivers, stipends and other benefits. But under the proposed legislation, these would become “cost items” subject to mandatory collective bargaining. The associated costs would be extended to include membership in the State Employees’ Retirement System as provided to employees in Chapter 88, HRS, which would add pension contribution costs to the State. In addition, any increased enrollment in the Employer-Union Trust Fund for health insurance benefits would also add increased expenses to the University and State for contributions to the system.

All compensation collectively bargained for may be treated as wages that will be subject to employment and income taxes. Currently, graduate student assistants’ tuition waivers are not taxed as income. However, this fall, the US House of Representatives passed legislation that would make tuition waivers taxable, which would have had a large, negative economic impact on graduate student assistants. Fortunately, the final tax legislation excluded this provision, but there is continuing concern that Congress may pursue policies that will further tax the benefits of graduate student assistantship compensation.

Finally, graduate student assistants of the University are already compensated via a package that includes a variety of benefits. The University enacted Executive Policy EP5.223 to provide graduate student assistants with the right to file employment related grievances. This policy also clarified that outside employment and calling in sick are not prohibited, and it also provides graduate assistants with a 9 or 11 month pay schedule ranging from Steps 1 to 20. Moreover, our graduate assistants who work at least 20 hours per week are eligible to enroll in the same health and benefit plans (medical, prescription drugs, dental, vision and life insurance) as our career employees who are members of bargaining units. Further, our graduate assistants who are full-time students are also exempt from the FICA tax.

The current level of compensation is a considerable cost to the University and constitutes a significant amount of the financial assistance provided to graduate student

assistants. In addition, graduate student assistants receive tuition waivers so they can concentrate on being first-rate students and achieve degree completion in timely manner. At UH Mānoa, for example, general resident graduate student tuition currently ranges is \$637 per credit hour and most GAs take 9 credits which equates to \$5733 per semester (\$11,466 annually), while non-resident tuition is \$1532 per credit hour, typically \$13,788 per semester (\$27,576 per year on average). Graduate student assistants may also receive monetary stipends that can vary by the educational program in which they are enrolled. During the 2016-17 academic year, depending on residency, educational program, and schedule, the value of tuition waivers and stipends was estimated to typically range between \$28,958 (9-month GAs at the minimum stipend level taking 9 credits per semester) and \$50,604 annually (11-month GAs at the minimum stipend level taking 9 credits per semester), with a *potential* maximum value as high as \$58,663 annually (professional school tuition rates [Nursing] taking 12 credits, with a 11-month GAship at the top of the salary range). We note the University did request funding in its budget request to provide increases to graduate student compensation.

In summary, this measure would create a bargaining unit that is unique in the State, comprised of transitory members who remain students first with the intention of learning skills to increase their competitiveness when they graduate and begin a professional career. The University believes this measure could negatively impact our ability to train graduate students and ensure timely degree completion, while increasing expenses to the University and the state, and above all else, blurring the lines between students and employees.

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

Thank you for the opportunity to testify on this measure.