



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Higher Education  
March 22, 2016 at 2:00 p.m.

By  
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### SB2398 SD2 HD1 – RELATING TO COLLECTIVE BARGAINING

Chair Choy, Vice Chair Ichiyama, and members of the House Committee on Higher Education:

I am providing testimony on behalf of the University of Hawai'i (UH) regarding SB2398, SD2, HD1 – Relating to Collective Bargaining – which proposes to amend Chapter 89, HRS, more specifically HRS, §89-6, to allow for public employees within other categories not identified in HRS, §89-6 to organize for collective bargaining purposes and to include part-time graduate students employed by the University of Hawai'i to be entitled to coverage under HRS, §89-6.

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

First and foremost, the bill is legally flawed and runs contrary to the concerns and issues raised in Governor David Ige's *Statement of Objections to House Bill No. 553*, dated July 13, 2015. The bill mandates that representatives from the University of Hawai'i and exclusive representatives of bargaining units that represent employees in the University of Hawai'i system shall meet to discuss, determine and agree upon the scope of negotiable items, provided that not all exclusive representatives need to participate. In the *Statement of Objections to House Bill No. 553*, dated July 13, 2015, Governor Ige stated:

*"Further, requiring the University to engage in discussions with exclusive representatives of bargaining units that represent University employees concerning the scope of negotiations is **not consistent with collective bargaining concepts.** The University employs workers represented by multiple collective bargaining representatives - the University of Hawaii Professional Assembly, the Hawaii Government Employees Association, and the United Public Workers. Each of the unions has different negotiating perspectives and priorities and do not currently represent graduate student assistants. **The purpose of collective bargaining is for the employer and the certified "exclusive bargaining representative" of graduate student assistants to negotiate in good faith as to wages, hours, and terms and conditions of employment.** Thus, negotiations regarding the subject matter of*

*collective bargaining must occur with the exclusive representative. **However, an exclusive representative cannot be certified pursuant to section 89-7 and 89-8, Hawaii Revised Statutes, unless the Legislature identifies the "appropriate bargaining unit" for graduate student assistants.***

Based on the above, allowing "*public employees within other categories from organizing for collective bargaining purposes*" without identifying or creating an appropriate bargaining unit would be inoperable based on the current statutory language under HRS, Chapter 89, including but not limited to, §89-6, §89-7, §89-8, and §89-11.

In regards to the subject of allowing graduate student assistants employed by the University of Hawai'i to engage in collective bargaining, we support and adhere with the Governor's statement that "***...graduate student assistants are students first and employees second.***" This statement was contained in the Governor's Message No. 1328, dated July 13, 2015, which was part of Governor Ige's citing multiple problems and objections in his Statement of Objections toward a similar bill, namely House Bill 553, which was eventually vetoed. The current bill is still objectionable since it is still incomplete and could potentially cause legal and administrative problems. Graduate student assistant positions are not career positions within government service in contrast to all other positions in the established fourteen (14) collective bargaining units under HRS, §89-6. There will be significant cost increases to both the University and the State of Hawai'i should graduate student assistants become employees with the right to collectively bargain. These costs could extend to include, but are not limited to, additional pension contribution costs and possible increases in health benefit costs. The current levels of compensation for graduate student assistants are competitive, taking into consideration tuition waivers and monetary stipends as well as the opportunity for graduate assistants with 50% appointments to enroll in health and benefit plans (medical, prescription drugs, dental, vision and life insurance). Graduate assistants who are also full-time students are exempt from the FICA tax.

As noted in prior testimonies, the legislature, University of Hawai'i, and state tax payers must consider several issues when deliberating on the approach to allow university employed graduate student assistants to be included in collective bargaining.

First, from an employment perspective, the University's graduate student assistants are unlike any other employees of the State. Graduate student assistants are students employed as part of their education and training. Graduate student assistants are mentored and supervised by rank 3, 4, and 5 faculty members who hold a terminal degree such as a Ph.D. and have professional mastery in teaching and/or professional work in their respective academic disciplines. The role of a University faculty mentor is to teach graduate assistants how to engage the disciplinary subject matter with the goal of preparing them to find employment as academic professionals with competitive knowledge and skills in the discipline subject matter, and to position them to make contributions in their disciplines at national and international levels. A graduate student assistantship is a form of on-the-job training or apprenticeship training program with

the purpose of mentoring a student with the explicit goal of increasing their competitiveness as they enter their professional academic career. A graduate assistantship is a time bound activity, lasting only as long as a student is enrolled in a graduate program.

Second, the State of Hawai'i and the University of Hawai'i must somberly consider the financial implications of including student employees such as graduate student assistants in the State's public sector collective bargaining law. There will be significant cost increases for both the University and the State of Hawai'i should the Legislature decide that graduate student assistants are indeed employees with a right to collectively bargain. Graduate student assistants of the University are currently compensated via a package that includes a variety of benefits. University graduate student assistants receive tuition waivers valued between \$593 to \$1,770 per credit hour, per semester, depending upon if they are a Hawai'i resident or an out of state student. For example, UH Mānoa full time resident graduate student tuition ranges between \$7,116 and \$11,196 per semester while non-resident tuition ranges between \$17,160 and \$21,240 per semester. Graduate student assistants may also receive a monetary stipend that varies by the educational program in which they are enrolled. The current level of compensation is a significant cost to the University and a significant amount of the financial assistance provided to graduate student assistants

Third, because mandatory subjects of bargaining cover wages, hours, conditions of employment and fringe benefits, all such subjects shall now become "cost items" subject to legislative appropriations pursuant to HRS, §89-10(b). For example, membership in the State Employees' Retirement System as provided to employees in Chapter 88, HRS, will add pension contribution costs to the State and the employee. An increase in enrollment in the Employer-Union Trust Fund for health insurance benefits will increase expenses for the University for contributions, and to the State for total liability of the system. Additionally, all collectively bargained compensation may be treated as wages that will be subject to employment and income taxes – an issue graduate assistants may not be considering as it relates to the value of tuition waivers. The Legislature must consider the additional expenses incurred above the current operational costs in the creation of a 15th bargaining unit. Adding collective bargaining components to graduate student assistants, who are first and foremost students and employed as an extension of their student experience at the University will increase State general fund demand while simultaneously increasing University operational expenses.

Finally, since last legislative session, University of Hawai'i President Lassner met with representatives of the UH Mānoa Graduate Student Organization (GSO) in both July and October 2015. To address the GSO concerns, the administration has been working with the chief academic officers and the UH Mānoa Office Graduate Education on a proposed revision to the procedures that address the GSO concerns. Among the items up for consideration are one year appointments and renewals instead of semester appointments as appropriate, earlier renewal date notifications, reminding supervisors to consider advancement to next step on salary schedule for exemplary performance,

recognition of the need for outside employment for many students, and work schedule adjustments for illness or emergency situations.

The Legislature must consider the current tuition waivers and compensation paid to graduate student assistants who are first and foremost students and employed as an extension of their student experience at the University. The proposed bill will increase expenses above the current operational expenses.

In summary, the University of Hawai'i opposes SB2398 SD2 HD1 because graduate student assistants are students first and because of the significant cost implications for the State, the University, and the state's taxpayers.

Thank you for the opportunity to testify.