



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Labor and Public Employment
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HB 1940 – RELATING TO COLLECTIVE BARGAINING

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 1940 – Relating to Collective Bargaining – which proposes to amend Chapter 89, HRS, more specifically HRS, §89-6, to create a new bargaining unit 15 entitled “Graduate student assistants employed by the University of Hawaii”, and HRS, §89-11(d), to include the new bargaining unit 15, which will allow “graduate student assistants employed by the University of Hawaii” to be included in public sector collective bargaining as provided for in HRS, Chapter 89.

The University opposes this measure.

“...graduate student assistants are students first and employees second.” This statement, from the Governor’s Message No. 1328, dated July 13, 2015, articulates one of the concerns and issues raised in Governor Ige’s *Statement of Objections* toward a similar bill, House Bill 553, which he vetoed in 2015. The current bill continues to be objectionable since it is still incomplete and could potentially cause legal and administrative problems. None of these positions is a career position within government service unlike all other positions in the established fourteen (14) collective bargaining units under HRS, §89-6. There still will be significant cost increases to both the University and the State of Hawaii should graduate student assistants become employees with the right to collectively bargain. These costs could extend to include, but would not be 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 current opportunity for graduate assistants who have 50% appointments to enroll in the same health and benefit plans (medical, prescription drugs, dental, vision and life insurance) as employees. Graduate assistants who are also full-time students are exempt from the FICA tax.

As we explained in prior testimonies, there are several issues that the Legislature, the University and the State taxpayers should consider in deliberating the approach to allow university-employed graduate student assistants to be included in collective bargaining.

First, from an employment perspective, the rationality of requiring the State and University to collectively bargain employment with employed students – in this case, graduate student assistants. The University's graduate student assistants are unlike any other employees of the State. They are students first and employees second. Graduate student assistants are student learners. They are at the University to learn as much about their fields of study as their individual time and talents will allow. These graduate student assistants are mentored and supervised by our rank 3, 4, and 5 Faculty members who hold Ph.Ds. and have many years of proven professional competence and experience, including evidence of proficiency in teaching and/or research. Part of our efforts as University mentors is to teach graduate assistants the subject matter. An equal or larger part of our efforts is devoted to developing graduate student assistants as academic professionals with real job skills in research techniques and teaching expertise, contributing to scholarly and research disciplines at national and international levels. They learn these essential skill sets while in their graduate assistant positions under the guidance and supervision of our current faculty employees. A graduate student assistant is similar to an on-the-job training or apprenticeship training program. It is not a career or a profession, but the beginning stages most faculty must complete to pursue a career in higher education. There are no long term career opportunities for graduate student assistants at the University and a University's priority is degree completion for these graduate student assistants.

The duties and assignments of a graduate assistant differ from that of a faculty member. Our faculty members in ranks 3, 4, and 5 who mentor graduate student assistants are professionals required to teach classes and/or develop research programs without active supervision or management oversight. The purpose of an assistantship is to train and mentor a student in specific skill sets with the explicit goal of increasing their competitiveness as they enter their professional academic career.

Second, the State of Hawai'i and the University of Hawai'i must soberly consider the financial implications of student employees such as graduate student assistants in HRS, Chapter 89, 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 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. Current compensation for graduate student assistants varies upon individual circumstances of the student. University graduate student assistants receive tuition waivers that are valued between \$593 to \$1,770 per credit hour, per semester, depending upon their residency status, i.e., whether the student is a Hawai'i resident or non-resident. For example, UH Mānoa full time resident graduate

student tuition ranges between \$7,116 to \$11,196 per semester while non-resident tuition ranges between \$17,160 to \$21,240 per semester. Graduate student assistants may also receive a monetary stipend that can vary 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. Currently, graduate assistants who are 50% FTE may elect to participate in the medical, prescription drugs, dental, vision and life insurance programs at comparable premiums to members of bargaining units. As mandatory subjects of bargaining includes 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, may add pension contribution costs to the State and employee.

Third, in addition, any increased enrollment in the Employer-Union Trust Fund for health insurance benefits will also add increased expenses to the University for contributions, and to the State for total liability of the system. Additionally, all compensation collectively bargained for can 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 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.

Since mandatory subjects of bargaining covers 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.

Finally, since last legislative session, President Lassner met with representatives of the UH Mānoa Graduate Student Organization (GSO) in July and October 2015, and several other internal discussions have occurred to address the matters the GSO representatives conveyed on behalf of their members. The University’s priority for a graduate assistant is degree completion. To consider and address the GSO concerns, the administration has been working with the chief academic officers and the UH Mānoa Office Graduate Education on a proposed update to our procedure that addresses the GSO concerns regarding consideration of one year renewals instead of semester appointments as appropriate, earlier renewal date notifications, reminding supervisors to consider advance to next step on salary schedule for exemplary performance, recognition of need for outside employment at times, and work schedule adjustments for illness or emergency situations.

In summary, 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 additional expenses incurred above the current operational expenses.

Thank you for the opportunity to testify.