



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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House Committee on Finance  
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By

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### HB 1940 HD1 – RELATING TO COLLECTIVE BARGAINING

Chair Luke, Vice Chair Nishimoto, and members of the committee:

I am providing testimony on behalf of the University of Hawai'i (UH) regarding House Bill 1940 House Draft 1 – 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 Hawai'i 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 noted in prior testimonies, the legislature, University of Hawai'i, and state taxpayers 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 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. Compensation for graduate student assistants varies upon individual circumstances of the student. In addition to their work stipends, graduate 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. The monetary stipend that graduate assistants receive varies by the educational program in which they are enrolled. 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. 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 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. 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, 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 of 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.

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 education at the University. The proposed bill will increase expenses above current operational costs.

In summary, the University of Hawai'i opposes HB1940 HD 1 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.