UNIVERSITY OF HAWAIʻI SYSTEM
Legislative Testimony

Testimony Presented Before the
House Committee on Labor and Public Employment
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SB 2398 SD2 – RELATING TO COLLECTIVE BARGAINING

Chair Nakashima, Vice Chair Keohokalole, and members of the committee:

We hereby provide the following testimony on Senate Bill 2398 Senate Draft 2 – Relating to Collective Bargaining which proposes to amend Hawaiʻi Revised Statutes §89-6, to create a new bargaining unit 15 entitled "Graduate student assistants employed by the University of Hawaii."

The University opposes this measure.

"…graduate student assistants are students first and employees second." This statement, from Governor's Message No. 1328, dated July 13, 2015 articulates one of the concerns and issues raised in Governor David Ige's Statement of Objections to House Bill 553 which he vetoed in 2015. The current bill continues to be objectionable because it is still incomplete and potentially causes legal and administrative problems. A student graduate assistantship is not a career position within government service, unlike all other employees 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 Hawaiʻi 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 when tuition waivers, monetary stipends, and other benefits are taken into account. Graduate student assistants with 50% appointments are eligible for the same health and benefit plans (medical, prescription drugs, dental, vision and life insurance) as state employees. Graduate assistants who are full-time students are exempt from the FICA tax.

As noted in prior testimonies, the legislature, University of Hawaiʻi, 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 at the UH are compensated between $33,000 a year and up to potentially $73,000 a year which includes a variety of compensated benefits. Their compensation includes tuition waivers, stipends and allowances, the levels of which vary dependent upon factors in the individual graduate student’s personal circumstances --- such as residency, academic program choice, funding source, etc. For example, just considering tuition waivers alone, a resident graduate assistant would be compensated free tuition of $15,000 per year compared with a non-resident graduate assistant who would be compensated tuition of $36,000 per year. These amounts would still be in addition to stipends and allowances. The current level of compensation is a significant cost to the University and a significant compensatory 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, 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 addresses 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 advance 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 SB 2398 SD2 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.