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June 18, 2014

The Honorable Norma Torres
Chair, Senate Public Employment and Retirement
1020 N Street, Room 568
Sacramento, CA 95814

Re: AB 1834 (Williams), as amended April 24, 2014
Set for Hearing in the Senate Public Employment and Retirement Committee on June 23, 2014
Position: OPPOSE

Dear Chair Torres:

Regretfully, I am writing to inform you that the University of California (UC) has adopted an *oppose* position on **AB 1834 (Williams), a measure that seeks to amend the Higher Education Employer Employee Relations Act (HEERA)** to create collective bargaining rights for UC's graduate student researchers (GSRs). UC believes that this bill would severely impair the University's ability to excel in its mission of teaching, research and service - and would undermine UC's competitiveness as a world-renowned research university.

Negative Impact of Fundamental Change in Faculty-Student Relationship

As a major research university, UC seeks to form a graduate student body that has the training and experience necessary to assume its function as the next generation of faculty, researchers and other professionals. The faculty-student research relationship differs from the employer-employee relationship. While faculty do teach their graduate students in a classroom setting, they also teach them by collaborating on research. As mentor in this relationship, faculty provide graduate students with opportunities to learn uniquely from the process and serving as a GSR is a valuable tool of preparation for the graduate program qualifying examinations and the preparation of the student's dissertation.

Research is not "work" in the traditional employment sense, in that it does not represent an exchange of wages for services. Indeed, for the past 15 years, the official determination of the Public Employment Relations Board (the body responsible for administering and enforcing HEERA) has been that pursuant to existing law, UC's graduate student researchers are not employees. By conducting research as a GSR, the student is participating directly with faculty in the primary purpose of doctoral education: to do research at a high level of competence. Supplanting the student-faculty relationship with a labor-management relationship will negatively affect UC's ability to attract renowned faculty and talented graduate students. The University would anticipate the loss of faculty drawn to other institutions that enjoy less restrictive relationships with their graduate students.

Increase in Time Required for Students to Complete Their Degree

AB 1834 includes a provision stating that what is required for students to achieve satisfactory progress toward their degrees does not fall under the "scope of representation" for the purposes of collective bargaining. However, wages, hours of employment, and other terms and conditions of employment, clearly do fall under the "scope of representation". Academic research is unique in that individual discoveries do not follow a set timeline and hours of

employment and other terms and conditions that could be negotiated through collective bargaining could ultimately increase the time required for students to complete their degrees.

Faculty, whose grants in large part fund these student positions, may begin to shy away from hiring GSRs if they become subject to the same or similar employment restrictions as teaching assistants (TAs). For example, if the terms of a contract require a period of employment of one year, but a faculty project provides funding for only six months, the effect will be to preclude faculty from selecting graduate students for the work. Additionally, the hours typically worked as a GSR are not based exclusively on the goal of obtaining a work result within a specified time frame, as with TAs. Instead, the time spent on research is often determined solely by the student in an effort to control her/his time-to-degree and to expedite the conclusion of the research to achieve her/his educational objectives.

Because AB 1834 fails to recognize these distinctions, the time that GSRs would otherwise devote to their dissertation research could be in direct conflict with the workload provisions of a union contract. The insertion of collective bargaining into the process could—through negotiated GSR hours and pay—lengthen the average time it takes for graduate students to receive their degree.

Movement of Graduate Students between GSR and Other Student Positions

One of the primary arguments cited in support of AB 1834 has been the assertion that many UC graduate students move back and forth between GSR positions and other represented academic student positions (such as teaching assistants, tutors, etc.), and thus find themselves in circumstances where they're gaining or losing benefits from one term to the next. The data on such movements, however, does not support that claim. In fact, very few graduate students move between GSR and Academic Student Employees (the ASE category includes tutors, readers, and teaching assistants) or vice versa. In the 2012-2013 academic year, of the 11,745 ASE's within the University, less than 1% (95 individuals) also held a GSR position that same year. Similarly, with respect to the 8,800 GSRs at the University during that year, less than 4% (343 individuals) also held an ASE position. In terms of benefits packages, there are significant similarities between the two categories, including health insurance, childcare, tuition/fee remission, and paid holidays.

Financial Impact

In addition to our fundamental disagreement over the policy merits of the measure, we would note that there would be substantial financial costs to the University associated with the implementation and ongoing administration of AB 1834. UC has calculated the initial cost to the University to be between **\$10 million** and **\$18 million** – comprised of 1) additional costs to manage the collective bargaining process with a new cohort of employees, 2) additional costs to administer the contracts and 3) anticipated compensation costs associated with likely salary increases. Additional detail on each of these three elements is provided, as follows:

Collectively Bargaining Costs: Based on a recent example of the bargaining expenses needed to reach an agreement with postdoctoral scholars, the University estimates the cost to collectively bargain a potential GSR agreement at **\$639,000** (this estimate includes expenses for negotiators/assistant negotiators, faculty representatives and campus labor relations representatives).

Administrative Costs (Increase FTE): Anticipated costs to administer a GSR contract, based on the actual campus costs that have been incurred to administer a similar contract with UC post-doctoral researchers - **\$1,689,784**

GSR Compensation Costs: Although all of these costs would be negotiable pursuant to the collective bargaining process, UC anticipates that during negotiations UAW would negotiate for the University to cover the costs of dues, as well as board range adjustments to their salary scale:

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- The system-wide earnings of GSRs was \$199,362,668 during 2009-2010, and thus the projected system-wide new union dues costs (@ 1.15%) would be \$2,292,671
- The projected increase in salary costs for UC (assuming an increase in compensation as a result of collective bargaining) in the range of 3 percent to 7 percent = \$6,049,660 - \$14,115,874

In light of the costs outlined above, UC would underscore that we anticipate initial costs in the range of over \$10 million in the event a future GSR contract were to call for a 3 percent compensation increase – and over \$18 million in the event a new GSR contract were to call for a 7 percent compensation increase.

Graduate Student Researchers Began Receiving a New Child Care Benefit This Past Fall.

In response to inquiries from the Legislature last year, UC reviewed the benefits provided to GSRs. As part of UC's commitment to support students in their academic pursuits, UC campuses began helping graduate student researchers cover the cost of childcare in the Fall of 2013. UC understands that some GSRs are parents who juggle school and family life. The University also recognizes that rising childcare costs can pose a significant financial burden for students, which can affect their academic focus. UC has traditionally offered this childcare benefit to union-represented ASE's, and inasmuch as this issue was raised as part of the rationale for AB 1834 in its prior iteration, we believe that this decision to extend child care benefits to GSR's addresses that past inequity.

Thank you for your consideration of the University's views. Should you have any questions regarding the University's position on AB 1834, please do not hesitate to contact me at (916) 445-9924.

Sincerely,



Steve Juarez

cc: Assembly Member Williams
Members, Senate Public Employment and Retirement Committee
President Janet Napolitano
Provost and Executive Vice President Aimée Dorr
Senior Vice President Daniel Dooley