



OFFICE OF THE PRESIDENT

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Kieran Flaherty, Associate Vice President & Director

August 31, 2017

The Honorable Lorena Gonzalez Fletcher
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

Re: SB 201 (Skinner), as amended March 13, 2017
Currently on the Assembly Appropriations Committee Suspense File
Position: OPPOSE / HOLD ON SUSPENSE

Dear Chair Gonzalez Fletcher:

Regretfully, I am writing to inform you that the University of California (UC) has adopted an *oppose* position on SB 201 (Skinner), a measure which seeks to amend the Higher Education Employer Employee Relations Act (HEERA) to create collective bargaining rights for UC's graduate student researchers (GSRs). We respectfully request the Appropriations Committee hold this bill on the Suspense File when it is taken up later this week.

Over the past several months, UC has been in regular contact with the author and sponsor of this measure, with the stated goal of exploring potential options that could address the University's concerns and thereby avoid the *oppose* position that the University has had on similar bills in past years. Unfortunately, the University was not able to find a compromise solution and once again must *oppose* this measure.

We believe this bill would severely impair the University's ability to excel in its mission of teaching, research and public service and undermine UC's competitiveness as a world-renowned research university. The Public Employees Relations Board has held for over 20 years that the work conducted by GSRs is an integral part of their education, and therefore these students are not eligible for collective bargaining. By statutorily overturning this ruling, we believe SB 201 would fundamentally alter the relationship between faculty members and student researchers from one of *mentor-mentee* to *employer-employee*. By conducting research as a GSR, the student is participating directly with faculty in the primary purpose of doctoral education—engaging in research at a high level of competency. Graduate research is not “work” in the traditional employment sense because, although these students receive wages in exchange for their work, that work is conducted as part of their educational pursuits.

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 SB 201. UC has calculated the initial cost to the University to be approximately **\$12 million** to **\$16 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 bargaining expenses, the University estimates the cost to collectively bargain a potential GSR agreement at ***\$729,000***.

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, would be ***\$1,846,000***.

GSR Compensation Costs: Although these costs would be negotiable under the collective bargaining process, UC anticipates that during negotiations United Auto Workers may negotiate for the University to cover the costs of union dues, as well as general range adjustments to their salary scale. Estimates of these costs include:

- Projected systemwide new union dues of 1.15% would be ***\$3,147,000***, based on systemwide earnings of GSRs during the most recent academic year.
- 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 5 percent, or ***\$6,556,000 to \$10,927,000***.

In light of the costs outlined above, we anticipate initial costs of just over ***\$12 million*** if a future GSR contract were to call for a 3 percent compensation increase, and over ***\$16 million*** if a new GSR contract were to call for a 5 percent compensation increase.

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 does 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. By conducting research as a GSR the student is participating directly with faculty in the primary purpose of doctoral education: to engage in research at a high level of competence. Supplanting the student-faculty relationship with a labor-management relationship could 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

SB 201 would diminish UC's ability to attract the best graduate students due to new work restrictions that would increase the time it takes to earn a graduate degree at UC. SB 201 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."

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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 avoid 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 SB 201 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 degrees.

Thank you for your consideration of the University's views. Should you have any questions regarding the University's position on SB 201, please do not hesitate to call me at (916) 445-9924.

Sincerely,

A handwritten signature in blue ink that reads "Kieran Flaherty". The signature is written in a cursive, flowing style.

Kieran Flaherty
Associate Vice President & Director

cc: Senator Nancy Skinner
Vice Chair and Members, Assembly Appropriations Committee
President Janet Napolitano
Executive Vice President and CFO Nathan Brostrom