

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1250 (Delegate Korman)
 Appropriations

Higher Education - Student Employees - Collective Bargaining

This bill authorizes a student employee, including a teaching assistant or a comparable position, fellow, or post-doctoral intern at the University System of Maryland (USM), Morgan State University (MSU), St. Mary’s College of Maryland (SMCM), and Baltimore City Community College (BCCC) to collectively bargain.

Fiscal Summary

State Effect: Assuming new representation elections need to be held, as explained below, State Higher Education Labor Relations Board (SHELRB) reimbursable revenues and expenditures increase by an estimated \$43,700 in FY 2018 to administer the elections of new collective bargaining units in FY 2018. Higher education expenditures increase at each USM institution, MSU, SMCM, and BCCC by an estimated \$3 per eligible student worker to reimburse SHELRB for collective bargaining expenses. USM, MSU, SMCM, and BCCC administrative expenditures may increase to expand collective bargaining to student employees (not shown). In addition, personnel expenditures may increase by 1.5% per year as a result of collective bargaining (not shown). To the extent that retirement benefits are offered to specified student employees, general fund expenditures increase (not shown). State aid for BCCC is not otherwise affected.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ReimB. Rev.	\$43,700	\$0	\$0	\$0	\$0
ReimB. Exp.	\$43,700	\$0	\$0	\$0	\$0
Higher Ed Exp.	\$43,700	\$0	\$0	\$0	\$0
Net Effect	(\$43,700)	\$0	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 341 of 2001 extended collective bargaining rights to many categories of higher education personnel at public four-year institutions of higher education and BCCC but excluded all faculty and students from the benefit. Specifically, a student employee, including a teaching assistant or a comparable position, fellow, or post-doctoral intern is excluded from collective bargaining.

SHELRB is responsible for enforcing collective bargaining laws with respect to employees of USM, MSU, SMCM, and BCCC.

SHELRB may investigate and take appropriate action in response to complaints of unfair labor practices and lockouts. Among the nine unfair labor practices included in statute is refusing to bargain in good faith. The State and its officers, employees, agents, or representatives are prohibited from engaging in unfair labor practices.

Since enactment in 2001, most of the bargaining units for State higher education employees have elected an exclusive representative. In 2015, there were 39 bargaining units from 15 public higher education institutions certified as “eligible for exclusive representative election” by SHELRB.

The administration of SHELRB was consolidated with the State Labor Relations Board in 2006, and the proposed fiscal 2018 State budget includes \$435,371 and three full-time regular positions for the administration of the boards, including the Public School Labor Relations Board. Of that, \$94,902 is reimbursable funds from institutions of higher education, and the remainder is State general funds.

According to the National Center for the Study of Collective Bargaining in Higher Education and the Professions’ directory published in 2012, in the United States, approximately 370,000 faculty members at 639 institutions of higher education and 64,400 graduate student employees at 28 institutions were represented by a union. The majority were employed at a public institution, and slightly more than half of the organized faculty worked on a full-time basis.

USM reports that, for the 2016-2017 academic year, it has approximately 9,700 student workers, excluding work-study students. In addition, there were 2,530 work-study students at USM institutions in 2014-2015.

MSU did not report its number of student workers. There were 276 work-study students at MSU in 2014-2015.

SMCM reports that, in fiscal 2016, it had 627 student workers and 97 work-study student workers. Approximately 60 of these student workers were both “student workers” and work-study student workers.

In fiscal 2016, BCCC had 188 federal work-study students. In addition, BCCC typically has no more than an additional 40 students who have “one-time” jobs such as timekeeper or tutor.

State Fiscal Effect:

State Higher Education Labor Relations Board

SHELRB reimbursable revenues and expenditures increase by an estimated \$43,700 in fiscal 2018. The following information and assumptions were used in this estimate.

- SHELRB advises that it has the authority to determine the appropriateness of bargaining units, while the designated individual at each educational institution has the authority to assign classification titles and positions to those bargaining units as appropriate. Accordingly, it is up to SHELRB, if petitioned properly, to determine whether a new unit on each campus should be created for specified student workers who are granted collective bargaining rights under the bill. If SHELRB determines that a new unit should not be created, the employees may be placed in an already existing and represented unit, and there will be no need for a representation election. In this case, there is no fiscal impact. However, for the purposes of this estimate, it is assumed that student workers are determined to require their own collective bargaining unit. To the extent that student workers can join existing collective bargaining units, reimbursable expenditures are less.
- This estimate assumes that all student workers choose to hold representation elections in fiscal 2018. However, student workers at some institutions may not choose to hold elections until future years, if at all.
- This estimate assumes that there are approximately 14,600 eligible student workers at USM, MSU, SMCM, and BCCC. This estimate includes both work-study students and other student workers including teaching assistants, fellows, post-doctoral interns, and students doing one-time jobs. This number assumes that eligible student workers are as follows: 12,200 at USM; 4,100 at MSU; 700 at SMCM; and 230 at BCCC. For purposes of this analysis, it is assumed that MSU employs roughly the same proportion of students as USM. This estimate may

slightly over count students who are both work-study students and have other student worker jobs.

- SHELRB advises that postage for election ballots and election supplies is required. These costs are approximately \$3 per student worker. In addition, SHELRB advises that travel expenditures to hold elections away from the Annapolis office may be required. This estimate includes postage and election supplies but not travel costs.
- For the purposes of this estimate, it is assumed that USM institutions, MSU, SMCM, and BCCC reimburse SHELRB for the full cost of that postage for election ballots and election supplies at a cost of \$3 per estimated eligible student worker; however, actual reimbursement depends on actual costs and actual usage by each USM institution, MSU, SMCM, and BCCC. If USM institutions, MSU, SMCM, and BCCC do not fully reimburse SHELRB, additional general fund support may be needed.

State Institutions of Higher Education

Expenditures increase for each USM institution, MSU, SMCM, and BCCC to reimburse SHELRB for expenses related to collective bargaining. For the purposes of this estimate, it is assumed that each institution's expenditures increase by an estimated \$3 per eligible student worker in fiscal 2018; however, actual costs depend on whether student employees decide to collectively bargain and the actual reimbursable costs that can be assigned to each institution.

Administrative expenditures may increase at each USM institution, MSU, SMCM, and BCCC to expand collective bargaining to student employees.

Based on a Department of Legislative Services study of collective bargaining from 1995, it is estimated that collective bargaining increases salary and salary-driven fringe benefits costs by 1.0% to 1.5%.

To the extent that retirement benefits are offered to specified student employees, general fund expenditures increase.

Since the State funds BCCC based on per-student formulas, any increase in personnel costs does not affect community college formula aid. However, because retirement costs for BCCC employees eligible for retirement benefits are paid by the State on behalf of BCCC, to the extent that their personnel costs increase more than they otherwise would have, general fund expenditures increase.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Department of Budget and Management; the National Center for the Study of Collective Bargaining in Higher Education and the Professions; Department of Legislative Services

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