

Department of Legislative Services
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FISCAL AND POLICY NOTE

Senate Bill 859

(Senator Raskin, *et al.*)

Finance

**Higher Education - Collective Bargaining - Tenured Faculty, Adjunct Faculty,
and Graduate Student Employees**

This bill extends collective bargaining to tenured or tenure-track faculty, adjunct faculty, and graduate student employees working at the constituent institutions of the University of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC). The bill authorizes the establishment of three additional bargaining units at each higher education institution, one for tenured or tenure-track faculty, a second for adjunct faculty, and a third for graduate student employees.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: Higher education expenditures for the Higher Education Labor Relations Board (HELRB) increase by \$113,500 in FY 2013 to conduct the elections for exclusive bargaining representatives and to adjudicate the anticipated increase in dispute resolution cases. Higher education expenditures for USM, MSU, SMCM, and BCCC increase by an estimated \$1.6 million in FY 2014 due to administrative costs associated with collective bargaining negotiations. To the extent that elections for collective bargaining representation are not successful, increased costs for USM, MSU, SMCM, and BCCC are not realized and ongoing costs for HELRB may be mitigated. Future year expenditure estimates reflect regular salary increases, inflation, and the elimination of one-time election costs in FY 2014. Any increase in higher education expenditures resulting from negotiated salary and benefit enhancements cannot be reliably estimated. Revenues are not affected.

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues	\$0	\$0	\$0	\$0	\$0
Higher Ed Exp.	113,500	1,988,100	2,023,900	2,118,200	2,117,900
Net Effect	(\$113,500)	(\$1,988,100)	(\$2,023,900)	(\$2,118,200)	(\$2,117,900)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Tenured or tenure-track faculty, adjunct faculty, and graduate student employees do not have collective bargaining rights through their positions with State institutions of higher education.

Background: Chapter 341 of 2001 extended collective bargaining rights to many categories of higher education personnel but excluded all faculty and students from the benefit. The law also established a HELRB to oversee collective bargaining between institutions and the higher education bargaining units and to hear disputes between them. As of 2010, institutions of higher education were bargaining with approximately 6,300 employees.

Since enactment in 2001, most of the bargaining units for State higher education employees have elected an exclusive representative. In 2010, there were 33 bargaining units from 15 public higher education institutions certified as “eligible for exclusive representative election” by the HELRB. In order to be certified, an employee organization must submit a petition showing that at least 30% of the eligible employees in a bargaining unit wish to be represented by the petitioning organization. Other employee organizations may participate in the election if they prove that 10% of the eligible employees in the bargaining unit wish to be represented by them. Once HELRB certifies a petition, an election by secret ball of must be held within 90 days.

The administration of HELRB was consolidated with the State Labor Relations Board (SLRB) in 2006, and the proposed fiscal 2013 State budget includes \$301,000 and 2.6 authorized positions for the administration of the boards. Almost half of the boards’ budgets (\$148,000) will be paid from reimbursable funds from institutions of higher education, with the rest paid with State general funds.

As of January 2006, in the United States, approximately 319,000 faculty members at 491 institutions of higher education and 57,000 graduate student employees at 26 institutions were represented by a union. The majority were employed at a public institution and slightly more than half of the organized faculty work on a full-time basis.

Some of the institutions that collectively bargain with tenured or tenure-track faculty, adjunct faculty, or graduate student employees are the University of Minnesota-Duluth and UM-Crookston; the 7 four-year colleges and 30 two-year colleges of the Minnesota

State College and Universities System; Eastern, Northern, Northeastern, and Western Illinois, along with SIU-Carbondale, Chicago State, and Governor's State University; Michigan's Central, Eastern, Northern, Western, Ferris, Oakland, and Wayne State Universities; the University of Northern Iowa; the 19 campuses of the City University of New York and 29 campuses of the State University of New York; the 20 campuses of the California State University system; the 9 campuses of the Florida State University system; the 10 campuses of the University of Hawaii system; Rutgers University; the University of Vermont; the University of Connecticut; the University of New Mexico; and the University of Alaska.

A February 3, 2008 *Washington Post* article noted that graduate student employees working as teaching and research assistants have bargaining privileges at public universities in Michigan, New Jersey, Oregon, and Wisconsin. The article also reported that graduate students receive stipends of approximately \$14,000 per year for their work with state institutions.

State Expenditures:

Institutions of Higher Education

Higher education administrative expenditures for public institutions of higher education (IHE) increase by an estimated \$1.6 million in fiscal 2014, which assumes that new bargaining units will not be established and ready to negotiate for at least a year after the bill's July 1, 2012 effective date. The estimate reflects the cost of adding 18 additional employees at USM institutions (one or two additional employees per institution) and one additional employee each at MSU, SMCM, and BCCC to oversee and administer additional collective bargaining negotiations at the State's higher education institutions. Twenty-one full-time salaries for higher education, fringe benefits, one-time start-up costs, and ongoing operating expenses are included in the estimate.

	<u>USM</u>	<u>MSU</u>	<u>SMCM</u>	<u>BCCC</u>
Regular Positions	18	1	1	1
Salaries and Fringe Benefits	\$1,513,283	\$84,071	\$84,071	\$84,071
Start-up and Operating Expenses	<u>90,729</u>	<u>5,041</u>	<u>5,041</u>	<u>5,041</u>
Total Higher Education Costs FY 2014	\$1,604,012	\$89,112	\$89,112	\$89,112

To the extent that elections for collective bargaining representation are not successful, these costs are not realized.

Higher Education Labor Relations Board

HELRB will be responsible for holding elections for exclusive bargaining representatives for each of the public four-year institutions of higher education. The board advises that elections are often conducted by mail, requiring significant expenditures for mailings. Also, the board's experience is that dispute resolution cases tend to spike immediately after new elections. With a current staff of just two individuals and a part-time (60%) assistant Attorney General, the board requires additional resources to conduct 40 elections and adjudicate the anticipated increase in dispute resolution cases.

Therefore, higher education expenditures for HELRB increase by \$113,476 in fiscal 2013, which accounts for a 90-day start-up delay. The estimate reflects the cost of adding 1.4 additional employees at HELRB. One full-time salary and one part-time for HELRB, fringe benefits, one-time start-up costs, and ongoing operating expenses are included in the estimate.

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Positions	1.4		
Salaries and Fringe Benefits	\$86,064	\$115,935	\$123,937
Mailings	21,400	0	0
Start-up and Operating Expenses	<u>6,012</u>	<u>778</u>	<u>785</u>
Total HELRB Costs	\$113,476	\$116,713	\$124,722

Negotiated Salaries and Benefits

In addition to the administrative costs of the bill, higher education expenditures for negotiated salaries and benefits could also increase. The additional personnel costs, if any, will depend on the results of the collective bargaining process and cannot be reliably estimated. However, USM advises that collective bargaining for USM staff has not produced significant gains in employee compensation or benefits.

Additional Information

Prior Introductions: None.

Cross File: HB 972 (Delegate Mizeur, *et al.*) - Appropriations.

Information Source(s): Baltimore City Community College, Department of Budget and Management, Morgan State University, University System of Maryland, Higher Education Labor Relations Board, National Education Association, National Center for the Study of Collective Bargaining in Higher Education and the Professions, Department of Legislative Services

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