

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

House Bill 538 (Delegate Frush)
 Appropriations

Higher Education - Collective Bargaining - Adjunct Faculty and Graduate Student Employees

This bill extends collective bargaining privileges to graduate student employees and adjunct faculty working at constituent institutions of the University System of Maryland, Baltimore City Community College, St. Mary’s College of Maryland, and Morgan State University. The bill authorizes the establishment of two additional bargaining units at each higher education institution, one for adjunct faculty and a second for graduate student employees.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: Higher education expenditures would increase by an estimated \$1.3 million in FY 2010 due to administrative costs associated with collective bargaining negotiations. Future year expenditure estimates reflect regular salary increases, inflation, and the phase out of initial consulting fees at USM institutions. Any increase in higher education expenditures resulting from negotiated salary and benefit enhancements cannot be reliably estimated.

(\$ in millions)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
Higher Ed Exp.	0	1.3	1.0	.8	.8
Net Effect	\$0	(\$1.3)	(\$1.0)	(\$.8)	(\$.8)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: 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 Act also established a Higher Education Labor Relations Board (HELRB) to oversee collective bargaining between institutions and the higher education bargaining units and to hear disputes between the two. HELRB advises that institutions of higher education are currently bargaining with approximately 7,000 to 8,000 employees.

The administration of HELRB was consolidated with the State Labor Relations Board (SLRB) in 2006, and the proposed fiscal 2009 State budget includes \$310,500 and 2.6 authorized positions for the administration of the boards. The majority of the boards' budget (\$225,000) will be paid from reimbursable funds from institutions of higher education, with the rest paid with State general funds. In the past, the boards have been able to return a portion of the reimbursable funds to institutions of higher education.

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.

USM advises that, at the University of Maryland, College Park, the average annual salary for a graduate assistant is \$18,500 and that graduate assistants are also eligible for medical benefits of up to \$6,200 per year and tuition remission of up to \$10,250 annually. A UMCP graduate school annual report from the 2005-2006 school year reported stipends totaling \$56.1 million for 3,873 graduate assistants at UMCP, an average of approximately \$14,500 per student.

The UMCP Graduate Student Government advises that there are approximately 1,800 teaching assistants, 1,200 research assistants, 800 administrative assistants, and about 500 graduate student lecturers at UMCP. Similar estimates for other USM institutions were not immediately available, but UMCP enrolls a significant proportion of the graduate assistants at USM. Morgan reports that it has very few graduate student employees, and St. Mary's and BCCC have none.

USM institutions, Morgan, St. Mary's, and BCCC all use adjunct faculty to teach courses at the schools. A fall 2006 statistical report from USM shows 5,838 nontenure track instructional faculty, including 1,578 at the University of Maryland University College and 1,347 at the University of Maryland, Baltimore. Morgan reports approximately 150 full-time equivalent (FTE) adjunct faculty positions with salaries for the positions budgeted at \$5.3 million. St. Mary's reports approximately 17 FTE adjunct faculty positions with just under \$1.0 million in costs for the part-time employees. BCCC estimates that it uses 600 to 700 adjunct faculty (200 FTE positions).

State Expenditures: Higher education administrative expenditures could increase by an estimated \$1.3 million in fiscal 2010, which assumes that new bargaining units would not be established and ready to negotiate for at least a year after the bill's July 1, 2008 effective date. The estimate reflects the cost of adding seven additional FTE employees at USM and one additional employee each at Morgan and BCCC to oversee and administer additional collective bargaining negotiations at the State's higher education institutions. Nine full-time salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses are included in the estimate. Based on USM's experience when collective bargaining was initially extended to higher education personnel, consulting fees in the first 18 months of expanded bargaining privileges are also included in the estimate for USM.

	<u>USM</u>	<u>Morgan</u>	<u>BCCC</u>
Salaries and Fringe Benefits	\$534,857	\$80,564	\$80,564
Contractual Costs	550,000	10,000	0
Start-up and Operating Expenses	<u>33,721</u>	<u>4,885</u>	<u>4,885</u>
Total FY 2010 Expenditures	\$1,118,578	\$95,449	\$85,449

Future year expenditures reflect • full salaries with 4.4% annual increases and 3% employee turnover; • 2% annual increases in ongoing operating expenses; and • the phase out of contractual costs for USM consultants. It is assumed that St. Mary's could handle any additional costs with existing resources. Unless the bill results in a substantial increase in cases handled by HELRB, no additional expenditures or personnel would be needed to administer the board.

In addition to the administrative costs of the bill, higher education expenditures for negotiated salaries and benefits could also increase. Based on very limited information, salaries and benefits for graduate student employees and adjunct faculty at State institutions are estimated at \$400 million to \$650 million statewide. The additional

personnel costs, if any, will depend on the results of the collective bargaining process and cannot be reliably estimated.

Additional Information

Prior Introductions: None.

Cross File: SB 617 (Senator Raskin, *et al.*) – Finance.

Information Source(s): Morgan State University, University System of Maryland, Maryland Higher Education Commission, *Washington Post*, Department of Legislative Services

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