

STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
LABOR RELATIONS DIVISION

IN THE MATTER OF:

REGENTS OF THE UNIVERSITY OF  
MICHIGAN,

No. R11 D-034

Respondent,

and

GRADUATE EMPLOYEES  
ORGANIZATION/AFT MI, AFT, AFL-CIO,

Petitioner-Labor Organization.

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**MICHIGAN ATTORNEY**  
**GENERAL'S BRIEF IN**  
**SUPPORT OF MOTION TO**  
**INTERVENE**

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## **INTRODUCTION**

Bill Schuette, in his official capacity as Attorney General of Michigan, seeks to intervene in this case because, in his judgment, it involves matters of significant public interest. Specifically, this case has the potential to significantly damage the University of Michigan's reputation as a nationally recognized research institution, to the detriment of all Michigan citizens who support and value the University as one of our country's elite leading institutions of higher education. Considering the significant impact of the University on the entire State of Michigan as a center of scholarship that creates jobs, generates substantial tax revenue, and attracts millions of dollars in research grants, any proceeding that may negatively affect the University's competitiveness is certainly a matter of the utmost public interest. The University has been incredibly successful as a research institution for the past 30 years, and the Commission should decline the invitation to compromise that success and reconsider the same issue it had already decided in 1981. No material facts have changed that warrant reconsideration. Under the law applicable here, this motion to intervene should be granted, to first permit the Attorney General to argue against reconsideration at the December 13, 2011 meeting, and if the Commission orders fact finding, to ensure all of the facts are presented at that proceeding.

## **SUMMARY OF ARGUMENT**

On December 13, 2011, the Commission is expected to vote on whether to direct an Administrative Law Judge (ALJ) to conduct a factual inquiry into whether Graduate Student Research Assistants (GSRAs) at the University of Michigan are

“employees” of the University. The Graduate Employees’ Organization (Organization) seeks approval to be certified as the exclusive representative of the GSRAs and a majority of the University’s Regents passed a resolution recognizing the GSRAs as employees, thus implicitly endorsing the Organization’s petition. In the absence of an employment relationship, the Commission lacks jurisdiction. Despite this agreement between the Organization and the University employer, the Commission initially rejected the petition. It determined that the logic and result of the 1981 decision still applied, there having been no material change in the facts and circumstances surrounding the GSRAs’ work. Noting that the decision on whether the GSRAs are employees is a legal one, not to be made by an agreement of the parties, the Commission ruled that GSRAs are not employees within the Commission’s jurisdiction.

The Organization sought reconsideration, arguing that the Commission failed to consider all of the facts. The University, understandably constrained by the Regents’ majority resolution, did not directly oppose the motion. Instead, the University’s response detailed that the facts today appear to be virtually identical to those that were the basis for the Commission’s 1981 decision. At its November 2011 meeting, the Commission decided to vote in December on whether to grant the motion and order the ALJ to determine whether the GSRAs are now employees of the University and, thus, whether the Commission has jurisdiction to certify the Organization as the exclusive bargaining representative.

The record shows that there is a significant number of GSRAs opposed to being classified as employees subject to unionization. Additionally, 19 current and former deans of the University publicly expressed significant concern with the Organization's unionization efforts, arguing that if GSRAs are employees, and vote to unionize, this would severely compromise the University's ability to attract top students and faculty and, consequently, place at risk significant private and public research funding. Neither the GSRAs opposed to employment status, nor the dissenting deans and faculty are represented in this proceeding.

The Attorney General opposes the Organization's motion for reconsideration. The deans, faculty, and the dissenting GSRAs, all have persuasively articulated why reclassifying GSRAs as employees subject to unionization could impede the University's competitiveness as an elite research institution. For the past 30 years, GSRAs have been considered students, and without a third party intervention into the mentor-mentee relationship, the University, along with its graduate programs, has thrived. There has been no change in material facts that would compel revisiting the 1981 decision and risk substantially harming the University's ability to attract the best and the brightest graduate students and faculty in the nation. The Commission correctly decided on September 14 that it was without jurisdiction to grant the Organization's petition for election certification. The Attorney General urges the Commission to make the right decision once again and deny the Organization's motion for reconsideration, and to allow intervention to present this position to the Commission at its December 13 meeting.

If the Commission grants the Organization's motion, absent intervention of the Attorney General on behalf of the people of Michigan, the ALJ will hear only one position – that the GSRAs are employees of the University. The University is constrained from opposing that position because of the Regents' majority vote. Both sides being in agreement on the pivotal issue, there would be no adversarial process whatsoever. That would severely compromise the ALJ's ability to make a fair, well-informed and unbiased determination of the facts.

The Attorney General moves to intervene to prevent a decision of such importance to the State from being made without the benefit of the full adversarial process. The Commission originally denied the Organization's motion on the grounds that the 1981 decision still controls – and there is ample evidence to support that conclusion. The views of the unrepresented GSRAs, the deans, and the University faculty against granting GSRAs employment status are meritorious and must be presented. The result of the ALJ's decision will no doubt have meaningful implications for Michigan's taxpayers and the economy of the State. The State has a vital interest that the entire record is developed through the rigors of a true adversarial process.

The Attorney General is vested with broad discretion to intervene in any action where he determines, in his judgment, that a State interest is involved. Although this discretion is not unlimited, a court or administrative body should defer to the Attorney General's decision to intervene absent a clear showing that the intervention is inimical to the interests of the State. Here, the Attorney General

seeks to ensure that all of the relevant facts are articulated before the ALJ, with both sides of the question represented on an equal footing. The University of Michigan is a crucial component of the Michigan economy, a recipient of significant taxpayer funding, and a flagship for the state's education and academic research endeavors. As the record here already demonstrates, all of that is placed at risk if the factual questions surrounding the employee status question are not properly considered in an adversarial process.

The Attorney General respectfully urges the Commission reject the Organization's motion for reconsideration, and requests the Commission to grant this motion to intervene both to oppose reconsideration, and in the alternative, if reconsideration is granted, to participate in the hearing before the ALJ.

## STATEMENT OF FACTS

### I. Procedural History

On April 27, 2011, the Organization filed a petition with the Commission, seeking an election to be certified as the exclusive representative of GSRAs of the University of Michigan. (Decision and Order Dismissing Petition and Denying Motion to Intervene, p 1, MERC, Sept 14, 2011.) The University's Board of Regents subsequently passed a resolution recognizing the GSRAs as employees under the Public Employment Relations Act (Act), implicitly endorsing the Organization's petition. (MERC Decision and Order p 2.) On June 24, 2011, 19 current and former deans wrote a letter to the provost:

[T]o express our *deep and collective concern about the potential negative impacts that would result from unionization* of the University's graduate student research assistants (GSRAs). We believe that such a *union would put at risk the excellence of our university and the success of our graduate student assistants.*

Research assistantships provide graduate students with opportunities to develop their research skills while working in a lab or on a project under faculty supervision. As students assist with various aspects of scholarly work, they gain in their capacity for independent research. This is an important part of their academic training. *A union would be a third party intervening in the educational program, in the middle between faculty mentors and their students. This would compromise the essential nature of doctoral preparation.*

We note those graduate student research assistants are not unionized at the peer institutions against whom the University competes for faculty and graduate students. The Board of Regents in their public statements at the June 16, 2011 meeting included a list of other public institutions at which research assistants are unionized; although they are fine institutions, none of them competes in research at the same level as Michigan. *It would be a great loss to the state and the nation if our research efforts were to decline to the quality seen at lesser universities. We worry that a GSRA union would make Michigan an outlier when the best and brightest graduate students compare research opportunities, and when we work to recruit excellent research faculty. A vast majority of the faculty members with whom we have spoken do not support GSRA unionization because of the potential negative impact on their one-on-one relationships with students and the University's competitive position among its peers.*

(Letter of Deans to Provost, June 24, 2011, *available at*

<http://www.mackinac.org/archives/2011/deansletter.pdf>, Attached as Exhibit A)

(emphasis added).

In September 2011, this Commission rejected the Organization's petition, correctly reasoning that GSRAs are not public employees and thus are outside the Commission's jurisdiction. The Commission had made the same finding in 1981

and, in absence of materially different circumstances, the Commission was bound by the prior decision. (MERC Decision and Order, p 4.)

The Organization moved for reconsideration, responding that the facts have indeed changed regarding the role of the GSRAs at the institution, and those facts, together with the fact that the Organization and the University's Regents agree that GSRAs are employees, warrant reconsideration. The Organization's motion relies on a single affidavit, and argues in essence that because research has grown in volume and importance to the University, and that the GSRAs are an integral part of this research, they are employees of the University. Furthermore, the motion tries to reargue the facts that were established in 1981, erroneously relies on the economic reality test that is used to distinguish independent contractors from employees, and finally contends that the Regents' majority decision is a binding stipulation of fact. None of these grounds present a compelling case for reconsideration, and given the potential negative impact on the interests of the State of Michigan that are involved, the Attorney General moves to intervene to oppose reconsideration.

Constrained from directly opposing reconsideration by the majority Regents' vote, the University merely set forth facts seeming to show that none of the operative facts have changed since the Commission last considered the question in 1981. (Response to Motion for Reconsideration, Oct 17, 2011, filed with affidavits of David C. Munson, Dean of Engineering, and Terrence J. McDonald, Dean of the College of Literature, Science and Arts.) The University has clarified its position



that consistent with the Regents' resolution, it supports the GSRA's rights to vote on unionization. (Supplemental Response of Public Employer University of Michigan, Nov 4, 2011.) The record also shows that while a significant percentage of GSRA's have expressed opposition to employment status and possible unionization, there is no party to the proceeding to represent the view that GSRA's are not employees. (See Brief in Support of Motion to Intervene and in Opposition to Motion for Reconsideration, Nov 1, 2011.) Stephen Raiman, a member of Students Against GSRA Unionization, stated "[w]e believe our research and our lives as students are between ourselves and our departments and our advisors. We don't believe that a third party should be interfering in that." Goldsmith, Rayza & Williams, Kaitlin, *MERC to Reconsider GSRA's Positions as Employees*, The Michigan Daily, Nov 8, 2011.

On December 13, 2011, the Commission will vote on whether to grant the motion for reconsideration and to the matter to an ALJ for fact finding. The ALJ will be charged with revisiting an issue that has been settled in Michigan since 1981 – whether GSRA's are employees for the purpose of collective bargaining. Importantly, in 1981 the University and the union presented opposing viewpoints in a full adversarial process. This time, the University is constrained to be in agreement with, or at least not to actively oppose, the Organization.

**II. The University of Michigan is a major research university, a large employer, and a vital part of the Michigan economy.**

The University of Michigan is undoubtedly a major research institution, ranking second in the nation in terms of total research expenditures. (Response to Petitioner's Motion for Reconsideration, University of Michigan, Oct 17, 2011, p 4.) External funding supports a large majority of GSRA studies – with total research funding exceeding \$1.14 billion in fiscal year 2010. (Office of the Vice President for Research, Quick Facts, <http://research.umich.edu/quick-facts>.) The University of Michigan is thus an essential component of the University Research Corridor – a coalition between the University of Michigan, Michigan State University, and Wayne State University that has generated an “economic impact” of \$14.8 billion in 2009 for the State of Michigan. (2010 Empowering Michigan Report, *available at* <http://urcmich.org/economic/2010/2010econimpact-report.pdf>.) Even as state funding support dropped, Michigan's research universities remained the largest cluster in the U.S. in terms of enrollment, and they ranked third in terms of high-tech degrees. (*Id.*) The research corridor has continued to provide a significant fiscal impact on Michigan – for example, over 550,000 research alumni live in Michigan, collectively earning about \$26 billion; generating over \$400 million in state tax revenue for 2009. (*Id.*) Obviously, given these numbers, any proceeding that may affect the University's ability to continue to attract research funding and play an integral role as a member of the University Research Corridor implicates a number of state interests.

The excellence of the University, in so many ways, will be seriously jeopardized if its status as a research institution, with the funding that status brings, is undermined. All of Michigan's taxpayers, and certainly the University's thousands of alumni, are rightfully proud of this outstanding public university. Each of us will lose something if an incorrect determination of the facts underlying this dispute is rendered, without the benefit of the usual adversarial process. The Attorney General has correctly judged that the public interest is implicated both in the Commission's decision whether to grant the motion for reconsideration, and if so, the fact finding process before the ALJ. Accordingly, the motion for intervention should be granted.

## ARGUMENT

- I. **The Attorney General has broad discretion to intervene at any stage of any administrative proceeding when he deems in his own judgment that it is in the best interests of the State and the People to do so. Intervention should only be denied when a showing is made that it is clearly against the public interest to allow intervention.**

Attorney General Bill Schuette is the chief law enforcement officer for the State of Michigan and has a duty to ensure that the laws of the state are followed. *See Const 1963, art 5, §§ 3, 21.* When the Attorney General determines, in his own judgment, that the interests of the state require intervention, he may "intervene in and appear for the people of this state in any other court or tribunal, in any cause or matter, civil or criminal." MCL 14.28; *see also* MCL 14.101. Courts give great deference to the Attorney General's unconditional statutory right to intervene in matters of state interest. *Kelley v Gremore*, 8 Mich App 56, 59; 153 NW2d 377

(1967). Unless there is a showing that the Attorney General's intervention is clearly contrary to the public interest, the Attorney General should be permitted to intervene. *Id.*; *VanStock v Township of Bangor*, 61 Mich App 289, 299; 232 NW2d 387 (1975). The Attorney General may intervene in administrative proceedings at any stage. *Kelley v Thayer*, 65 Mich App 88, 92-93; 237 NW2d 196 (1976).

The Attorney General has determined, in his judgment, that intervention in this matter is necessary to protect significant state interests. Intervention is necessary at the December 13 hearing to oppose the motion for reconsideration. If the Commission does grant the motion, the Attorney General moves to intervene in the fact finding to ensure all the facts are presented through the adversarial process. These proceedings will directly affect the State and a number of citizens who are students, professors, or otherwise affiliated with the University of Michigan. The State, and correspondingly the taxpayers of this State, expend a significant amount of money for University funding, and more specifically, the funding of research at the University. The results of this proceeding could have a significant impact on the University's ability to function as a major research university; thus, this proceeding could negatively impact both the economy of the State, and the general well-being of all of the citizens and residents of the State.

If the Commission does order further fact finding, the Attorney General, as an intervening party, will ensure all the relevant facts and arguments are marshaled and presented to the ALJ. That will not occur absent intervention, the University being constrained not to actively oppose the Organization. Considering

the significance of the GSRA employee issue to the taxpayer-funded University, the State, and the People of the State of Michigan, it is clear that the Attorney General's decision to intervene is not contrary to the public interest. Accordingly, under the law summarized above, the Commission should defer to the Attorney General's judgment, allow him to present his opposition to reconsideration at the December 13 meeting, and grant his motion.

**II. It is in the state's interest that the facts favorable to unrepresented parties - students opposed to being determined employees subject to unionization and faculty who think that will undermine the University - be heard by the Commission before voting on the motion for reconsideration or the ALJ. Without intervention by the Attorney General, those opposing the Organization's efforts will be without a voice. Assuring a proper adversarial process is certainly not inimical to the public interest, and this motion should be granted.**

The Commission's decision on the issue of reconsideration regarding the GSRA's status as employees implicates a number of important state interests. There are over 2,000 GSRA's, making them the largest group of graduate students within the University. According to affidavits, more than 17 percent of those students actively oppose employee status. (Brief in Support of Motion to Intervene and in Opposition to Motion for Reconsideration, Nov 1, 2011, Affidavit of Adam Duzik.) Moreover, according to the Letter of the Deans to the Provost and the affidavits submitted with the University's Response to the Motion for Reconsideration, GSRA unionization will likely have a substantial negative impact on the University's ability to attract top researchers and to procure significant research funding. (Letter of Deans to Provost, June 24, 2011, *available at*

*http://www.mackinac.org/archives/2011/deansletter.pdf*, Attached as Exhibit A.)

Any proceeding that may have an impact on the University's competitiveness and status as an elite institution is in the interest of the entire State and it cannot be inimical to the state interest to have the factual record developed fully through a truly adversarial process. The University has developed into a nationally renowned research institution over the past 30 years without union presence in the educational relationship between elite students and elite faculty. The University, its students, and the State of Michigan as a whole have greatly benefitted as a result – and the Commission should decline to compromise that potential for success. It is of the utmost public interest that all the relevant facts and positions are presented against reconsideration on December 13, and if the matter is sent to an ALJ for further fact finding, in that proceeding as well.

- A. **A significant number of graduate students and faculty disagree with the Regents' position that GSRA's are employees subject to unionization. Currently, neither party to this proceeding represents this view. The Attorney General must be allowed to intervene to ensure that all the relevant facts and arguments are presented on a matter of such public significance.**

Attorney General intervention is proper when significant matters of state interest and public policy are involved, and when a proceeding may affect unrepresented parties. *Syrkowski v Appleyard*, 122 Mich App 506, 513; 333 NW2d 90 (1983), *rev'd on other grounds* 420 Mich 367; 362 NW2d 211 (1985) (noting that intervention was proper to represent the unrepresented child's interests on the issue of entry of petitioner's name on birth certificate as natural and legal father of

a child to be born to a surrogate mother who had been artificially inseminated with the sperm of petitioner). That is exactly the case here. The Regents' vote to recognize the GSRAs as employees and the Organization's statements made in the letter accompanying the motion for reconsideration show that the Organization and the University will not be truly adverse parties before either the Commission or the ALJ. And there is no other party to represent the voice of the dissenting students and faculty in the proceeding. In the absence of any party opposed to the union viewpoint on the GSRAs' "employee" status, the fact-finding process will be, at best, one-sided and incomplete; at worst, the lack of an adversarial process will result in a biased outcome.

The Attorney General's intervention will ensure that all of the facts will be heard. It will assure that those facts are presented in a manner that is fair to all those at the University and across the state who will be impacted by the Commission's decision. The Attorney General seeks intervention to represent the voice of those who will otherwise be silenced; the Commission should grant this motion.

- B. Considering GSRAs to be employees subject to unionization may severely compromise the University's status as a leading research institution, employer, and center for higher education, such compromise would impact the entire state. The Attorney General must be allowed to intervene to ensure that all of the relevant facts and argument are presented on a matter of such public significance.**

Besides the GSRAs' concerns about being considered employees subject to unionization, the University's faculty has outlined the serious negative implications

that unionization will have on the University's status as a leading research institution. The June letter from the deans to the provost expressed their "deep and collective concern about the potential negative impacts that would result from unionization of the University's [GSRAs]." (Letter of Deans to Provost, June 24, 2011, available at <http://www.mackinac.org/archives/2011/deansletter.pdf>, Attached as Exhibit A.) Vital mentor-mentee relationships and the "essential nature of doctoral preparation" will be compromised if a third party (union) intervenes in the educational program. (*Id.*) One of the deans' central points is that GSRAs at high caliber research institutions with which the University competes are *not* unionized, and a "GSRA union would make Michigan an outlier when the best and brightest graduate students compare research opportunities, and when we work to recruit excellent research faculty." (*Id.*) The faculty also voiced their opposition to GSRA unionization "because of the potential negative impact of their one-on-one relationships with students and the University's competitive position among its peers." (*Id.*)

Again, both of the parties to the proceeding – the Organization and the University – are in agreement that GSRAs are employees. (Letter of Mark H. Cousens, attorney for the Organization, to Commission in support of motion for reconsideration, Nov 4, 2011.) Without a party adverse to the view that GSRAs are employees, no one represents the position of the University deans, the vast majority of the faculty and hundreds of GSRAs. If the Commission does grant the motion for reconsideration, the ALJ will be deprived of the benefit of a true adversarial



process, and the ALJ's decision will be hampered by a one-sided presentation of the facts. The Attorney General's intervention would ensure that all the relevant facts are properly heard, a critical consideration on this issue of extraordinary significance for all of Michigan.

**C. None of the grounds presented in the Organization's motion for reconsideration are compelling. They fail to present any issues different from those already ruled on by the Commission. In absence of materially different facts, the motion must be denied.**

The Commission's rule on motions for reconsideration states that "a motion for reconsideration which merely presents the same issues ruled on by the commission, either expressly or by reasonable implication, will not be granted." 2002 AACCS, R 423.167. The Organization's motion for reconsideration does not present anything of significance that is different from the issues already ruled on by the Commission both in 1981 and at the September 14, 2011 meeting.

The Organization fails to show sufficient "material change in circumstance" to warrant the Commission's departure from its 1981 decision. Its motion essentially reiterates the same substantive facts that were considered by the ALJ in 1981 and points to no substantive change in the "master-servant relationship" that was key to the 1981 decision. (Decision and Order Dismissing Petition and Denying Motion to Intervene, p 3, MERC, Sept 14, 2011.) The Organization's factual support consists of a single affidavit that cites extensively to the University website. Naturally, the facts surrounding GSRA appointments are somewhat different today than they were in 1981 given the growth of the University as a research institution

and a center of higher learning. However, the Organization fails to point to any one material fact that has changed or was not considered by the ALJ in 1981 and thus warrants reconsideration.

In 1981, the ALJ already acknowledged that research was a significant part of the University and recognized it as a major university center. *Regents of the University of Michigan*, 1981 MERC Lab Op 777, 808. Federal treatment of students was also not considered to be determinative in 1981. *See Id.*, at 780. The employment oath was also something that existed at the time of the 1981 decision. Nor is the description of GSRA as employees on various University websites sufficient to create employment status. As the Commission noted in its September 14, 2011, decision, “[the Commission’s] jurisdiction cannot be conferred by an agreement between the parties.” (Decision and Order Dismissing Petition and Denying Motion to Intervene, p 4, MERC, Sept 14, 2011.) Neither has there been a change in law to warrant revisiting this issue.

The issues brought up in the Organization’s motion for reconsideration have been presented to the Commission and have already been ruled upon. No compelling material circumstances have changed – the motion for reconsideration should therefore be denied.

## CONCLUSION AND RELIEF REQUESTED

The Attorney General has unconditional statutory authority to intervene in matters involving a state interest, and this authority is only limited in cases where there is a showing that intervention is clearly contrary to the public interest. There are significant matters of public interest involved here, and the Attorney General should be allowed to intervene both to argue against reconsideration on December 13, and to ensure that all of the facts are presented in a full adversarial proceeding if the Commission does order further fact finding in front of an ALJ. The University of Michigan is a major research university that competes with other elite universities in the country for the best and the brightest students and faculty, along with significant research funding. The issue of whether GSRA's are employees and subject to unionization is one with far reaching implications for the entire State of Michigan and its people. However, the two parties expected to participate in the proceedings – the Organization and the University – are in agreement that GSRA's are employees, and thus there can be no true adversarial process without Attorney General intervention. The Attorney General has properly determined that these proceedings involve matters of great state interest and that intervention is in the best interest of all of Michigan's citizens. The Attorney General's intervention will assure a balanced presentation of all of the necessary facts that both the Commission and the ALJ will need to make a well-informed decision on the merits of the important issue under consideration.

For these reasons, the Attorney General respectfully requests the Commission grant his motion to intervene, enter a notice of intervention into the official record of the captioned case, allow him to present an argument against reconsideration on December 13, 2011, and afford him full party status in these proceedings for all purposes.

Respectfully submitted,

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