



HF 291 – Public Employment Reform (LSB1725HV)

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Fiscal Note Version – New

Description

House File 291 relates to employment matters involving public employees including collective bargaining, educator employment matters, personnel records and settlement agreements, city civil service requirements, and public employee health insurance. The Bill makes a variety of changes to Iowa Code chapter **20**, the Public Employment Relations Act; strikes language requiring the Public Employment Relations Board (PERB) to interpret and apply the provisions of Iowa Code chapter 20; and makes changes to other Code provisions relating to collective bargaining by public employees.

Background

Under current Iowa Code chapter 20, for negotiations regarding any public employees, mandatory subjects of bargaining include: wages, hours, vacations, insurance, holidays, leaves of absence, shift differentials, overtime compensation, supplemental pay, seniority, transfer procedures, job classifications, health and safety matters, evaluation procedures, procedures for staff reduction, in-service training, terms authorizing dues checkoff for members of employee organizations, grievance procedures for resolving any questions arising under the agreement, and other matters mutually agreed upon. Retirement is a prohibited subject of bargaining. Current law requires an arbitrator to select the most reasonable offer, in the arbitrator's judgment, of the final offers on each impasse item submitted by the parties.

The Legislative Services Agency (LSA) published an **Issue Review** that addresses **State Collective Bargaining in Iowa** in November 2014. The **Issue Review** includes, among other things, historical information on collectively bargained salary increases and a comparison of salary increases to the consumer price index (CPI).

Fiscal Impact

Sufficient information is not available to determine the total fiscal impact of HF 291.

The Bill requires the PERB to appoint a certified shorthand reporter to report State employee grievance and discipline resolution proceedings pursuant to Iowa Code section **8A.415**, relating to grievance and discipline resolution procedures under the State employee merit system, and fix a reasonable amount of compensation for such service and for any transcript requested by the PERB, with the amounts taxed as other costs.

The Bill authorizes the PERB to contract with a vendor to conduct elections required by Iowa Code section **20.15** on behalf of the PERB, while requiring the PERB to establish fees by rule to cover the cost of such elections, with the fees paid in advance of an election to be paid by each employee organization listed on the ballot. However, the new language will require the fees to be deposited to the General Fund and does not specify an appropriation to the PERB to pay the vendor.

Administration and legal time and expenses will increase during the implementation of the changes for the PERB, the Attorney General's Office, cities, counties, schools, and the Department of Administrative Services (DAS).

The PERB estimates it will need the following, including an attorney and support staff, to implement HF 291:

Estimated General Fund Revenue and Expenditures		
	<u>FY 2018</u>	<u>FY 2019</u>
Revenue		
General Fund (Election Fees)	\$ 179,000	\$ 179,000
Total Revenue	<u>\$ 179,000</u>	<u>\$ 179,000</u>
Expenditures		
Salaries	\$ 160,000	\$ 160,000
Data Storage	15,000	15,000
Technology Support	20,000	4,000
Capital Outlay	10,000	-
Election Costs	179,000	179,000
Total Expenditures	<u>\$ 384,000</u>	<u>\$ 358,000</u>
Net Impact	<u>\$ (205,000)</u>	<u>\$ (179,000)</u>
FTEs	2.00	2.00
Estimated Other Funds Revenue and Expenditures		
	<u>FY 2018</u>	<u>FY 2019</u>
Revenue		
Other Funds (Reporter Fees)	\$ 8,000	\$ 8,000
Total Revenue	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Expenditures		
Reporter Costs	\$ 8,000	\$ 8,000
Total Expenditures	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Net Impact	<u>\$ -</u>	<u>\$ -</u>

Expenditure changes from a variety of funds may result from the following Bill provisions beginning with their effective dates:

- Eliminating the requirements for the PERB to interpret and apply Iowa Code chapter 20.
- Limiting bargaining for bargaining units that do not have a majority of members who are “public safety employees” to base wages and other matters mutually agreed upon while establishing specified prohibited matters from bargaining.
- Changes to the employer’s ability to use outsourcing, layoffs, and other staffing methods.
- Changes to the way bargaining representation elections are conducted and counted, and how often they are held, will have an unknown impact on the number of bargaining units and an unknown fiscal impact.
- Modifying the factors an arbitrator considers.
- Restricting the arbitrator’s award authority as it relates to base wages.
- Prohibiting the arbitrator from considering past collective bargaining agreements between the parties or bargaining that led to such agreements.
- Prohibiting the arbitrator from considering the public employer’s ability to fund an award through the increase or imposition of new taxes, fees, or charges, or to develop other sources of revenues.
- Changes to educator, coach, and administrator employment matters.
- Changes relating to city civil service requirements under Iowa Code chapter [400](#).
- Requiring the arbitrator to, to the extent data is available, compare wages, hours, and conditions of employment of the involved public employees with those of private sector employees doing comparable work.
- Requiring the arbitrator to consider the interests and welfare of the public and the financial ability of the employer to meet the cost of an offer in light of the current economic conditions of the public employer. The arbitrator is required to give substantial weight to evidence that the public employer’s authority to utilize funds is restricted to special purposes or circumstances by State or federal law, rules, regulations, or grant requirements.
- Changes relating to public employee personnel records and settlement agreements.
- Requiring the public employer to offer health insurance without specifying the amount the employer would require the employee to contribute toward health insurance, if any.

Sources

Iowa Association of School Boards
Department of Administrative Services
Department of Management
Public Employment Relations Board (PERB)

/s/ Holly M. Lyons

February 14, 2017

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
