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R E P O R T
OF THE
LEGISLATIVE ADVISORY COMMITTEE
ON THE STUDY OF

I O W A L A B O R A G E N C I E S

Submitted To: Members of the 60th Iowa General Assembly
March, 1963

By: The Iowa Labor Agencies Advisory Committee

Senator Frank Hoxie, Chairman
Representative Charles E. Grassley, Vice Chairman
Senator Jake B. Mincks Senator Leigh R. Curran
Senator John A. Walker Representative John L. Duffy
Representative Max W. Kreager

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REPORT OF THE ADVISORY COMMITTEE ON THE
STUDY OF IOWA LABOR AGENCIES

INTRODUCTION

The Senate Committee on Industrial Relations of the 59th Iowa General Assembly requested that the Iowa Legislative Research Bureau study the organization and functions of the State Employment Security Commission, The Industrial Commissioner's Office, The Bureau of Labor, and the Mine Inspector's Office (now the Department of Mines and Minerals). The request specifically asked "that the Research Bureau survey the organization of those departments and agencies of other states" which carry out the functions handled by the Iowa agencies listed in the request. The request stated that "The purpose of this study should be to provide information to be used in determining the advisability and practicability of combining the functions of these departments and agencies."

The research request also asked that a legislative advisory committee be appointed for this Study as provided by Sections 2.55, and 2.56, Code of Iowa. Accordingly, the Legislative Research Committee designated the Senate Industrial Relations Committee and the House Consolidation and Coordination of State Government Committee as the standing committees from which members of the advisory committee should be named. By law, the seventh member of such advisory committees must be a member of and is named by the Legislative Research Committee.

Senator John Walker accepted the assignment from the Research Committee to serve on the Advisory Committee. Senator George Weber, Chairman of the Senate Standing Committee, named Senators John Gray, Frank Hoxie and Jake Mincks to serve on the Advisory Committee. Representative Charles Grassley, Chairman of the House Standing Committee, named Representatives Max Kreager and Thomas O'Toole along with himself as House members. Two of the Advisory Committee's original members, Representative O'Toole and Senator Gray, passed away before the Study was completed. The two legislators were succeeded on the Advisory Committee by Representative John Duffy and Senator Leigh Curran, respectively.

RESEARCH BUREAU STUDY

As requested, the Legislative Research Bureau has completed a study of the organization and function of Iowa's State labor agencies and of labor agencies of other states. A presentation of the information studied and the factors involved in any consolidation of Iowa's labor agencies are referred to in a Bureau Report entitled Organization and Functions of Labor Agencies in Iowa. The Report will be published and distributed to Iowa Legislators in the near future.

ORGANIZATION AND STUDY PROCEDURE

At the Advisory Committee's first meeting on December 15, 1961, Senator Hoxie was named chairman of the Committee and Representative Grassley vice chairman. The Committee at that time agreed that the Study would be confined entirely to the question of administrative organization and substantive changes in the State's labor laws would not be considered.

The Research Bureau was requested to prepare for Committee members an analysis of the existing organization of Iowa's labor agencies. The Bureau was also directed to take immediate steps to gather information for study and comparison on the organization of labor agencies in the midwestern states and in selected states outside the Midwest. This information was subsequently mailed to Committee members and was reviewed and considered at the Committee's second meeting on February 15, 1962.

HEARINGS

Hearings on the question of establishing a single department consolidating all of Iowa's labor agencies were held on March 22 and April 17, 1962. In preparation for these hearings, invitations to appear before the Committee or to submit to the Committee statements on the question were sent to all of the State's labor agencies, to the Iowa Federation of Labor, and to 30 State industrial, employer, and wholesale or retail groups or

associations. Of these latter 30 groups, 15 did not respond, 7 indicated no interest, 4 statements were filed, 2 groups sent representatives to Committee hearings, one group indicated a desire to attend a hearing but only after the last hearings had already been held, and one association indicated it would file a statement but did not do so.

At the March 22 hearings, representatives of the following agencies appeared or submitted statements in opposition to any consolidation of Iowa labor agencies:

Employment Security Commission
Industrial Commissioner's Office
Mine Inspector

Appearances or statements favorable to the unification of these agencies were made by the:

Labor Commissioner
Iowa Federation of Labor (AFL-CIO)

Senator George O'Malley attended the meeting and asked for a unification of the labor commissioner, industrial commissioner, and mine inspector's offices with the Employment Security Commission to be left independent.

Hearings were again held on April 17, 1962. At this time only one formal appearance was made, that of the Iowa Manufacturers Association in opposition to any merger of Iowa's labor agencies. Statements also opposing any such merger were received from:

Associated General Contractors of Iowa
Master Builders of Iowa, Inc.

Following the April 17 meeting, two more statements in opposition to unification of the State labor agencies were received in the office of the Legislative Research Bureau. The statements were sent by:

Iowa Retail Farm Equipment Association, Inc.
Iowa Creameries Association (Incorporated)

SUMMARY OF THE STUDY

The final Committee meeting was held July 11, 1962, for the purpose of reviewing the Study and considering drafting and approving recommendations to the 60th General Assembly. Committee

members formulated the following conclusions:

With respect to the organization of labor agencies in other states, it is apparent to the Committee that there is no clear organizational pattern among the states in this respect. While Iowa is among the states with the least unified labor agency organization, it is by no means alone in this position.

It is agreed by all members of the Advisory Committee that the hearings held by the Committee and the statements submitted to the Research Bureau for the Committee's consideration have not shown a sufficient degree of support for the proposed consolidation of Iowa labor agencies. The lack of support makes the passage of any such legislation by the 60th General Assembly unlikely.

Summarizing briefly, the arguments which have been advanced in favor of consolidating Iowa's labor agencies are:

1. Elimination of any areas of inconsistency, overlapping authority, or lack of coordination in administration of the State labor laws.
2. Reduction of confusion about which agency administers which law or program.
3. Reducing the number of reports now required to be filed with various labor agencies of the State.

It should be noted that while reduction of costs is often cited as an argument in favor of governmental reorganization in general, even the proponents of the contemplated Iowa labor agency merger have not advanced any claim that a saving of money could be affected. The Committee has found no reason to believe that any significant saving could be realized through consolidation.

Individuals who have appeared at the Committee's hearings or have submitted statements to oppose any change in the present labor agency organization in Iowa have, in addition to denying that the arguments advanced by the proponents are valid or constitute serious problems in Iowa, made the following objections to any labor agency merger:

1. Concentrating all of the Agencies under a single administrator or commission might permit the assumption of an undesirable degree of influence or control by either labor or management.
2. Any change in the present independent status would jeopardize the quasi-judicial functions of the Employment Security Commission and the Industrial Commissioner.

3. The Employment Security Commission should not be combined with other State labor agencies because of the Commission's special relationship with the Federal Government in administration of unemployment compensation and other programs.

The pros and cons of these arguments are more fully developed in the Legislative Research Bureau Report referred to previously.

CONCLUSIONS AND RECOMMENDATIONS

The Legislative Advisory Committee on the Study of the Organization and Function of Labor Agencies in Iowa, after hearings, study, and consideration over a period of seven months, has found no general support for the consolidation of the Employment Security Commission, the Industrial Commissioner's office, the Bureau of Labor and the Department of Mines and Minerals into a single department or agency of the State Government. Only the State Labor Commissioner and the Iowa Federation of Labor have expressed support for this move and there is some question about the solidarity of members of the Federation in this stand.

In view of the very limited support found for such a step, the Committee does not recommend to the 60th General Assembly that the aforementioned agencies be consolidated at this time; however, the Committee wishes to urge the members of the Legislature not to discard all further consideration of the merger of some or all of Iowa's labor agencies. The Committee feels that centralized organization may be increasingly desirable for Iowa's labor agencies as the State becomes more industrialized in the years ahead, and that accordingly, much of the present indifference or opposition to this proposal may disappear or be reduced.

In addition, the Committee wishes to place before the members of the 60th General Assembly the following suggestions for consideration:

Reducing Public Misunderstanding

It has been suggested to the Committee during its Study that one of the problems attendant upon Iowa's present decentralized system of labor agency organization is failure of much of the general public to understand the distinctions between the various labor programs and the agencies which administer the programs. For instance, there is reason to believe that many people do not make the distinction between unemployment compensation, which is administered by the Employment Security Commission, and workmen's compensation--paid to injured or disabled workers--which is the province of the Industrial Commissioner. This problem is perhaps compounded by the present physical dispersal of State labor agencies around the City of Des Moines; no two agencies being in the same building.

The Committee suggests a concurrent resolution expressing the Legislature's concern about this problem. The resolution should request that those employees of each of the agencies who regularly deal with the public--particularly those who receive requests from the public for assistance or information--keep themselves well informed not only about the function and responsibilities of their own agencies but also about the functions and responsibilities of the other State labor agencies. In this way, whenever such an employee receives a request for assistance with a matter not within the jurisdiction of his own Agency, he will be able to direct the person seeking assistance quickly and accurately to the proper Agency.

Multiplication of State Agencies

During this Study, it has become apparent to the Committee that there is in Iowa a fairly steady historical pattern of establishing a new agency each time the Legislature passes a major piece of labor legislation in a new area. It is a generally accepted fact that Iowa will become more industrialized in the next few years and this factor may create the need for State labor legislation in areas where no legislation currently exists. The Committee strongly urges that if and when such new legislation is adopted, no new agencies be created until all possibilities

have been carefully studied for having one of the existing labor agencies administer the new law. The cause of efficient state government will not be served by the continued multiplication of separate agencies in this field.

Appearances before Industrial Commissioner

It has been contended during this Study that there are increasing pressures against the practice of having laymen present the cases of claimants under the Workmen's Compensation Laws when such claims are disputed and carried to a hearing before the Industrial Commissioner or his deputies. Without intent to endorse or judge such charges, the Committee suggests that the Legislature reaffirm the intent of the law that such presentations by laymen, who are not members of the Bar, are proper and permitted under Chapter 86 of the Code.

MINORITY REPORT OF
ADVISORY COMMITTEE ON LABOR AGENCIES

This minority report will deal primarily with conclusions since I have no disagreement with the facts gathered during the hearings held by this Advisory Committee. I could disagree with some of the arguments put forth, but since the arguments presented are personal and opinions, as are mine, they will be covered in my disagreement with the majority of the Committee in their conclusions and recommendations.

First of all, in regard to the conclusion that there is not enough public interest to warrant any change in the present labor agency structure in Iowa makes it undesirable to propose any change, we have heard many times during the past several years that too many bureaus and agencies exist in state government. Many of us feel that this statement is true. In the instance of Iowa labor agencies, we find four separate agencies that, while dealing with separate matters, are often working with the same people and could be combined into one agency that would be beneficial to all parties directly involved and to the people of Iowa as a whole. Many of the needs for bringing up to date the laws affecting the workers of Iowa in the areas of health and safety, unemployment, workmen's compensation, etc., could be satisfied if the Iowa Legislature would recognize these problems and create a department dedicated to the protection of the working people and the public of the State.

To say that we are interested in efficiency in state government and then, because fewer than ten people appear to say that they are opposed to an idea which will encourage efficiency, to say this is not the time for consolidation would seem to me to be inconsistent. Somewhere, sometime, we as elected representatives should take a stand on issues which we believe are in the best interests of the people of Iowa and stand behind our positions on these issues. This policy I have followed in this Study.

I recognize that the opponents of this consolidation are as sincere as I in their arguments. However, I still feel that unless and until a consolidation of Iowa's labor agencies is

consummated, the needs of the working people of Iowa for better safety laws will go unheeded because of the lack of recognition of that need. The Bureau of Labor is the only department that does not have the right to promulgate rules to carry out its duties effectively. The needs for improved unemployment compensation and workmen's compensation are still with us simply because of the multiplicity of agencies. These problems could, to a great degree, be overcome with one agency dealing with all labor matters.

In two previous studies, recommendations to combine some of these agencies were put forth. No positive action on these recommendations has been taken although several Legislative sessions have passed. These recommendations were good then; they are equally as good today. Surrounding states have recognized and have taken action to solve these problems.

Therefore, in this Report I would like to recommend that Iowa move ahead as have our sister states and that the 60th General Assembly give serious consideration to the establishment of a Department of Labor with agencies mentioned being placed in this Department.

/s/ Jake B. Mincks
State Senator