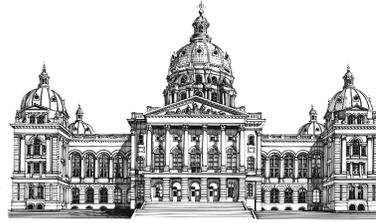

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Collective Bargaining for FY 1994 & FY 1995

ISSUE

The State of Iowa and the labor unions representing many of its employees have started the collective bargaining process that will culminate in contracts for the 2 year period starting July 1, 1993.

This document reviews the collective bargaining timeframe for negotiations between the State and employee unions. It will also discuss the initial proposals offered by the State and employee unions, and will review how other states resolve impasse items in collective bargaining for state employees.

AFFECTED AGENCIES

The Public Employment Relations Act (PERA) covers all State employees except:

- Elected officials and persons appointed to fill vacancies in elected offices, and members of any board or commission.
- Department directors, deputy directors, first assistants, and other supervisory employees, defined as employees who have the authority to make personnel decisions.
- Confidential employees.
- Students working part-time except graduate teaching or research assistants.
- Temporary employees.
- Commissioned and enlisted personnel of the Iowa National Guard.
- Judicial officers and professional employees of the Judicial Department.
- Patients and inmates at any state or local institution.
- Most of the employees of the Department of Justice except certain employees of the Consumer Advocate Division.
- All employees of the Credit Union and the Banking divisions of the Department of Commerce.

CODE AUTHORITY

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Chapter 20, Code of Iowa.

BACKGROUND

In the Spring of 1991, the State of Iowa entered into arbitration with all of its employee organizations representing State workers. Five arbitration hearings were held and, in each instance, the arbitrator ruled in favor of the union on wage issues and in favor of the State on insurance issues. Subsequent to the arbitration decisions the General Assembly passed legislation to implement the wage awards.

Governor Branstad vetoed this legislation contending the State could not afford the increase and the implementation of the awards would cause impairment of the State's ability to perform its statutory duties. Three unions then filed suit against the State, seeking enforcement of the arbitration awards, and the case was decided by the Iowa Supreme Court in March 1992.

In AFSCME/Iowa Council 61, SPOC and IUP v. State of Iowa the Supreme Court determined the arbitration awards were valid and enforceable, and the State was contractually obligated to fund the awards. The Court determined that employees covered by the awards were entitled to back pay with interest. The General Assembly and the Governor reached agreement on spending bills which included provisions to fund the arbitration awards. The unions and the State subsequently reached a settlement regarding specific implementation of the arbitration awards and the Court's decision. The State paid affected employees back pay and interest in July 1992.

CURRENT SITUATION

Chapter 20 of the Code of Iowa provides for the following collective bargaining process for State employees.

The employee union presents its initial proposal to the public employer at the first bargaining session. This session is open to the public.

The employer presents its initial position to the employee union at the second bargaining session, which shall be held no later than 2 weeks following the first session. This session is also open to the public.

The parties meet during subsequent bargaining sessions. These are not open to the public unless the parties agree to open them. The deadline for completion of the agreement is March 15.

On or after November 15 the Public Employment Relations Board (PERB) can appoint an impartial and disinterested person to act as mediator upon the request of either party. The mediator is intended to bring the parties together to effectuate a settlement of the dispute, but a mediator may not compel the parties to agree. A mediator was used in negotiations involving all 5 employee unions in the 1990-1991 collective bargaining process.

If the impasse persists 10 days after the mediator has been appointed, the PERB shall appoint a fact-finder representative of the public from a list of qualified persons maintained by the PERB. The fact-finder conducts a hearing, may administer oaths and issue subpoenas and is required to make written findings of fact and recommendations for the resolution of the dispute. These findings must be given to the parties within 15 days of the fact-finder's appointment. The public employer and employee unions can either immediately accept the recommendation or shall within 5 days submit the recommendations to the Governor and union members for acceptance or rejection. Fact-finding was used by 1 of the 5 employee unions in the 1990-1991 collective bargaining process.

The parties may continue to negotiate on any impasse items. However, the PERB has the power, upon the request of either party, to refer the dispute to binding arbitration. The arbitrator is restricted to choosing between the final offers made by each of the parties or the fact-finder's recommendations on each of the impasse items.

Arbitration can either be provided by a 3 person panel or, if the parties agree, by a single arbitrator. A single arbitrator was used by the parties during the 1990-1991 arbitrations. The determination made by the arbitrator(s) is final and binding upon the parties, subject to the provisions of Section 20.17(6). This provision bars the enforcement of any agreement or decision which is inconsistent with any statutory limitation on the public employers funds, spending, or budget or would substantially impair or limit the performance of any statutory duty by the public employer. This system is intended to ensure that the arbitrator's decision can reasonably be made before March 15.

Information provided by the PERB indicates 95% of all contract impasses are resolved without the use of binding arbitration. In FY 1991 there were 692 contract negotiations, only 30 of which reached arbitration (including the 5 impasses involving State employees).

CURRENT STATUS OF NEGOTIATIONS

The American Federation of State, County and Municipal Employees (AFSCME) labor union has presented its proposal to the State. The proposal includes:

- A \$253.65 extra payment in each quarter of FY 1994, which will not increase the base pay.
- A 5% base pay increase in FY 1995.
- Continuation of merit step increases for employees who are not on the top step of their pay range.
- No change in the number of sick leave days, currently set at 18 per year.
- Inclusion of the 14 Total Quality Management (TQM) principles in the contract.
- Changes in transfer and layoff articles.
- The State has presented its proposal to the AFSCME labor union. The proposal includes:
 - A \$200.00 extra payment in FY 1994, which will not increase the base pay.
 - A \$400.00 extra payment in FY 1995, which will not increase the base pay.
 - Discontinuation of merit step increases for eligible employees.
 - A change in the number of sick leave days from 18 to 12, and the implementation of a new family leave for concerns such as death and illnesses of family members.
 - A new comprehensive major medical health insurance plan designed to control cost increases.
 - Changes in transfer, layoff and overtime provisions.

AFSCME and the State have agreed to meet again on January 7. The parties have not adopted ground rules for the bargaining.

The State Police Officers Council (SPOC) labor union has presented its proposal to the State. The proposal includes:

- No base pay increase in either FY 1994 or FY 1995.
- Creation of additional steps within each pay grade. This would make all covered employees eligible for a merit step increase at some time during both contract years.

The State has presented its proposal to the SPOC labor union. The proposal is essentially the same as the proposal presented to the AFSCME labor union.

The Iowa United Professionals (IUP) labor union has presented its proposal to the State. The proposal includes:

- A 5% base pay increase in FY 1994.
- A 5% base pay increase in FY 1995.
- Continuation of merit step increases for employees who are not on the top step of their pay range.
- State responsibility for 100% of increases in health insurance premiums during both contract years.

The State has not presented its proposal to the IUP labor union.

ALTERNATIVES

There is variety in how states resolve impasse items in collective bargaining for state employees:

- Twenty-six states provide some form of bargaining for state employees. Of these states, 23 provide for collective bargaining, and 3 provide for "meet and confer" bargaining.
- Twenty-four states provide for appointment of a mediator to facilitate the bargaining process. Iowa has such a provision.
- Twenty states provide for fact-finding. Iowa permits appointment of a fact-finder.
- Fifteen states provide a voluntary arbitration process, although several of these states provide that salary questions cannot be arbitrated and that arbitration for wages and benefits is purely advisory. Iowa provides that either party can request the PERB to appoint an arbitrator (either a panel or an individual). If an arbitrator is appointed the decision is binding upon the parties.
- Ten states provide a mandatory arbitration process.
- State employees are permitted to strike in six states. However, this is on a limited basis with employees judged to be essential to the public well-being generally prohibited from striking.

BUDGET IMPACT

The impact the collective bargaining process will have upon the State budget will be determined by the agreements. The Department of Management estimates that as a "rule-of-thumb" each 1% across-the-board increase to all State employees (including those employees not covered by a collective bargaining contract) costs \$10.0 million, e.g. a 2.5% increase would cost \$25.0 million. Implementing a merit step increase to all eligible State employees costs \$5.0 million. Those employees at the top of their pay grade are not entitled to a merit step increase.

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