

**House File 2420 - Introduced**

HOUSE FILE 2420  
BY COMMITTEE ON LABOR  
(SUCCESSOR TO HSB 702)

**A BILL FOR**

1 An Act concerning public employee collective bargaining,  
2 including provisions allowing reasonable reimbursement for  
3 employee organization services provided to certain executive  
4 branch employees, and including applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 20.3, Code 2009, is amended by adding the  
2 following new subsections:

3 NEW SUBSECTION. 1A. *"Bargaining services"* means those  
4 services provided by an employee organization on behalf of  
5 public employees in a bargaining unit, exclusive of grievance  
6 services, relating to collective bargaining and contract  
7 administration.

8 NEW SUBSECTION. 4A. *"Executive branch public employee"*  
9 means a public employee who is employed within the executive  
10 branch of this state.

11 NEW SUBSECTION. 6A. *"Grievance services"* means those  
12 services provided by an employee organization to an employee  
13 following the submission of a written grievance by the  
14 employee to an employer which relate to the adjustment of that  
15 grievance. For purposes of this subsection *"grievance"* means a  
16 dispute over the interpretation or application of a collective  
17 bargaining agreement.

18 Sec. 2. Section 20.8, subsection 4, Code 2009, is amended  
19 to read as follows:

20 4. Refuse to join or participate in the activities of  
21 employee organizations, including the payment of any dues, fees  
22 or assessments or service fees of any type, except as provided  
23 in section 20.32.

24 Sec. 3. Section 20.9, unnumbered paragraph 1, Code 2009, is  
25 amended to read as follows:

26 The public employer and the employee organization shall meet  
27 at reasonable times, including meetings reasonably in advance  
28 of the public employer's budget-making process, to negotiate in  
29 good faith with respect to wages, hours, vacations, insurance,  
30 holidays, leaves of absence, shift differentials, overtime  
31 compensation, supplemental pay, seniority, transfer procedures,  
32 job classifications, health and safety matters, evaluation  
33 procedures, procedures for staff reduction, in-service training  
34 and other matters mutually agreed upon. Negotiations shall  
35 also include terms authorizing dues checkoff for members of the

1 employee organization and grievance procedures for resolving  
2 any questions arising under the agreement, which shall be  
3 embodied in a written agreement and signed by the parties. If  
4 an agreement provides for dues checkoff, a member's dues may  
5 be checked off only upon the member's written request and the  
6 member may terminate the dues checkoff at any time by giving  
7 thirty days' written notice. For executive branch public  
8 employees, negotiations shall include whether nonmembers of the  
9 employee organization shall reimburse the employee organization  
10 for bargaining services or grievance services, or both,  
11 pursuant to section 20.32. Such obligation to negotiate in  
12 good faith does not compel either party to agree to a proposal  
13 or make a concession.

14 Sec. 4. NEW SECTION. **20.32 Reasonable reimbursement for**  
15 **bargaining and grievance services — procedure.**

16 1. *Overview.* When a collective bargaining agreement  
17 between a public employer and a certified employee organization  
18 representing executive branch public employees, which  
19 provides that an employee organization may receive reasonable  
20 reimbursement for bargaining services and grievance services  
21 provided to nonmembers of the employee organization, is  
22 reached by ratification of the agreement or by issuance of an  
23 arbitration award under section 20.22, the provisions of this  
24 section shall apply.

25 2. *Bargaining services.*

26 a. (1) The public employer shall provide the employee  
27 organization with a list of the names and addresses of  
28 employees in the bargaining unit represented by the employee  
29 organization not later than forty-five days prior to the  
30 date the collective bargaining agreement takes effect. If  
31 the collective bargaining agreement has a term of more than  
32 one year, the list shall be provided by the public employer  
33 annually, not later than thirty days prior to the commencement  
34 of the next full year of the contract's term.

35 (2) Following receipt by the employee organization of a

1 list of employees pursuant to paragraph "a", the employee  
2 organization shall provide the public employer, if the employee  
3 organization decides to seek reimbursement for bargaining  
4 services, with the name of each employee who is not a member  
5 of the employee organization and is subject to providing  
6 reasonable reimbursement for bargaining services and the amount  
7 determined to reasonably reimburse the employee organization  
8 for bargaining services provided.

9     *b.* (1) The employee organization shall provide the labor  
10 commissioner with the reasonable reimbursement amount and any  
11 supporting documentation utilized in determining the reasonable  
12 reimbursement amount.

13     (2) Commencing on the effective date of the collective  
14 bargaining agreement which provides for the reimbursement  
15 of bargaining services or, twenty days after the public  
16 employer's receipt of the names and amounts from the employee  
17 organization, whichever occurs later, the public employer  
18 shall, if the employee subject to reasonable reimbursement so  
19 elects or if the employee does not otherwise reimburse the  
20 employee organization for bargaining services in a manner  
21 authorized by the employee organization, deduct by pay period  
22 or once each month from the wages or salaries of each employee  
23 required to provide reasonable reimbursement the reasonable  
24 reimbursement amount specified for that nonmember by the  
25 employee organization and transmit the amounts deducted to the  
26 employee organization within thirty days of the deduction.

27     (3) A public employee shall not be responsible for  
28 providing reasonable reimbursement for bargaining services  
29 prior to the date the public employer is required to deduct  
30 the reasonable reimbursement amount pursuant to subparagraph  
31 (2). In addition, if a collective bargaining agreement  
32 includes a retroactive effective date, the public employee  
33 shall be responsible for providing reasonable reimbursement for  
34 bargaining services prospectively only.

35     *c.* For purposes of determining the reasonable reimbursement

1 amount for bargaining services for a nonmember of the employee  
2 organization, the amount shall not exceed sixty-five percent  
3 of the regular membership dues that the nonmember would  
4 have to pay if the nonmember were a member of the employee  
5 organization for that bargaining unit, shall not include costs  
6 for grievance services, and shall not include any share of the  
7 costs incurred by the employee organization for fraternal,  
8 ideological, political, or other activities that are not  
9 germane to collective bargaining and contract administration.  
10 Costs that shall be excluded from the reasonable reimbursement  
11 amount include but are not limited to costs for social events;  
12 lobbying on issues or for purposes other than the negotiation,  
13 ratification, or implementation of a collective bargaining  
14 agreement; voter registration training; efforts to increase  
15 voting; training in political campaign techniques; supporting  
16 or contributing to charitable organizations; and supporting or  
17 contributing to religious or other ideological causes.

18 *d.* As a precondition to the collection of a reasonable  
19 reimbursement amount for bargaining services, the employee  
20 organization shall establish and maintain a full and  
21 fair procedure that conforms with the requirements of the  
22 Constitution of the United States and the Constitution of the  
23 State of Iowa and does all of the following:

24 (1) Provides nonmembers of the employee organization  
25 with an annual notice not later than thirty days prior to  
26 the commencement of each full year of the contract's term  
27 which informs them of the reasonable reimbursement amount for  
28 bargaining services, provides them with detailed financial  
29 information on the calculation of the reasonable reimbursement  
30 amount, informs them of the procedure by which a nonmember may  
31 challenge that amount, and provides them with a mechanism for  
32 reimbursing the employee organization for bargaining services  
33 in lieu of a deduction from wages or salaries as provided in  
34 paragraph "b", subparagraph (2).

35 (2) Permits challenges by nonmembers to the reasonable

1 reimbursement amount for bargaining services.

2 (3) Provides for the consolidation of all timely challenges  
3 and for an impartial hearing, before an arbitrator appointed by  
4 the American arbitration association pursuant to its rules for  
5 impartial determination of union fees, conducted in accordance  
6 with those rules and paid for by the employee organization.

7 (4) Provides that the burden of proof relating to the  
8 propriety of the reasonable reimbursement amount for bargaining  
9 services is on the employee organization.

10 (5) Provides that all reasonable reimbursement amounts  
11 reasonably in dispute while a challenge is pending shall be  
12 held by the employee organization in an interest-bearing escrow  
13 account until a final decision is issued by the arbitrator, at  
14 which time such funds shall be disbursed in accordance with the  
15 arbitrator's decision.

16 e. The employee organization shall notify the public  
17 employer of any arbitrator's award issued pursuant to the  
18 challenge procedure specified in paragraph "d" which reduced  
19 the reasonable reimbursement amount for bargaining services and  
20 the public employer shall adjust its deduction from the wages  
21 or salaries of the challenging nonmembers accordingly.

22 f. This subsection shall be enforced through an action in a  
23 court of competent jurisdiction.

24 3. *Grievance services.*

25 a. As a precondition to the collection of a reasonable  
26 reimbursement amount for grievance services, the employee  
27 organization shall establish and maintain a full and  
28 fair procedure that conforms with the requirements of the  
29 Constitution of the United States and the Constitution of the  
30 State of Iowa and shall provide nonmembers of the employee  
31 organization with an annual notice, not later than thirty  
32 days prior to the commencement of each full year of the  
33 contract's term, which informs them of the maximum reasonable  
34 reimbursement amount for grievance services, and provides them  
35 with sufficient information to gauge the propriety of that



1 branch public employees, negotiations shall include whether  
2 nonmembers of the employee organization shall reimburse the  
3 employee organization for bargaining services or grievance  
4 services, or both, provided pursuant to the requirements of new  
5 Code section 20.32.

6 New Code section 20.32 establishes the procedures to  
7 follow if an employee organization representing executive  
8 branch public employees is entitled, pursuant to a collective  
9 bargaining agreement, to receive reasonable reimbursement  
10 for bargaining services and grievance services provided to  
11 nonmembers of the employee organization.

12 For reimbursement of bargaining services, the new Code  
13 section provides that once an agreement is ratified or an  
14 arbitration award is issued that provides for reasonable  
15 reimbursement of bargaining services, the public employer  
16 shall, no later than 45 days prior to the date the agreement  
17 takes effect, provide the employee organization with a list of  
18 employees covered by the agreement. If the agreement has a  
19 term of more than one year, the employer shall provide the list  
20 on an annual basis. Once the employee organization receives  
21 the list, the employee organization, if it decides to receive  
22 reasonable reimbursement, shall provide the employer with a  
23 list of each nonmember of the employee organization and the  
24 reasonable reimbursement amount for bargaining services. The  
25 employee organization shall also inform the labor commissioner  
26 of the reasonable reimbursement amount for bargaining services  
27 and how it was determined. The bill provides that the  
28 reasonable reimbursement amount for bargaining services shall  
29 not exceed 65 percent of the regular membership dues that  
30 the nonmember would have paid as a member, shall not include  
31 costs for grievance services, and shall not include costs of  
32 the employee organization that are not costs incurred by the  
33 employee organization and germane to collective bargaining, and  
34 contract administration. The bill provides that the public  
35 employer shall begin deducting the reasonable reimbursement

1 amount for bargaining services from nonmembers upon the later  
2 of the effective date of the collective bargaining agreement  
3 or 20 days after the public employer receives the list of  
4 nonmembers and the amount of the reasonable reimbursement  
5 amount for bargaining services. The bill provides that no  
6 retroactive reimbursements are required.

7 For reimbursement of grievance services, the new  
8 Code section provides that if a nonmember of an employee  
9 organization receives grievance services, the employee  
10 organization shall be entitled to receive reasonable  
11 reimbursement for the actual cost of the grievance services.  
12 However, the bill provides that the maximum reasonable  
13 reimbursement amount or amounts to be collected by the  
14 employee organization from a nonmember during any full year  
15 of the contract's term shall not exceed an amount equal to  
16 10 percent of the annual membership dues of the employee  
17 organization. The employee organization may enforce its right  
18 to reimbursement through an action in a court of competent  
19 jurisdiction.

20 The bill further provides that the provisions of the bill  
21 providing for reasonable reimbursement of bargaining and  
22 grievance services shall only apply to collective bargaining  
23 agreements entered into on or after the effective date of the  
24 bill.