



## UPFRONT

March 15, 2011

TITLE: Binding Arbitration

Last week the House spent 30 hours of contentious debate on a bill that makes some changes in Chapter 20 of the Iowa Code. Chapter 20 is the section of the Iowa Code that governs the negotiating process between government employees and the governmental entities.

Chapter 20 identifies exclusive bargaining agents to represent the workers in their negotiations. The American Federation of State County Municipal and Employees (AFSCME) represents those people employed by state, city and county employees.

The Iowa State Education Association (ISEA) is designated by law to solely represent our public educators.

Historically, anytime the legislature has shown an interest in changing Chapter 20, it has brought about great concern among those in both labor and management. Chapter 20 is the section of the Code that strikes a balance between the sometimes adversarial sides. The Chapter has basically been left alone since being established July 1, 1975.

Why the proposal to make changes in Chapter 20 this year? It came as a result of concerns that were brought up during the campaign this last year. Questions arose on health insurance issues and procedures and results of the arbitration process.

The four main things that I heard and were of a concern to me, were why do employees in the private sector contribute to the cost of their health insurance and most state employees do not. In arbitration, why is the final decision of the arbitrator limited to each parties' final offer rather than seeking a compromise between the two parties? Why does an arbitrator have to consider the power of the public employer to levy taxes when rendering a final decision? Why does not the arbitrator consider the ability to pay before rendering a decision?

These four things were foremost in my mind when I considered House File 525 that would make some changes to Chapter 20. I considered these changes merely adjustments that would bring some common sense to binding arbitration.

The cost of health insurance has been going up year after year. Employers have found it increasingly difficult to pay for its costs, and over the years private employees have been picking up more and more of their share of the costs. They are now paying an average of 30 percent co-payment on their health insurance policy. The costs are being experienced by the State of Iowa and I think that state employees could contribute a minimum of \$100 a month for their health benefits.

Iowa's arbitration law only allows for a winner and a loser in an arbitrator's decision. The arbitrator and the citing on an impasse between the two parties can only consider the final offer of each party. There is little or no room for compromise. It seems to be only fair that a much better decision can be rendered when one has the ability to be able to meet in the middle. Good and lasting decisions involve the art of compromise.

Arbitration should consider the resources at hand, current revenues and other resources that are currently available to decide the decision. Why should the ability to raise taxes be a reason as to why the arbitrator would decide on labor's request? Why should the tax payer be held hostage in the negotiation?

Leaders of both management and labor, when sitting down to work out an agreement, understand that their ultimate outcome should be the avoidance of placing their employees at risk. The last thing either should want is to lay off

employees. Both sides should make an honest effort in seeking results that are affordable and sustainable.

My biggest frustration since working here at the legislature is seeing the impact of wage agreements when adequate resources were not made available. In the last eight years, I have seen the number of employees in the Department of Corrections reduced by 784 employees, when just today we set a record on the number of inmates in our prison system. I have seen in just this last year, as a result of Governor Culver's budget cut, 400 employees of DHS, most of them in the field, eliminated. Call this the result of inadequate funding.

In the last two wage negotiations between Governor Culver and the union, previous to this last agreement of two three-percent raises over these next two years, additional funding was not provided and departments had to find the resources to address those raises within their existing budgets. Governor Culver's latest labor agreement will cost this state \$415 million if they choose to honor the Governor's decision. If adequate funds are not provided, massive layoffs will certainly occur.

House File 525 would allow management the flexibility on who would be laid off. It could be based on ability and quality rather than seniority. School districts would be allowed to lay off those employees who were not performing up to expectations. State governments would be given the same flexibility.

I recognize that seniority is a core principle of the union movement. I agree on seniority as it applies to bidding for a new job, scheduling, vacations etc. I wish there was a way to address the issue of seniority as it applies to layoffs. I think it would be good for union membership if they would find some way to protect their younger members and all would be subjected to layoffs. Young members would be more willing to pay union dues if they had confidence that their jobs would not be put at risk in their union's negotiations for a pay raise.

As I said earlier, it is the goal of management and labor in their negotiations between each other, that they do all they can to preserve the jobs that their decisions affect.

I know there were other things in this bill that went beyond these four issues that I could support, but I feel that as this bill moves to the Senate, instead of rejecting everything in this bill, that they might look at some of the common-sense things that I feel are here, that would make our binding arbitration process better and more fair to all. The purpose of this bill was to create a discussion concerning binding arbitration.

Let's hope it accomplishes its purpose.

Visiting the Capitol this week was Otto Groenwald of Mount Pleasant, and Reverend Monte Knudsen and parishioners of Faith Christian Outreach Center of Mount Pleasant.

**My mailing address is:**

Dave Heaton, State Representative, State House, Des Moines, Iowa 50319

Phone: 515-281-7327 ~ Fax: 515-281-6958

E-mail: [dave.heaton@legis.state.ia.us](mailto:dave.heaton@legis.state.ia.us)

Web page: <http://www.daveheaton.net>

If you have any issues or concerns, please contact me.

Be sure to include your name and address with any communication to my office.

State Rep. Dave Heaton, R-Mount Pleasant, represents the 91st House District, which includes all of Henry County and the northern half of Lee County.

\*\*\*