

# Iowa Starting Line

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## What Iowa's "Chapter 20" Is And Why It's Important To Workers: An Explainer

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The biggest battle at the Iowa Statehouse this year will likely center around collective bargaining rights for state employees. At issue is Iowa's "Chapter 20," the section in Iowa code that governs collective bargaining, and the sweeping changes the new Republican majorities want to make to it that would weaken or eliminate workers' ability to negotiate parts or all of their contracts.

But what is "Chapter 20"? Democrats and politically-engaged Iowans generally know the basics of collective bargaining, but many may be less familiar with that specific part of Iowa Code. Since Iowa reporters, legislators and activists involved in Iowa's collective bargaining debate often use the term "Chapter 20" to describe it, Starting Line felt it might be helpful to provide an explainer piece on what all it entails.

### **The Basics And Its Creation**

Chapter 20 was a bipartisan piece of legislation enacted in 1974, signed into law by Republican Governor Robert Ray. The introduction part of the code laid out its purpose pretty well:

*The general assembly declares that it is the public policy of the state to promote harmonious and cooperative relationships between government and its employees by permitting public employees to organize and bargain collectively; to protect the citizens of this state by assuring effective and orderly operations of government in providing for their health, safety, and welfare; to prohibit and prevent all strikes by public employees; and to protect the rights of public employees to join or refuse to join, and to participate in or refuse to participate in, employee organizations.*

Public employees are able to negotiate their contracts as collective groups within their unions with the state, thanks to this part of the Iowa Code. Chapter 20 lays out what they can and cannot negotiate for in their contracts (like wages, overtime, safety rules), and it lays out how

a neutral arbitrator will make a decision when the state and employees can't come to an agreement. The state gets a very important provision for these workers' rights: public workers gave up their ability to go on strike. When the law was passed in the 1970's, Iowa was dealing with multiple serious teacher strikes at universities and public schools.

### **Who It Affects And How It Plays Out**

Collective bargaining covers all public union employees, including police officers, firefighters, teachers, sanitation workers, corrections workers, water works staffers, snow plow operators, transportation workers, some public hospital employees and many more.

AFSCME negotiates a large master contract every two years that covers about 18,000 state employees, including correction officers, mental health workers and clerical staff. A few other unions, including the police, negotiate separate contracts with the state. Other smaller bargaining units on the local level like county courthouse workers negotiate contracts with their county, while teachers and school staff negotiate with their school district. Unlike the state, which is mandated for two-year contracts, the local contacts can be for as long as they want. Schools mostly do one-year deals since they have to wait to see how much funding the Legislature provides, while other unions negotiate five-year plans.

Iowa is a "Right To Work" state, so public employees don't have to join or pay dues to the union that bargains for the contract that benefits them.

What they negotiate is determined by the wording of Chapter 20, which we'll get to in a moment.

The process begins by the employee union presenting their initial proposal for a contract on their wages, insurance benefits and many other things. The employer is then given two weeks' time to present their own proposal. Two open meetings are held and both proposals are made public.

After that, the union and employer sides go into closed-door negotiating. If they cannot reach a compromise over a specific section, it goes to mediation, where a mediator is brought in to help facilitate the discussion and attempt to get both sides to a voluntary agreement.

If that fails, the remaining issue or issues then go to binding arbitration. Sometimes the unions and employers agree on 90% of a contract, but maybe can't come to a conclusion on health benefits, so the arbitrator is only deciding on that specific topic.

A neutral arbitrator comes off an official list created and managed by the Public Employment Relations Board to handle the impasse. These people are often attorneys, law school professors, former human resources managers or past contract negotiators for unions or the government. Using a specific set of criteria and information – laid out under a different portion of Section 20 that we'll discuss – the arbitrator decides whether the union or the employer's proposal will be chosen. They can't create their own compromise – the arbitrator must choose one of the two proposals.

Rarely do these contract negotiations actually go to an arbitrator. In the past year, only 10 of 469 public workers contract negotiations in Iowa went to arbitration.

### **The Details**

A key part of Chapter 20 is section 20.9. That's the "Scope of negotiations" section. This lays out what aspects of their jobs public employees are able to negotiate over (this is unlike Iowa's private sector unions, which can negotiate over anything). Here's some of the things they currently include:

- - Wages ○
  - Hours ○
  - Vacation time ○
  - Health insurance ○
  - Health and safety rules ○
  - Seniority ○
- Overtime compensation

One major item they cannot bargain over is their retirement system. That program (IPERS) is set by the legislature. Two key issues they can bargain over, but are not required to, is disciplinary and dismissal measures.

This whole section was the part of collective bargaining that Democrats wanted to expand when they had complete control of Iowa government back in 2008. At that time they hoped to add things like staffing levels and safety equipment to the list of potential negotiable items. They argued that would have helped workers like firefighters – by including safety equipment, you'd keep the state from paying for your wage increase by cutting back on firefighting equipment that keeps them safe.

Another important section is 20.22. That sets up how the arbitrator must act and what they can consider when making their final decision. The scope of what can be considered is key. Here's

some of the factors and numbers an arbitrator can think about when deciding whether to side with the employees or management:

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- Past collective bargaining agreements ○

- Wage comparisons to other public sector workers ○

- The “interests and welfare of the public” ○

The state’s ability to pay from its available funds or through taxes

Limiting the scope of what the arbitrator can use to decide is used to create a more balanced system – the odds aren’t stacked for either side.

### **How Republicans Could Change Chapter 20**

So far, Iowa Republicans have not unveiled their full proposal on how they want to change or eliminate Chapter 20. It’s possible they do want to outright repeal it. Doing so would allow the state to drastically cut public workers’ salaries and benefits so Republicans could use that funding for their own preferred programs. However, an outright repeal would also bring back the possibility of strikes, which no one wants.

What Republicans might do instead is gut all the important parts of Chapter 20 that gives workers a voice in negotiations.

Branstad has already made clear that he wishes to remove healthcare from the negotiating table. He justifies it by saying the state will create one large health insurance pool for all public employees, rather than hundreds of individually-negotiated contracts. What he doesn’t point out is in doing so he is ensuring public employees have no say in how their health insurance plans are determined, meaning the state will likely force workers to contribute much more of their salary into it.

That’s important because in the past the public unions have often given major concessions on salaries in order to help the state when it’s in a budget crunch, but only in exchange for protection of their health benefits. In general, Iowa public workers’ salaries are behind what comparative private sector workers make. However, public workers’ health benefits are a little better. By wiping out that healthcare advantage, public sector jobs in Iowa could become much less attractive.

Republicans could also remove many of the other negotiable topics, like overtime pay, workplace safety rules and firing procedures, allowing the state to dictate whatever they want.

They could also further limit the unions' ability to collect dues, weakening their standing in the state.

Changes to the arbitration procedure could come as well. As you might imagine, if Republicans were to remove the ability of arbitrators to consider past collective bargaining agreements, it might make it easier for the state to make sweeping changes for lower wages and fewer benefits. By shaping the terms of how arbitrators make their decisions, they could rig it in favor of management.

And in the past two years Republican legislators attempted to make a major change to arbitration: remove the binding part. Currently the arbitrator will only consider either of the two proposals from employees and employer. That forces both sides to get as close as possible in order to have a final deal that actually works and limits the risk of losing too much if your proposal doesn't get picked. By allowing the arbitrator to pick a position anywhere in the space between the two proposals, both sides will be more likely to present their best-case scenario and not negotiate on their own much, hoping the arbitrator comes closer to their idea in the end. If Republicans limit what the arbitrator can consider, keeping it to things beneficial to management, non-binding arbitration could weaken workers' proposals even more.

### **The Case For Keeping Chapter 20 Intact**

For starters, Chapter 20 has been around for 42 years and has worked. A very small percentage of negotiations go to arbitration, demonstrating that the process is balanced and often leads to compromise from both sides. It gives workers a voice at the table, ensuring the people that work some of Iowa's toughest jobs are properly compensated. That also means Iowa gets qualified people serving as our police, firefighters and teachers. Iowa saw an influx of some former state workers from Wisconsin when Scott Walker went after collective bargaining there.

It was passed under a Republican-led House and Senate and signed by a Republican governor. When Democrats attempted to make changes in 2008, many Republican legislators went on record saying the current collective bargaining system worked and that it was well-balanced. The push now by Republicans is seen as a partisan attempt to use workers' wages and benefits as the main way for the state of Iowa to save money in order to fund other GOP projects.

Chapter 20 also creates stability and predictability in the government workforce. Otherwise the employer would have to negotiate all these things with every one of their employers. And without Chapter 20, there could be strikes again.

The most important part is that many feel the current system is balanced, with both sides getting a fair shot at the bargaining table. With a Republican effort to rig it considerably in favor of the employer (if they even keep collective bargaining at all), workers will end up poorly paid, with less benefits and less safe work environments. That will likely result in our most-qualified public workers, like our police and teachers, leaving the state or looking for different jobs, making our communities more dangerous.

It would also have an impact on the local economies around Iowa. Just Branstad's healthcare proposal will likely result in public workers paying \$200-\$300 more per month on their health insurance. Iowa's public employee workforce is well-dispersed throughout Iowa, especially in smaller and mid-sized towns. That's less money they'll be able to spend locally. Fort Dodge has about 400 state workers at the correctional facility there alone – that's a lot less money for those workers to spend locally in a town already facing a tough economy.

These are all things legislators should consider and activists may want to talk about as the collective bargaining debate plays out during this session.

by Pat Rynard Posted 1/12/17