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## HOUSE REPUBLICAN STAFF ANALYSIS

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Bill: House File 525  
Committee: Labor  
Member: Rep. Jorgensen  
Date: July 1, 2011  
Staff: Louis Vander Streek (1-3626)

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### Chapter 20 Reform Bill

House File 525 is a bill that makes changes to Chapter 20, the collective bargaining portion of Iowa Code. This bill makes a number of changes that restore the balance of negotiation to a more equal playing field. The bill creates a free agent employee classification and addresses the scope of negotiations as well as portions of the arbitration process.

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### Summary of Action

Passed Labor Committee 9-5  
Passed House 58-38  
Died in the Senate

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### Section by Section Analysis

#### Section 1 – Free Agent Employee

This section creates a classification called a free agent employee. This free agent employee would not be represented by a union. The employee would have to sign a release waiving any claim to right to representation by that union.

#### Section 2 – Free Agent Employee

This section adds the ability to declare oneself a free agent employee to the list of Public Employee Rights.

#### Section 3 – Scope of Negotiations

This section removes ‘procedures for staff reduction’ from the scope of negotiations. The section also creates a list of items to be explicitly excluded from the scope of negotiations. Already included in this category was ‘all retirement systems’. To it, the bill adds:

- ‘restrictions or limitations on outsourcing, except for the purpose of precluding the hiring of illegal immigrants by the public employer’

- 'any restriction on the right of a public employer to consider any factor which the employer may lawfully consider in a layoff'

This section also adds the requirement that all collective bargaining agreements shall require a public employee who is covered by the collective bargaining agreement and is a member of a group health insurance plan for public employees to pay at least \$100 per month of the total premium for such a plan.

Section 4 – Prohibited Practices – Employer

This section adds language to the Prohibited Practices for public employers portion of the code that states the public employer shall not 'coerce, threaten, or otherwise induce an employee or potential employee into signing a release to declare themselves a free agent employee'

Section 5 – Prohibited Practices – Employee

This section adds language to the Prohibited Practices for public employees or an employee organization or for any person, union or organization or their agents that they shall not 'coerce, threaten, or otherwise prevent an employee or potential employee from signing a release to declare themselves a free agent employee'

Section 6 – Binding Arbitration

This section makes two important changes. The first is that it gives an arbitrator the ability to choose either party's final request on an impasse item **or** to make a decision on an amount/number/etc. that is between the two parties. Currently, the arbitrator is forced to choose between just the two options that the parties have put forth as their last best offers. Secondly, the section changes the criteria that the arbitrator is allowed do consider when making his/her decision.

Criteria *added* to the list of items the arbitrator considers includes:

- comparison of benefits
- comparison of public employees with public employees not represented by a union
- comparison of public employees with private sector employees
- the directive for the arbitrator to attempt to maintain parity between the public sector and the private sector for comparable work giving consideration to similar and equitable economic conditions where applicable
- the ability of the public employer to finance economic adjustments **without raising any tax**
- efficiency of the public employer in its ability to carry out any of its functions

The section also *deletes* two provisions that the arbitrator is required to consider:

- 'past collective bargaining contracts between the parties including the bargaining that led up to such contracts
- 'the power of the public employer to levy taxes and appropriate funds for the conduct of its operations'

Section 7– Applicability

The act would apply to collective bargaining agreements entered into on or after the effective date of the Act.

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