



HOUSE REPUBLICAN STAFF ANALYSIS

Bill: House File 2420
Committee: Labor Committee
Date: February 24, 2010
Staff: Lon Anderson (1-5184)

Fair Share Fees – Dismantling Right to Work

House File 2420 establishes a new “reimbursement for employee bargaining and grievance services” for Executive branch non-union employees. This is commonly referred to as a “fair share fee” and it is in direct violation of Chapter 731 of the Iowa Code, which states “It shall be unlawful for any person, firm, association, labor organization or corporation, or political subdivision, either directly or indirectly, or in any manner or by any means as a prerequisite to or a condition of employment to require any person to pay dues, charges, fees, contributions, fines or assessments to any labor union, labor association or labor organization.”

Summary of Action

The House Labor Committee passed HF 2420 on a party-line vote on February 11, 2010.

Section by Section Analysis

Section 31 – Definitions Creates new definitions for “bargaining services”, “grievance services” and “executive branch public employees”. Bargaining services means those services provided by an employee organization (union) relating to collective bargaining and contract administration. Grievance services means those services provided by an employee organization (union) to an employee following the submission of a written grievance by the employee to an employer which relate to the adjustment of that grievance.

Section 32 – Authorizes New Fees Changes 20.8, subsection 4 which currently gives public employees the right to refuse to pay fees to the unions. Executive branch employees no longer have that right.

Section 33 – Reimbursement for Bargaining and Grievances States that negotiations shall include whether non-union employees shall reimburse the employee organization for bargaining and grievance services.

Section 34 – Procedures for Determining Fees States that the maximum allowed for bargaining services is 65 percent of union dues and the maximum allowed for grievance services is 10 percent. Allows the non-union employees to challenge the fee before an arbitrator appointed by the American Arbitration Association. Fiscal Services estimates that there are currently 12,000 union employees paying \$5.7 million in dues annually. With the new fees, the 18,000 non-union members would pay \$5.3 million, nearly doubling the

amount to the seven unions that bargain with the Executive branch of state government. The average union dues amount is \$472 while the average annual cost to the non-union members would be \$306.

Section 35 – Applicability This bill applies to collective bargaining agreements entered into to on or after July 1, 2010. (The next round of negotiations between the state and the unions begins in late 2010.)