



## RIGHT TO WORK vs “FAIR SHARE”

Currently, the Iowa House of Representatives is considering a “Fair Share” bill ([HF 2420](#)) that will eliminate Iowa’s Right to Work Law.

### Right to Work basics:

Current Iowa code grants public employees the right to choose to join or participate in the activities of any employee organization. This includes the payment of any dues or fees (including service fees) of any type. Similarly, it is unlawful to deduct labor organization (union) dues, fees, charges, fines, contributions, or assessments from an employee’s compensation unless the employee has presented a written order to the employer. It is also unlawful in Iowa to require payment of dues, etc. as a prerequisite to or condition of employment.

Iowa is one of 22 states in the nation that is classified as a **Right to Work** state. This means that most individuals are **not** required to join or pay fees to a union (exceptions include airline/railroad workers, and certain federal employees). Individual employees have the right to join a union, resign from union membership at anytime, or choose not to join. The individuals who choose not to be union members are still bound by the terms of the union contract, which includes the outcome of collective bargaining agreements.

Right to Work states have lower unemployment rates than non-Right to Work States. According to the December 2009 Bureau of Labor Statistics, the average unemployment rate for non-Right to Work states is 9.6%, whereas Right to Work states have an average unemployment rate of 8.3%. In December 2009 Iowa’s average was recorded at 6.6%.

(see **Iowa Code 731** and **HF 2420** attached)

### Impact on Ames:

[HF 2420](#) applies to executive branch public employees. Over 1,100 employees at Iowa State University would be required to pay union dues under the proposed “Fair Share” legislation. *75% of the union-eligible employees at ISU are **not** union members – by choice.* Across the state, a total of 18,000 employees would be newly mandated to pay fees (no more than 65% of the regular member payment). The average payment for ISU employees under AFSCME would be \$270/year.

### Ames Chamber of Commerce Position

The Ames Chamber of Commerce strongly opposes this and any legislation that would negatively impact Iowa’s Right-to-Work status for the following reasons:

- Economic development efforts – including job creation and business expansion - are severely hindered for non Right-to-Work states
- The public sector affected by this specific legislation may be a gateway to expanded union mandated fees for the private sector
- Taking away a worker’s ability to abstain from organization membership is unconstitutional

The Ames Chamber of Commerce encourages you to [contact your legislators](#) **immediately** in *opposition* of “Fair Share” legislation which would eliminate Iowa’s Right to Work status.

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## **Iowa Code 731**

### **CHAPTER 731 LABOR UNION MEMBERSHIP**

- 731.1 RIGHT TO JOIN UNION.
- 731.2 REFUSAL TO EMPLOY PROHIBITED.
- 731.3 CONTRACTS TO EXCLUDE UNLAWFUL.
- 731.4 UNION DUES AS PREREQUISITE TO EMPLOYMENT -- PROHIBITED.
- 731.5 DEDUCTING DUES FROM PAY UNLAWFUL.
- 731.6 PENALTY.
- 731.7 INJUNCTION.
- 731.8 EXCEPTION.
- 731.9 RELINQUISHMENT OF SENIORITY RIGHTS AS A CONDITION OF EMPLOYMENT PROHIBITED.

#### **731.1 RIGHT TO JOIN UNION.**

It is declared to be the policy of the state of Iowa that no person within its boundaries shall be deprived of the right to work at the person's chosen occupation for any employer because of membership in, affiliation with, withdrawal or expulsion from, or refusal to join, any labor union, organization, or association, and any contract which contravenes this policy is illegal and void.

Section History: Early Form

[C50, 54, 58, 62, 66, 71, 73, 75, 77, § 736A.1; C79, 81, § 731.1]

#### **731.2 REFUSAL TO EMPLOY PROHIBITED.**

It shall be unlawful for any person, firm, association or corporation to refuse or deny employment to any person because of membership in, or affiliation with, or resignation or withdrawal from, a labor union, organization or association, or because of refusal to join or affiliate with a labor union, organization or association.

Section History: Early Form

[C50, 54, 58, 62, 66, 71, 73, 75, 77, § 736A.2; C79, 81, § 731.2]

#### **731.3 CONTRACTS TO EXCLUDE UNLAWFUL.**

It shall be unlawful for any person, firm, association, corporation or labor organization to enter into any understanding, contract, or agreement, whether written or oral, to exclude from employment members of a labor union, organization or association, or persons who do not belong to, or who refuse to join, a labor union, organization or association, or because of resignation or withdrawal therefrom.

Section History: Early Form

[C50, 54, 58, 62, 66, 71, 73, 75, 77, § 736A.3; C79, 81, § 731.3]

#### **731.4 UNION DUES AS PREREQUISITE TO EMPLOYMENT -- PROHIBITED.**

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.

Section History: Early Form

[C50, 54, 58, 62, 66, 71, 73, 75, 77, § 736A.4; C79, 81, § 731.4]

**731.5 DEDUCTING DUES FROM PAY UNLAWFUL.**

It shall be unlawful for any person, firm, association, labor organization or corporation to deduct labor organization dues, charges, fees, contributions, fines or assessments from an employee's earnings, wages or compensation, unless the employer has first been presented with an individual written order therefor signed by the employee, which written order shall be terminable at any time by the employee giving at least thirty days' written notice of such termination to the employer.

Section History: Early Form

[C50, 54, 58, 62, 66, 71, 73, 75, 77, § 736A.5; C79, 81, § 731.5]

**731.6 PENALTY.**

Any person, firm, association, labor organization, or corporation or any director, officer, representative, agent or member thereof, who shall violate any of the provisions of this chapter or who shall aid and abet in such violation shall be guilty of a serious misdemeanor.

Section History: Early Form

[C50, 54, 58, 62, 66, 71, 73, 75, 77, § 736A.6; C79, 81, § 731.6]

**731.7 INJUNCTION.**

Additional to the penal provisions of this chapter, any person, firm, corporation, association, or any labor union, labor association or labor organization, or any officer, representative, agent or member thereof may be restrained by injunction from doing or continuing to do any of the matters and things prohibited by this chapter, and all of the provisions of the law relating to the granting of restraining orders and injunctions, either temporary or permanent, shall be applicable.

Section History: Early Form

[C50, 54, 58, 62, 66, 71, 73, 75, 77, § 736A.7; C79, 81, § 731.7]

**731.8 EXCEPTION.**

The provisions of this chapter shall not apply to employers or employees covered by the federal Railroad Labor Act. {

Section History: Early Form

[C50, 54, 58, 62, 66, 71, 73, 75, 77, § 736A.8; C79, 81, § 731.8]  
{45 U.S.C. § 151 et seq.

**731.9 RELINQUISHMENT OF SENIORITY RIGHTS AS A CONDITION OF EMPLOYMENT PROHIBITED.**

It is unlawful for any person to refuse or deny employment to a person because the person refuses to relinquish seniority rights earned at a prior place of employment.

Section History: Recent Form

86 Acts, ch 1089, § 1

<http://coolice.legis.state.ia.us/cool-ice/default.asp?category=billinfo&service=iowacode&ga=83&input=731>

# House File 2420 - Introduced

HOUSE FILE  
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:  
6 TLSB 5724HV (2) 83  
7 ec/rj

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

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

1 8 NEW SUBSECTION. 4A. "Executive branch public employee"  
1 9 means a public employee who is employed within the executive  
1 10 branch of this state.

1 11 NEW SUBSECTION. 6A. "Grievance services" means those  
1 12 services provided by an employee organization to an employee  
1 13 following the submission of a written grievance by the  
1 14 employee to an employer which relate to the adjustment of that  
1 15 grievance. For purposes of this subsection "grievance" means a  
1 16 dispute over the interpretation or application of a collective  
1 17 bargaining agreement.

1 18 Sec. 2. Section 20.8, subsection 4, Code 2009, is amended  
1 19 to read as follows:

1 20 4. Refuse to join or participate in the activities of  
1 21 employee organizations, including the payment of any dues, fees  
1 22 or assessments or service fees of any type, except as provided  
1 23 in section 20.32.

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

1 26 The public employer and the employee organization shall meet  
1 27 at reasonable times, including meetings reasonably in advance  
1 28 of the public employer's budget-making process, to negotiate in  
1 29 good faith with respect to wages, hours, vacations, insurance,  
1 30 holidays, leaves of absence, shift differentials, overtime  
1 31 compensation, supplemental pay, seniority, transfer procedures,  
1 32 job classifications, health and safety matters, evaluation  
1 33 procedures, procedures for staff reduction, in-service training  
1 34 and other matters mutually agreed upon. Negotiations shall  
1 35 also include terms authorizing dues checkoff for members of the  
2 1 employee organization and grievance procedures for resolving  
2 2 any questions arising under the agreement, which shall be

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

2 14 Sec. 4. NEW SECTION. 20.32 Reasonable reimbursement for  
2 15 bargaining and grievance services == procedure.

2 16 1. Overview. When a collective bargaining agreement  
2 17 between a public employer and a certified employee organization  
2 18 representing executive branch public employees, which  
2 19 provides that an employee organization may receive reasonable  
2 20 reimbursement for bargaining services and grievance services  
2 21 provided to nonmembers of the employee organization, is  
2 22 reached by ratification of the agreement or by issuance of an  
2 23 arbitration award under section 20.22, the provisions of this  
2 24 section shall apply.

2 25 2. Bargaining services.

2 26 a. (1) The public employer shall provide the employee  
2 27 organization with a list of the names and addresses of  
2 28 employees in the bargaining unit represented by the employee  
2 29 organization not later than forty-five days prior to the  
2 30 date the collective bargaining agreement takes effect. If  
2 31 the collective bargaining agreement has a term of more than  
2 32 one year, the list shall be provided by the public employer  
2 33 annually, not later than thirty days prior to the commencement  
2 34 of the next full year of the contract's term.

2 35 (2) Following receipt by the employee organization of a  
3 1 list of employees pursuant to paragraph "a", the employee  
3 2 organization shall provide the public employer, if the employee  
3 3 organization decides to seek reimbursement for bargaining  
3 4 services, with the name of each employee who is not a member  
3 5 of the employee organization and is subject to providing  
3 6 reasonable reimbursement for bargaining services and the amount  
3 7 determined to reasonably reimburse the employee organization  
3 8 for bargaining services provided.

3 9 b. (1) The employee organization shall provide the labor  
3 10 commissioner with the reasonable reimbursement amount and any  
3 11 supporting documentation utilized in determining the reasonable  
3 12 reimbursement amount.

3 13 (2) Commencing on the effective date of the collective  
3 14 bargaining agreement which provides for the reimbursement  
3 15 of bargaining services or, twenty days after the public  
3 16 employer's receipt of the names and amounts from the employee  
3 17 organization, whichever occurs later, the public employer  
3 18 shall, if the employee subject to reasonable reimbursement so  
3 19 elects or if the employee does not otherwise reimburse the  
3 20 employee organization for bargaining services in a manner  
3 21 authorized by the employee organization, deduct by pay period  
3 22 or once each month from the wages or salaries of each employee  
3 23 required to provide reasonable reimbursement the reasonable  
3 24 reimbursement amount specified for that nonmember by the

3 25 employee organization and transmit the amounts deducted to the  
3 26 employee organization within thirty days of the deduction.

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

3 35 c. For purposes of determining the reasonable reimbursement  
4 1 amount for bargaining services for a nonmember of the employee  
4 2 organization, the amount shall not exceed sixty-five percent  
4 3 of the regular membership dues that the nonmember would  
4 4 have to pay if the nonmember were a member of the employee  
4 5 organization for that bargaining unit, shall not include costs  
4 6 for grievance services, and shall not include any share of the  
4 7 costs incurred by the employee organization for fraternal,  
4 8 ideological, political, or other activities that are not  
4 9 germane to collective bargaining and contract administration.  
4 10 Costs that shall be excluded from the reasonable reimbursement  
4 11 amount include but are not limited to costs for social events;  
4 12 lobbying on issues or for purposes other than the negotiation,  
4 13 ratification, or implementation of a collective bargaining  
4 14 agreement; voter registration training; efforts to increase  
4 15 voting; training in political campaign techniques; supporting  
4 16 or contributing to charitable organizations; and supporting or  
4 17 contributing to religious or other ideological causes.

4 18 d. As a precondition to the collection of a reasonable  
4 19 reimbursement amount for bargaining services, the employee  
4 20 organization shall establish and maintain a full and  
4 21 fair procedure that conforms with the requirements of the  
4 22 Constitution of the United States and the Constitution of the  
4 23 State of Iowa and does all of the following:

4 24 (1) Provides nonmembers of the employee organization  
4 25 with an annual notice not later than thirty days prior to  
4 26 the commencement of each full year of the contract's term  
4 27 which informs them of the reasonable reimbursement amount for  
4 28 bargaining services, provides them with detailed financial  
4 29 information on the calculation of the reasonable reimbursement  
4 30 amount, informs them of the procedure by which a nonmember may  
4 31 challenge that amount, and provides them with a mechanism for  
4 32 reimbursing the employee organization for bargaining services  
4 33 in lieu of a deduction from wages or salaries as provided in  
4 34 paragraph "b", subparagraph (2).

4 35 (2) Permits challenges by nonmembers to the reasonable  
5 1 reimbursement amount for bargaining services.

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

5 7 (4) Provides that the burden of proof relating to the  
5 8 propriety of the reasonable reimbursement amount for bargaining  
5 9 services is on the employee organization.

5 10 (5) Provides that all reasonable reimbursement amounts  
5 11 reasonably in dispute while a challenge is pending shall be

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5 12 held by the employee organization in an interest-bearing escrow  
5 13 account until a final decision is issued by the arbitrator, at  
5 14 which time such funds shall be disbursed in accordance with the  
5 15 arbitrator's decision.

5 16 e. The employee organization shall notify the public  
5 17 employer of any arbitrator's award issued pursuant to the  
5 18 challenge procedure specified in paragraph "d" which reduced  
5 19 the reasonable reimbursement amount for bargaining services and  
5 20 the public employer shall adjust its deduction from the wages  
5 21 or salaries of the challenging nonmembers accordingly.

5 22 f. This subsection shall be enforced through an action in a  
5 23 court of competent jurisdiction.

5 24 3. Grievance services.

5 25 a. As a precondition to the collection of a reasonable  
5 26 reimbursement amount for grievance services, the employee  
5 27 organization shall establish and maintain a full and  
5 28 fair procedure that conforms with the requirements of the  
5 29 Constitution of the United States and the Constitution of the  
5 30 State of Iowa and shall provide nonmembers of the employee  
5 31 organization with an annual notice, not later than thirty  
5 32 days prior to the commencement of each full year of the  
5 33 contract's term, which informs them of the maximum reasonable  
5 34 reimbursement amount for grievance services, and provides them  
5 35 with sufficient information to gauge the propriety of that  
6 1 amount.

6 2 b. If a nonmember of an employee organization subject to  
6 3 this section requests and receives grievance services, the  
6 4 employee organization shall be entitled to receive reasonable  
6 5 reimbursement for the actual cost of the grievance services.  
6 6 However, the maximum reasonable reimbursement amount to be  
6 7 collected by the employee organization from a nonmember during  
6 8 any full year of the contract's term shall not exceed an amount  
6 9 equal to ten percent of the annual membership dues that the  
6 10 nonmember would have to pay if the nonmember were a member of  
6 11 the employee organization for that bargaining unit.

6 12 c. This subsection shall be enforced through an action in a  
6 13 court of competent jurisdiction.

6 14 Sec. 5. APPLICABILITY == COLLECTIVE BARGAINING  
6 15 AGREEMENTS. The provisions of this Act providing for  
6 16 reasonable reimbursement of bargaining services and grievance  
6 17 services apply to collective bargaining agreements entered into  
6 18 on or after the effective date of this Act.

#### 6 19 EXPLANATION

6 20 This bill concerns executive branch public employee  
6 21 collective bargaining with respect to reasonable reimbursement  
6 22 of services provided by an employee organization to nonmembers.

6 23 Code section 20.3 is amended to define bargaining services,  
6 24 executive branch public employees, and grievance services. The  
6 25 bill defines "bargaining services" as those services provided  
6 26 to all employees in a bargaining unit, exclusive of grievance  
6 27 services, for purposes of collective bargaining and contract  
6 28 administration. "Executive branch public employees" is defined  
6 29 to include all employees employed within the state executive  
6 30 branch. The bill defines "grievance services" to mean those  
6 31 services provided by an employee organization on behalf of an  
6 32 employee following the submission of a written grievance by the  
6 33 employee to an employer which relate to the adjustment of that

6 34 grievance. The bill also defines "grievance".  
6 35 Code section 20.9 is amended to provide that, for executive  
7 1 branch public employees, negotiations shall include whether  
7 2 nonmembers of the employee organization shall reimburse the  
7 3 employee organization for bargaining services or grievance  
7 4 services, or both, provided pursuant to the requirements of new  
7 5 Code section 20.32.  
7 6 New Code section 20.32 establishes the procedures to  
7 7 follow if an employee organization representing executive  
7 8 branch public employees is entitled, pursuant to a collective  
7 9 bargaining agreement, to receive reasonable reimbursement  
7 10 for bargaining services and grievance services provided to  
7 11 nonmembers of the employee organization.  
7 12 For reimbursement of bargaining services, the new Code  
7 13 section provides that once an agreement is ratified or an  
7 14 arbitration award is issued that provides for reasonable  
7 15 reimbursement of bargaining services, the public employer  
7 16 shall, no later than 45 days prior to the date the agreement  
7 17 takes effect, provide the employee organization with a list of  
7 18 employees covered by the agreement. If the agreement has a  
7 19 term of more than one year, the employer shall provide the list  
7 20 on an annual basis. Once the employee organization receives  
7 21 the list, the employee organization, if it decides to receive  
7 22 reasonable reimbursement, shall provide the employer with a  
7 23 list of each nonmember of the employee organization and the  
7 24 reasonable reimbursement amount for bargaining services. The  
7 25 employee organization shall also inform the labor commissioner  
7 26 of the reasonable reimbursement amount for bargaining services  
7 27 and how it was determined. The bill provides that the  
7 28 reasonable reimbursement amount for bargaining services shall  
7 29 not exceed 65 percent of the regular membership dues that  
7 30 the nonmember would have paid as a member, shall not include  
7 31 costs for grievance services, and shall not include costs of  
7 32 the employee organization that are not costs incurred by the  
7 33 employee organization and germane to collective bargaining, and  
7 34 contract administration. The bill provides that the public  
7 35 employer shall begin deducting the reasonable reimbursement  
8 1 amount for bargaining services from nonmembers upon the later  
8 2 of the effective date of the collective bargaining agreement  
8 3 or 20 days after the public employer receives the list of  
8 4 nonmembers and the amount of the reasonable reimbursement  
8 5 amount for bargaining services. The bill provides that no  
8 6 retroactive reimbursements are required.  
8 7 For reimbursement of grievance services, the new  
8 8 Code section provides that if a nonmember of an employee  
8 9 organization receives grievance services, the employee  
8 10 organization shall be entitled to receive reasonable  
8 11 reimbursement for the actual cost of the grievance services.  
8 12 However, the bill provides that the maximum reasonable  
8 13 reimbursement amount or amounts to be collected by the  
8 14 employee organization from a nonmember during any full year  
8 15 of the contract's term shall not exceed an amount equal to  
8 16 10 percent of the annual membership dues of the employee  
8 17 organization. The employee organization may enforce its right  
8 18 to reimbursement through an action in a court of competent  
8 19 jurisdiction.  
8 20 The bill further provides that the provisions of the bill

8 21 providing for reasonable reimbursement of bargaining and  
8 22 grievance services shall only apply to collective bargaining  
8 23 agreements entered into on or after the effective date of the  
8 24 bill.

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