Collective Bargaining can Reduce Turnover and Improve Public Services in Colorado

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Executive Summary

Since 2009, there has been a growing problem in Colorado with increasing employee turnover, programs operating with short staffing forcing employees to work extensive overtime, and low morale that jeopardizes vital public services. The growing turnover is complicated by the difficulty filling authorized positions. Research shows that collective bargaining for public sector employees, coupled with labor management partnerships, has been effective at improving agency performance and reducing employee turnover.

High turnover makes it hard to provide quality service to residents, reduces the efficiency and effectiveness of state agencies, puts a strain on state workers, and burdens taxpayers. **Based on a careful review of research on turnover costs,[1] replacing the 4,268 workers who left state government in FY 2017-18 conservatively cost taxpayers $48 million.[2]** Research shows that allowing state employees to negotiate with their employer through a collective bargaining process for better pay, benefits, and working conditions will help lower turnover rates, save taxpayers millions, and improve services.

In 2007, Governor Bill Ritter, Jr. signed Executive Order D 028 07, creating voluntary labor-management partnerships to improve the delivery of public services. While there are examples of labor-management collaboration addressing individual workplace problems, overall the partnerships have been limited in their breadth and scope. This is largely because compensation issues were not permitted in partnership discussions, and state agencies were not required to participate in, or enter into, labor-management discussions to improve public services. Finally, employees who participate in labor-management discussions lack protection from employer retaliation for their participation. As a result of all these factors, the partnerships have had limited impact, and state employee retention continues to suffer. The resulting short staffing, and constant turnover costs the state tens of millions of dollars annually and diminishes the quality of public services.

Multiple studies have shown that collective bargaining improves pay and benefits.[3] More competitive compensation, especially in the form of secure retirement benefits, aids in employee recruitment and retention. In addition, it has been shown that collective bargaining helps close the wage gaps faced by women and people of color by promoting equal pay for equal work while increasing job and workplace satisfaction.[4] Collective bargaining is a necessary foundation that can improve the effectiveness of labor-management partnerships. This paper addresses how collective bargaining, when combined with labor-management partnerships, creates synergies that more effectively address the growing problems of high turnover, understaffing, and wage disparities.

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1 There are Significant Costs to Replacing Employees, Heather Boushey and Sarah Jane Glynn,Center for American Progress, November 16, 2012, https://cdn.americanprogress.org/wp-content/uploads/2012/11/16084443/CostofTurnover0815.pdf

2 This is based on a turnover rate of 14.7 percent and 28,875 classified workers with a statewide average wage of $57,270 as reported in the Fiscal Year 2017-18 Workforce Report.

3 Mishel, Lawrence. "Unions, inequality and faltering middle class wages." Economic Policy Institute. Aug. 29, 2012. www.epi.org/publication/ib342-unions-inequality-faltering-middle-class/

4 How today's unions help working people: Giving workers the power to improve their jobs and unrig the economy, multiple authors, Economic Policies Institute, August 24, 2017. https://www.epi.org/publication/how-todays-unions-help-working-people-giving-workers-the-power-to-improve-their-jobs-and-unrig-the-economy/

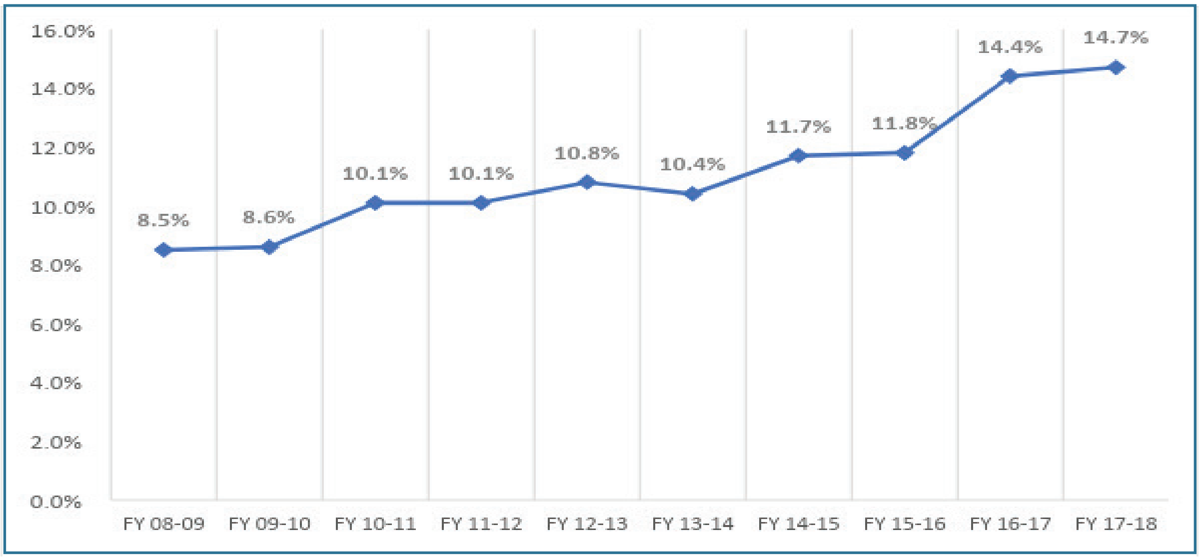
Growing turnover and difficulty filling positions cost the state and threaten the delivery of public services for Coloradans

EMPLOYEE TURNOVER & UNDERSTAFFING

One of the critical issues facing Colorado state government is the high turnover rate among state employees. As the state economy and labor market have improved over the past decade, workers have had increasingly more options for private sector employment. At the same time, high vacancy rates in many state agencies, particularly in already high-stress jobs, have put additional strain on existing state workers. As a result, the turnover rate among Colorado state employees has been growing.

As Chart 1 below shows, the overall turnover rate among classified employees in Colorado state government has increased by 73 percent over the past 10 years, growing from 8.5 percent in FY 2008-09 to 14.5 percent in FY 2017-18. It is up by 46 percent since the Colorado economy began to recover from the Great Recession in FY 2010-11.

Chart 1 – Overall Turnover Rate in Colorado State Government – FY 2008-09 – FY 2017-18



Source: FY 2013-14 and FY 2017-18 Workforce Reports, Department of Personnel

Lola West, Chaplain, *Colorado Mental Health Institute at Pueblo*

"There are gaping holes right now in our mental healthcare delivery system. And when there are holes like that, people fall through those cracks. When someone with a mental illness does harm to a lot people in our community, that's a terrible cost for the people of Colorado."

"I see staff members that are working overtime. They have to work mandatory overtime. A lot of times they're working 16 hours or 18 hours because we're so short of staff."

"We need a stronger voice in what's going on in the state. We're the ones that know how to solve some of the problems we're facing."

The two state agencies with the largest number of classified employees—Corrections and Human Services—also have among the highest turnover rates in state government. Human Services with a turnover rate of 23 percent is the second highest and Corrections, at 18 percent is the fourth highest. Both agencies have been the site of several labor-management partnerships, an indication that the partnerships in their current form are insufficient at stemming growing turnover rates.

A review of publicly available data on state employee turnover finds that the turnover rate in the Colorado Department of Human Services is the third highest among similar agencies in other Western states. Turnover rates in the Colorado Department of Corrections were comparable to those found in the other Western and border states.[5]

Other large state agencies with turnover rates above the state agency average include Revenue (16.1 percent) and Health Care Policy and Financing (15.9 percent). Table 1 below shows the turnover rates for the four largest state agencies representing 70 percent of the total number of state classified workers.[6]

Table 1 – Four largest state agencies, turnover rates for FY 2017-18 and vacancy rates at 6/28/18

Agency	Average number of employees	Turnover rate FY 2017-18	Vacancy Rate 6/28/18
Corrections	6,037	18%	12%
Human Services	4,885	23%	18%
Higher Education	4,676	10%	n.a.
Transportation	2,940	11%	14%
All state agencies	29,034	14.7%	20%

Source: Department of Personnel, FY19-20 Joint Budget Committee Hearing

In addition to retaining current staff, state agencies are finding it hard to recruit staff to fill open positions. According to the Department of Personnel, as of June 28, 2018, the vacancy rate across all state agencies was 20 percent, meaning one out of every five authorized positions in state government was vacant. The fourth column of table 1 shows the vacancy rates for the four state agencies with the most classified employees.

Table 2 - Turnover and vacancy rates among high stress positions in state agencies

Position	Agency	Turnover FY 2017-18	Vacancy Rate 6/28/2018
Security Officer I	Department of Human Services	38%	16%
Nurse I	Department of Corrections	33%	40%
Client Care Aides II	Department of Human Services	29%	14%
Nurse I	Department of Human Services	28%	19%
Security Officer I	Department of Corrections	26%	9%
Transportation Maintenance Worker I	Department of Transportation	19%	12%

Source: Department of Personnel, FY19-20 Joint Budget Committee Hearing

5 Author's review of data on state employee turnover rates in AZ, CA, ID, KS, NE, NM, MT, OR, WA. NV and UT did not have data accessible online and OR presented data in a way that made it hard to compare with other states.

6 Department of Personnel, FY19-20 Joint Budget Committee Hearing, January 15, 2019, https://leg.colorado.gov/sites/default/files/fy2019-20_perhrg.pdf

As shown in Table 2, Colorado also faces a challenge keeping workers in positions where high turnover may not only be costly, but potentially dangerous. Turnover rates are high for security officers in the state's adult prisons, and in the youth corrections facilities, nurses who care for veterans in the state's nursing homes, client care aides who help residents in the state's mental institutions, and transportation maintenance workers who plow snow and repair state highways.

Table 2 also shows that within these agencies, the positions with high turnover rates also have high vacancy rates.[7] Because many of the authorized positions are vacant, workers currently in these jobs are stretched thin, which likely contributes to a vicious cycle of turnover contributing to overwork, which in turn increases turnover.

This issue has been particularly acute within the Department of Corrections where, due to low staffing levels, many corrections officers are required to work double shifts, sometimes on short notice. The amount of overtime paid by the department to cover these open positions has increased by 84 percent over the past three years going from $10.7 million in 2016 to $19.7 million in 2018.[8]

This year the department has asked the Joint Budget Committee for additional funding to raise the wages for Correction Officer I and II positions along with Correctional Support Trade Supervisors as a way of stemming the high turnover rates in these critical jobs. Considered the first line of defense within the prison system, these positions are vital to preventing attacks on staff and inmates, and in keeping contraband from entering the prisons.[9]

High turnover and increased vacancies put strains on remaining workers, hurt agency performance, and cost taxpayers money. A review of research on the costs of employee turnover found that it costs employers 20 percent of an employee's annual salary to replace them.[10] These costs include direct costs such as overtime, temporary staffing to cover the open position, and costs associated with advertising the open position, interviewing and screening of applicants to fill the position, and training for the new employee. In addition, some studies attempt to measure indirect costs such as lost productivity as the new person learns the job, resulting in reduced quality, errors, and waste. Because only two of the 11 studies included in the analysis attempt to estimate indirect costs, the 20 percent figure is a conservative estimate.[11]

Based on this 20 percent figure, it cost $48 million to replace the 4,268 workers who left state government in fiscal year 2017-18.[12]

Rana Gonzales, Planned Care Liaison, *Colorado Mental Health Institute at Pueblo*

"I've been working at the hospital for 15 years and this is the worst I've seen it. We don't have the tools or the training to help those patients progress on, thus being stuck in our hospital system."

"Because we're so understaffed, what happens is we don't give our patients the best care that they need. "

"If we work together, we have that voice to help us achieve that same goal to have our hospital and our state workers provide the best care possible for our patients. We know what the solutions are to make a better Colorado and a better place for all of our citizens."

"Our state is facing a crisis. And the only way to solve that is to let the state workers have a strong voice. "

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7 Ibid.

8 Colorado corrections officers concerned low staffing is creating unsafe conditions, Channel 7 News, January 30, 2019. https://www.thedenverchannel.com/news/investigations/colorado-corrections-officers-concerned-low-staffing-creating-unsafe-conditions ,

9 Department of Corrections, Staff Budget Briefing, FY 2019-20, December 20, 2018. http://leg.colorado.gov/sites/default/files/fy2019-20_corbrf.pdf

10 There are Significant Costs to Replacing Employees, Heather Boushey and Sarah Jane Glynn, Center for American Progress, November 16, 2012, https://cdn.americanprogress.org/wp-content/uploads/2012/11/16084443/CostofTurnover0815.pdf

11 Ibid.

12 The cost is based on a turnover rate of 14.7 percent and 28,875 classified state workers with a statewide average wage of $57,270 as reported in the FY 2017-18 Workforce Report.

EMPLOYEE WAGES & INEQUALITIES

An important factor driving high turnover is state employees' lower pay and modest benefits. Colorado's Annual Compensation Report FY 2019-20 finds that state employees' total compensation is 9 percent below that of workers with similar jobs in the state, or, in the case of jobs specific to state government, that of similar workers in other states. [13]

The report finds that state employees' base salary, $66,181, is 7 percent below the market median.[14] This is especially low considering that 62 percent of state government employees in Colorado have a bachelor's degree or more education and Denver is a high cost of living area.[15] Unusually for public-sector workers, Colorado state employees' benefits are also less generous than those of comparable workers, mostly due to retirement benefits that are 17 percent below the market median. Colorado state employees are not covered by Social Security, and their pension benefits do not come close to matching the Social Security and other retirement benefits received by comparable workers, a gap widened by benefit cuts and increased employee contributions enacted in 2018.[16]

The average annual salary for classified state employees was $57,270 in fiscal year 2017-18.[17] To put this wage level into context, we can compare it to the income a family would need to afford a modest, yet adequate standard of living as determined by the Economic Policy Institute's Family Budget Calculator. This standard varies by family composition and location and includes the cost of housing, transportation, health care, basic necessities and childcare, if there are children in the family. [18]

Almost half of classified workers (45.2 percent) live in the Denver Metro Area. The income needed to support a single adult with one child in the Denver Metro area is $71,977 per year according to the Budget Calculator. A single, classified state employee with one child, earning the average salary would not come close to supporting the basic costs of supporting her family.[19]

In addition to the below-market wages detailed above, wages paid to Colorado's classified workers vary significantly by race. According to data from the FY 2017-18 Workforce Report shown in Table 3 below, the average salary of white state employees is 16.9 percent higher than that of African Americans, and 18.3 percent higher than that of Latinx state employees. Thus, employees of color are even more likely than white non-Hispanic employees to be paid less than they need to support a family in the Denver area.

Table 3 – Colorado Classified State Employees Average Salaries by Race and Ethnicity

Race/Ethnicity	Average Salary	% Below White Salaries
White	$60,969	
African American	$52,160	16.9%
Latino	$51,528	18.3%
American Indian or Alaska Native	$52,845	15.4%
Asian	$60,063	1.5%
Native Hawaiian or other Pacific Islander	$52,428	16.3%
Two or more races	$51,894	14.9%
Race/Ethnicity not Indicated	$45,432	34.2%

Source: FY 2017-18 Workforce Report, Colorado Department of Personnel

13 State of Colorado Annual Compensation Report. https://www.colorado.gov/pacific/dhr/fy-2019-20-annual-compensation-report

14 Ibid.

15 Economic Policy Institute analysis of 2014-2018 American Community Survey microdata accessed through IPUMS USA, University of Minnesota, www.ipums.org; and Bureau of Economic Statistics Regional Price Parities by Metropolitan Statistical Area for 2016 (most recent available), accessed through https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area. The share of private-sector wage-and-salary workers with a bachelor's degree or more education is much lower (32 percent), though the pay comparison cited is with similar workers, not a cross section of private sector workers.

16 State of Colorado Annual Compensation Report. https://www.colorado.gov/pacific/dhr/fy-2019-20-annual-compensation-report

17 FY2019-18 Workforce Report, Workforce data for the state of Colorado, https://drive.google.com/file/d/1oBVtFvIMS8_fgIY_P0F93hl-CYM8pGFbM/view

18 Economic Policy Institute, Family Budget Calculator, https://www.epi.org/resources/budget/

19 Budget Calculator annual costs for a family with one adult and one child in the Denver-Aurora-Lakewood Metro Area, https://www.epi.org/resources/budget/

Academic Research Finds that Collective Bargaining Reduces Turnover and Improves Public Services

INCREASED JOB PERFORMANCE AND IMPROVED PUBLIC SERVICES

Most of the research on the role that employee organizations and unions play in affecting the performance of organizations, in the private and public sectors, are centered around their role in giving workers an opportunity to affect decisions that involve their jobs. Referred to as "employee voice," many studies find that efforts to provide workers with more input in and control over their jobs results in greater commitment and better performance. This is particularly relevant in reducing employee turnover, a problem facing Colorado state government.

Numerous studies have found that unions are associated with lower quit rates and employee turnover. One study of U.S. adults who responded to an email survey found that "union membership reduces employees' intention to leave their jobs and provides evidence that the 'voice' face of unions matter." [20]

Another study focusing on workers in call centers in Germany and the U.S. found that union call centers in the U.S. had lower turnover rates than non-union call centers. The authors noted that this was consistent with past research on union effects in the U.S.[21] A study of turnover within state government found that "state employees who are represented by unions and are better paid are less likely to quit."[22]Another study focusing on turnover in the federal government found that providing employees with a voice in agency operations reduced turnover.[23]

Other researchers have examined the role that unions play in relation to implementing High-Performance Work Practices (HPWP), such as those envisioned under the Labor Management Partnerships allowed under Colorado's Executive Order. One study found that union membership complements HPWP, resulting in greater balance between agency efficiency, equity, and the role of employees in decision making when these practices are implemented in the presence of unions.[24]

High Performance Work Practices

High Performance Work Practices (HPWP)[25] are actions that have been shown to improve organizations' ability to recruit, retain and empower employees to provide high quality services. These practices emphasize employee involvement and trust. Components include: (1) Engaging staff by communicating with employees about the organization's mission, sharing information, and involving employees in decision making. (2) Recruiting highly qualified employees, providing them with extensive training, and identifying career opportunities and pathways for current employees to advance. (3) Empowering frontline workers, providing job security, protecting employees from repercussion for speaking up about problems, issues and concerns, reducing status distinctions across employee roles and formalizing teams. (4) Aligning leaders with these practices by linking management training to organizational needs, identifying and developing future leaders, and linking a portion of leaders' compensation to successful accomplishment of departmental goals.

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20 The Impact on Union Membership on Intent to Leave: Additional Evidence on the Voice Face Unions, Steven E. Abraham, Barry A. Friedman and Randall K. Thomas, Employee Responsibilities and Rights Journal, December 2005, Volume 17, Issue 4, pages 201-213, https://link.springer.com/journal/10672/17/4/page/1

21 Collective Bargaining and High-Involvement Management in Comparative Perspective: Evidence from U.S. and German Call Centers, Virginia Doellgast, King's College London Industrial Relations (2008), 47(2), 284-319. https://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=2232&context=articles

22 A Model of Voluntary Turnover in State Government, Sally Coleman Selden, Donald P. Moynihan, Review of Public Personnel Administration, April 1, 2000, https://journals.sagepub.com/doi/abs/10.1177/0734371X0002000206

23 Exit, Voice, Loyalty, and Pay: Evidence from the Public Workforce Soo-Young Lee Andrew B. Whitford *Journal of Public Administration Research and Theory*, Volume 18, Issue 4, 1 October 2008, Pages 647–671, https://doi.org/10.1093/jopart/mum029

24 Balancing Efficiency, Equity and Voice The Impact of Unions on High-Performance Work Practices on Work Outcomes, Dionne M. Pohler and Andrew A Luchak, ILR Review, September 12, 2014, https://journals.sagepub.com/doi/abs/10.1177/0019793914546295

25 High-Performance Work Practices in CLABSI Prevention Interventions, Appendix 1. Definitions of High-Performance Work Practices. August 2015. Agency for Healthcare Research and Quality, Rockville, MD. August 2015 http://www.ahrq.gov/professionals/quality-patient-safety/cusp/clabsi-hpwpreport/clabsi-hpwpap.html

Another found that unions play a positive role on the effective adoption of HPWP, leading to increased organizational competitiveness and ensuring that employees benefit from their adoption.[26] Researchers also found that when public officials and union leaders entered into cooperative arrangements (collective bargaining), it resulted in improvements in the delivery of public services and the quality of work life.[27] Indeed, public sector dispute resolution procedures and joint labor–management initiatives to reform work have been shown to function well.[28]

Because unions provide workers with a right to have a union representative involved in accident and fatality investigations, they give workers a role in protecting their own safety while on the job. Research also suggests that unions result in safer workplaces because workers are more likely to report safety issues, injuries and near misses without fear of retribution.[29] For example, a recent study of construction firms in Canada found that unionized construction firms had lower lost time claims rates, indicating that they were safer work environments.[30]

Critics of collective bargaining for public sector workers claim that it will result in large wage increases that will drive up state government costs. However, research on the effects of public sector collective bargaining finds that it has resulted in relatively small increases in public employee pay, with workers covered by collective bargaining agreements having wages 5 to 8 percent higher than those who are not. Studies show that, on balance, public sector workers are undercompensated when compared to their counterparts in the private sector.[31]

Studies also show that unions and collective bargaining help close racial and gender wage gaps. Collective bargaining agreements are transparent, correct salary discrepancies and lay out clear standards for promotions and raises. Collective bargaining has been found to lift wages of Black and female workers closer to those of white and male workers.[32]

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26 Union Impact on the Adoption of High-Performance Work Practices, Carol Gill, Human Resources Management Review, Volume 19, Issue 1, March 2009, pages 39-50, https://www.sciencedirect.com/science/article/abs/pii/S1053482208000648?via%3Dihub

27 Public Sector Collective Bargaining and the Imperative for Service Delivery: An Overview, Jonathan Brock and David B. Lipsky, in Going Public, The Role of Labor Management in Delivering Quality Government Services, Employees Relations Association, 2003, https://digitalcommons.ilr.cornell.edu/articles/786/

28 The New Great Debate about Unionism and Collective Bargaining in U.S. State and Local Governments, David Lewin, Jeffery H. Keefe, Thomas A. Kochan, ILR Review, October 1, 2012, https://doi.org/10.1177/001979391206500401

29 For an overview, see Josh Bivens et al. "How today's unions help working people; Giving workers the power to improve their jobs and unrig the economy," Economic Policy Institute Report, August 24, 2017.

30 Protecting Construction Worker Health and Safety in Ontario, Canada: Identifying and Union Safety Effect, Benjamin C. Amick, III, Sheilah Hogg-Johnson, Desiree Latour-Villamil, Ron Saunders, Journal of Occupational and Environmental Medicine, Volume 57, Issue 12, December 2015, pages 1337-1342, https://journals.lww.com/joem/Fulltext/2015/12000/Protecting_Construction_Worker_Health_and_Safety.14.aspx

31 Lewin, Keefe, and Kochan 2012.

32 How Today's Unions Help Working People: Giving Workers the Power to Improve Their Jobs and Unrig the Economy, Economic Policy Institute, August 24, 2017, https://www.epi.org/publication/how-todays-unions-help-working-people-giving-workers-the-power-to-improve-their-jobs-and-unrig-the-economy/

Labor management partnerships and collective bargaining are synergistic ways to address the growing problems of high turnover, understaffing, and wage disparities.

The National Labor Relations Act (NLRA) gives most private sector workers the ability to form unions and collectively bargain with their employers. However, the NLRA does not cover workers in the public sector, who are governed by state and local laws. Almost half of all workers (48 percent) covered by a union contract in the U.S. are public sector workers.[33]

State laws governing collective bargaining by public employees have various provisions and exemptions that make it hard to easily summarize what is allowed in all states. However, a detailed 2014 analysis found that 34 states and the District of Columbia allowed state workers to collectively bargain over conditions of employment, in most cases including wages.[34]

Colorado is one of only 16 states in the U.S. that does not allow for some form of collective bargaining for all state employees, though exemptions exist for certain categories of workers. State law allows firefighters to form unions and collectively bargain. While there are no state statutes that specifically allow police officers to collectively bargain, the firefighter statute mentions that other employees and police have the right to collectively bargain in several local jurisdictions. [35] Teachers gained the right to collective bargaining through case law.[36]

Collective bargaining requires state agencies to negotiate with employees who have gained the right of representation, and, through this process, to reach an enforceable contract. Negotiations include all the factors that affect agency performance, including wages, and allow managers and workers to focus on key issues and get to solutions faster. Collective bargaining would expand on the positive, but rather limited success of the Labor–Management Partnerships by ensuring that worker voices are heard and help shape agency operations and the delivery of services. Based on research, collective bargaining for state employees will improve the quality and effectiveness of services provided to Coloradans.

Positive but limited success through Labor–Management Partnerships in Colorado

The experience in Colorado shows that the Labor–Management Partnerships authorized under Executive Order D 028 06 can have positive effects on agency operations and the delivery of services. However, because agency participation is voluntary, their effect has been limited and netted only one agency–wide partnership.

Labor–Management Partnerships have brought management and labor representatives together to focus on important issues of concern to both groups, resulting in changes that have resolved problems and improved performance. They also allow managers the opportunity to gauge employee morale within the unit and assess how changes in services, procedures, and work expectations are being received by staff.

33 How today's unions help working people: Giving workers the power to improve their jobs and unrig the economy, multiple authors, Economic Policies Institute, August 24, 2017. https://www.epi.org/publication/how-todays-unions-help-working-people-giving-workers-the-power-to-improve-their-jobs-and-unrig-the-economy/

34 Regulation of Collective Bargaining in the States, Milla Sanes and John Schmidt, Center for Economic and Policy Research, March 2014, http://cepr.net/documents/state-public-cb-2014-03.pdf

35 C.R.S. 29-5-212 (1) and Regulation of Public Sector Collective Bargaining in the States

36 Littleton Educ. Ass'n v. Arapahoe County Sch. Dist., 191 Colo. 411, 553 P.2d 793 (1976)

Labor–Management Partnerships can improve government services and achieve efficiencies. The partnerships can be created on a statewide, occupational group, or departmental basis. However, partnerships cannot be used to affect total employee compensation, reduce the authority of department heads to manage their departments, or permit binding arbitration. Strikes, work stoppages, or work slow-downs are expressly prohibited.[37]

When they function effectively, these partnerships can help to solve problems, improve internal operations and procedures, increase employee commitment, reduce employee turnover, improve services, and cut costs. However, the effectiveness of the partnerships is limited by the fact that agencies must voluntarily agree to engage in them and that important issues, such as staffing levels and wages, are off the table. As a result, the voice of workers in influencing agency operations and how services are provided, which research shows improves overall performance and reduces turnover, is limited. While the Executive Order gives employees the right to form an employee organization, it does not require the state agencies to form partnerships and come to the table to discuss issues with the employees. As a result, several agencies have never engaged at either the agency or unit level, and others have delayed participation or implementation of recommendations. These issues could be addressed through collective bargaining.

For example, the Department of Corrections worked with Colorado WINS, the certified employee organization, on a proposed labor-management partnership for several months in 2009. However, the groups could not come to agreement and the recommendations were never implemented. Other agencies such as the Department of Revenue and the Office of Information Technology developed Memorandums of Understanding to guide discussions in several areas with the goal of developing a formal partnership. However, no partnership was ever effectuated in either agency.

There are several Employee Management Committees (EMC) currently operating at the unit level within state agencies. There are seven operating within the Department of Human Services, which has a formal partnership, and one each within the Department of Corrections and Department of Revenue, which do not have formal partnerships. As discussed below, many of these efforts have successfully resolved problems and improved agency performance.[38]

Many times, the EMCs provide an opportunity for both sides to review operations and discuss problems. For example, nurses at the Grand Junction Regional Center raised a concern through the EMC that they were left out of decisions about where patients were placed after receiving treatment and the services patients received after being discharged. Management of the Center saw the value in having input from nurses and is working to change procedures to ensure that nurses are consulted in these decisions. Both sides agree that this will result in better care for patients.

An EMC met over several years to address difficulties in recruiting and retaining nurses and other staff at the Ft. Logan and Pueblo Mental Health Institutes. One of the problems both sides recognized was that the starting pay of new staff members sometimes exceeded the pay of experienced staff members. As a result of the partnership, Colorado WINS and the Department of Human Services secured increased funding from the Joint Budget Committee to increase salaries for direct care workers at the Mental Health Institutes, resulting in some improvement in retention rates for staff at these facilities.[39]

In another example of an EMC working to identify and address staffing issues, members of the EMC within the Department of Youth Services are studying the qualifications required for agency staff. After the Department of Personnel relaxed the experience and training requirements for new hires, turnover in the first year of employment increased. The EMC members are considering either reinstating previous requirements or implementing other actions to reduce turnover rates among new staff.

37 Executive Order D 028 07 http://www2.cde.state.co.us/artemis/goserials/go4113internet/2007/go41132007028internet.pdf
38 Information on the number of Labor Management Partnerships in state agencies was provided by CO WINS.
39 Information on the activities of EMCs in state agencies was provided by CO WINS.

Recommendations for Policy Makers: Authorize Collective Bargaining for State Employees and Expand Labor-Management Partnerships

Colorado is facing a growing problem with its state employee workforce. Turnover rates are increasing and it is becoming harder to fill open positions. Turnover is costly to taxpayers and has a detrimental effect on the quality of public services provided to state residents. Solving these problems will require ongoing and dedicated involvement from agency leaders and employees. Because they know how services are provided and see the problems up close, front line workers are a source of commonsense ideas for improving operations.

The Executive Order creating Labor–Management Partnerships was a step in the right direction. However, because these partnerships are voluntary on the part of agencies and important issues such as compensation and staffing are off the table, their effectiveness has been limited. Furthermore, turnover continues to grow in agencies where there have been a Labor–Management Partnerships, suggesting that these partnerships alone are not effective in addressing this critical problem.

Granting collective bargaining rights to state employees would strengthen Labor-Management Partnerships, expand their use to all state agencies and allow agency managers and workers to fully engage in solving problems affecting agency operations and performance.

Collective bargaining has also been shown to reduce racial and gender pay gaps. As one of the largest employers in Colorado, the state government should take the lead and serve as a model for other public and private sector employers in addressing these disparities.

Academic research shows that the combination of collective bargaining and High Performance Work Practices such as Labor-Management Partnerships has resulted in improved operations, better services and lower turnover rates. Collective bargaining will ensure that state employees have a voice in agency operations and can contribute to efforts to provide quality services to state residents. Ultimately, this should improve agency performance and lead to efficiency gains that will result in taxpayer savings.

About the Author:

Rich Jones is the former Director of Policy & Research at the Bell Policy Center with his work focused on family economic security issues such as predatory lending, the minimum wage, family work supports, retirement security and the Earned Income Tax Credit. Prior to joining the Bell Policy Center Rich worked for 24 years at the National Conference of State Legislatures (NCSL), where he was director of the Legislative Programs Division. He is now an independent consultant working in Colorado.