

# Employee Partnerships: Fixing Colorado After A Decade of Conservative Mismanagement

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*Colorado has faced many serious problems in recent years because its state workforce has been poorly managed by nearly a decade of conservative leadership. Long lines plague the DMV, \$300 million has been wasted on failed computer systems, and the failure of basic snow-removal services have paralyzed major cities. Gov. Bill Ritter's executive order allowing state workers to join employee partnerships and recognizing those partnerships are a modest, cost-effective step towards strengthening Colorado's workforce and addressing the problems left by Colorado's conservative leaders.*

## **COLORADO'S RECENT PROBLEMS RELATED TO EMPLOYEE TURNOVER**

As any business leader will say, keeping turnover low saves costs on training and creates a more efficient workforce. The opposite is also true – the more turnover the more expensive and inefficient the workforce is – and that's the problem in Colorado. In the last 7 years, turnover rate among Colorado's state personnel system employees has been increasing. State employee turnover is more than 11% a year and is much higher among new hires, costing taxpayers up to a hundred million in turnover costs every year. Voluntary turnover accounts for the majority of separations in Colorado and has increased from to 7.7% last year alone. Colorado's state personnel system employees experienced an annual turnover rate of 12.3%. In the last year, 16 of the 20 departments in Colorado have experienced increases in turnover rates. Another reason for concern is that most of the employees leaving the state service have been in the service less than 3 years. And a whopping 42% of Colorado's state workforce is part-time – almost double the national average for states.

## **COLORADO MUST IMPROVE ITS ABILITY TO ATTRACT AND RETAIN WORKERS**

Paying state workers competitively with other states and with the private sector is critical to building a better workforce. Conservatives keep saying Colorado workers make the 9<sup>th</sup> highest salaries, but when looked at comprehensively, Colorado state workers' overall compensation is at best average. Colorado's contribution to employee health is very low. The state ranks 49<sup>th</sup> in individual health insurance coverage, and 47<sup>th</sup> in family health coverage. In many key sectors, Colorado pays workers far less than the same workers in the private sector. Colorado spends 4.2% less on salaries and wages than the national average. In fact, Colorado's Department of Personnel and Administration reports that salaries for state employees lag behind those of neighboring states.

[Source: Workplace Economics, 2006 State Employee Benefits Survey]

## **REPORTS INDICATE THAT CO WILL BENEFIT FROM EMPOWERING STATE WORKERS**

In the 2005 Government Performance Project report by the Pew Center on the States, Colorado received one of the lowest grades for the policies that govern its workforce. The report notes that "new hires are not sticking with Colorado government" and that "supervisors have complained that the majority of new hires depart state service within five years." Colorado additionally faces "a high number of discrimination charges."

[Link: <http://www.gpponline.org/>]

## **BUSINESS LEADERS SAY PARTNERSHIPS MAKE WORKFORCE MORE EFFICIENT**

*The Denver Post* reports that health provider Kaiser Permanente, which has a similar program in Colorado to what Ritter enacted, said the program "has worked well." Donna Lynne, regional president of Kaiser Permanente Colorado, "said the concept is not a threat to businesses." She said, "If there's a crisis, we have mechanisms in place. I meet with our labor representative probably once a week. We have conversations with them. The key to a good labor-management environment is open communication." A spokeswoman for American Rights at Work added that "Instead of spending money on lawyers that fight contract negotiations, (partnerships) spend time in-house just working things out." She noted that Harley-Davidson and AT&T are among other businesses that use the model Ritter endorsed. [Link: [http://origin.denverpost.com/headlines/ci\\_7363319](http://origin.denverpost.com/headlines/ci_7363319)]

# The Colorado Hybrid: Employee Partnerships

*Conservatives in Colorado have been calling Gov. Ritter's executive order "collective bargaining" but a look at the actual details of what he enacted shows it is actually far less, and far more moderate than most states already allow. His executive order merely allows workers to vote to join an employee partnership. Workers are not compelled to join or pay dues.*

## **RITTER PROMISED TO STRENGTHEN WORKERS' VOICE IN STATE GOVERNMENT**

During his campaign for governor, Bill Ritter promised to support giving state workers a bigger voice. In speeches as a candidate, he said he supported collective bargaining rights for public employees. In his State of the State Address, he said "Our state employees are *really* smart people. They understand how government works. And they know better than anyone how it can work better. We need their good ideas, and then we need to put them into action." Ritter, in short, campaigned on a promise to strengthen state workers' voice.

[Link: <http://www.colorado.gov/governor/speeches/2007/state-of-state-jan11.html>]

## **PARTNERSHIPS WILL MAKE STATE GOVERNMENT MORE EFFECTIVE & EFFICIENT**

In announcing his executive order, Gov. Ritter said "I vowed to make state government more effective, reliable and accountable." Studies have long shown that giving workers the right to collectively bargain does exactly this. Data proves that workforces whose workers have the right to form unions are more productive and efficient than workforces that do not permit these basic rights. A study by the New York Federal Reserve Bank and Tufts University showed that companies who use unionized workers are 27% more productive. In August of 2007, the *Detroit Free Press* reported that data from the Harbour Report, a respected annual study of manufacturing efficiency, showed that union labor is more efficient than nonunion labor.

[Links: <http://www.freep.com/apps/pbcs.dll/article?AID=/20070801/BUSINESS01/708010420&theme=AUTOTALKS072007> | <http://www.aflcio.org/aboutus/ns08202003.cfm> | <http://www.usw.org/usw/program/content/323.php>]

## **RESEARCH SHOWS PUBLIC EMPLOYEE UNIONS STRENGTHEN GOVERNMENT EFFICIENCY**

North Carolina State University researchers have shown that strong public employee unions strengthen government performance and efficiency – principally by raising worker satisfaction with their jobs and thereby reducing employee turnover. According to research, strong public employee unions make for a workforce that is, on the whole, happier, more productive, more experienced, more stable, and more efficient.

[Link: <http://nchope.org/adobe/unionsimpact.pdf>]

## **EXECUTIVE ORDER DOES NOT ALLOW STRIKES OR BINDING ARBITRATION**

*The Denver Post* reports that Ritter's executive order "did not give state employees traditional collective-bargaining power" and "it contains a no-strike policy and specifies that the new 'partnership agreements' will not result in binding arbitration. [Link: [http://www.denverpost.com/politics/ci\\_7371434](http://www.denverpost.com/politics/ci_7371434)]

## **EXECUTIVE ORDER PRESERVES LEGISLATURE'S AUTHORITY**

*The Denver Post* reports that the legislature "gives up none of its authority to set the state budget, which means lawmakers could toss out any agreement that costs money." And "the governor is not bound to include such agreements in his annual budget proposal." [Link: [http://www.denverpost.com/politics/ci\\_7358077](http://www.denverpost.com/politics/ci_7358077)]

## **EXPERT: RITTER'S MOVE "NOT REALLY COLLECTIVE BARGAINING"**

Chip Taylor, legislative director for Colorado Counties Inc., told the *Rocky Mountain News* that conservatives are misleading the public with their rhetoric about Ritter's executive order. "There's a no-strike clause, and it doesn't allow for binding arbitration," Taylor said. "It's not really collective bargaining."

[Link: [http://www.rockymountainnews.com/drmn/government/article/0,2777,DRMN\\_23906\\_5740257.00.html](http://www.rockymountainnews.com/drmn/government/article/0,2777,DRMN_23906_5740257.00.html)]

## **ECONOMIC EXPERTS SAY PARTNERSHIPS WILL HAVE MINIMAL ECONOMIC IMPACT**

*The Denver Post* reports that University of Denver economics professor George DeMartino said Ritter's executive order "really puts an emphasis for the parties to find common ground." University of Colorado economist Jeffrey Zax said that economically, "The practical effect of this is pretty minimal."

[Link: [http://www.denverpost.com/politics/ci\\_7358077](http://www.denverpost.com/politics/ci_7358077)]

# **Employee Rights: The Norm, Not the Exception**

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*Conservatives in Colorado are claiming that the sky will fall and the economy will go south by giving state workers a bigger voice to improve government efficiency. But most states in America give workers such a voice. Disenfranchising workers, in other words, is the exception – not the norm.*

## **29 STATES HAVE COLLECTIVE BARGAINING**

The majority of states – a total of 29 – allow public employees to collectively bargain in an even stronger fashion than Gov. Ritter’s proposal would allow.

## **COLLECTIVE BARGAINING NOT NEW IN ROCKY MOUNTAIN STATES**

Fellow Rocky Mountain states Montana, Nevada, New Mexico, Utah, and Wyoming allow their public employees to bargain collectively. In 2003, when New Mexico established collective bargaining for state workers through legislation, Governor Richardson declared, “Today is a great day for all New Mexicans because collective bargaining will result in a more efficient and more productive state government...My goal as Governor is to improve public service for all New Mexicans, and give you back the respect you have earned. To do that, I need the cooperation of state employees at every level.”

## **BOTH PARTIES’ GOVERNORS USE EXECUTIVE ORDERS TO MANAGE STATE WORKFORCES**

Many states – including Colorado under Republican Gov. Bill Owens - have administered the collective bargaining rights of employees via executive order, recognizing that the governor is the CEO of the state workforce. The Rocky Mountain News, for instance, notes that “Owens had a labor-union executive order of his own, stopping the direct deduction of union dues from state employees’ paychecks.” Similarly, in 1996, Maryland’s Democratic governor signed an executive order giving provide for non-binding collective bargaining for employees of the principal departments of the state’s executive branch. In 2001, Kentucky’s governor signed an executive order providing a hybrid form of statewide collective bargaining for public sector employees. However, in 2003, Kentucky’s new Republican governor terminated those rights using an executive order. Similarly in Indiana in 1990, the then Democratic governor established public bargaining by executive order, only to have the order rescinded 15 years later in 2005 by a Republican governor. In 2005, Missouri’s governor used an executive order to take away the bargaining rights of some public employees.

[Links: <http://www.dsd.state.md.us/comar/01/01.01.1996.13.htm> | <http://dbacon.igc.org/Unions/2005rollback.html> | [http://www.in.gov/gov/files/EO\\_05-14\\_Complaint\\_State\\_Employees.pdf](http://www.in.gov/gov/files/EO_05-14_Complaint_State_Employees.pdf) | <http://www.aflcio.org/joinaunion/voiceatwork/ns01132005.cfm>]

## **KENNEDY ISSUED AN EXECUTIVE ORDER TO ALLOW FEDERAL COLLECTIVE BARGAINING**

On January 17th, 1962, President Kennedy signed Executive Order 10988 to create Employee-Management Cooperation in the Federal Service. President Kennedy’s executive order gave federal government employees, for the first time, the right to unionize and collectively bargain with their agencies or departments.

[Link: <http://www.lib.umich.edu/govdocs/jfkeo/eo/10988.htm>]

## **CLINTON CREATED LABOR-MANAGEMENT PARTNERSHIPS BY EXECUTIVE ORDER**

On October 1, 1993, President Clinton signed Executive Order 12871, creating Labor Management Partnerships to involve federal government employees and their union representatives in transforming government agencies into organizations capable of delivering the highest quality services to the American people.

[Link: <http://www.presidency.ucsb.edu/ws/index.php?pid=61564>]