

Contact: Barb Dietrich Boose, Communications Officer, 515-281-5015

March 15, 2005

IOWA BOARD OF REGENTS' LABOR AGREEMENT WITH HOSPITAL UNION UPHELD BY ARBITRATOR

URBANDALE, IA – Wage levels in a proposed labor agreement between the Iowa Board of Regents and collective bargaining employees of the University of Iowa Hospitals and Clinics were upheld by a third-party arbitrator, the Board announced today.

The wage component of the two-year agreement went to a third-party arbitrator when the Board and the Service Employees International Union, Local 199, could not resolve the matter in collective bargaining. SEIU is the collective bargaining representative of approximately 2,380 employees of the University of Iowa Hospitals and Clinics. Most of these employees are nurses; others include clinical laboratory scientists, respiratory therapists, physical therapists, occupational therapists, radiology professionals, pharmacists and social workers.

The Board of Regents' proposed agreement, upheld by arbitrator Thomas Gallagher, will provide a 3 percent base salary increase in the first year of the agreement and another 3 percent increase in the second year. Employees will also receive a 1 percent retention adjustment increase in each of the two years of the agreement. In addition, employees will receive adjustments ranging from 0.35 percent to 2 percent of base salary each year, according to their employee category. That will result in annual base salary increases of about 4.5 percent.

In upholding the Board of Regents' proposed wage levels, Gallagher stated the levels are appropriate compared to the relatively low hospital reimbursements, wages at other hospitals, and living costs in Iowa. He also noted that SEIU's proposed wage levels would cost \$7.6 million more than the Board's proposal, which is nearly 35 percent of the University of Iowa Hospitals and Clinics' projected operating margin goal of \$20.6 million.

Iowa's nine-member citizen Board of Regents governs the state's three public universities and two special K-12 schools – the Iowa School for the Deaf and the Iowa Braille and Sight Saving School – through policymaking, coordination, and oversight.

###