

SUPREME COURT OF IOWA

UE Local 893/IUP v. State of Iowa

No. 22-0790 (Iowa Oct. 27, 2023) · No. No. 22-0790 · Decided October 27, 2023

SUMMARY

The Iowa Supreme Court held that the State breached collective bargaining agreements by refusing to collect union dues from employees with existing authorization cards. The court upheld an award of \$1,046,835.05 in damages to UE Local 893/IUP and concluded that specific performance was not required because money damages were adequate. The court also affirmed the denial of the union’s request for attorney fees.

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	May, J.; all justices joined
JURISDICTION	Iowa
DECIDED	October 27, 2023
DOCKET	No. 22-0790
DISPOSITION	affirmed
PROCEDURAL POSTURE	The State appealed from summary judgment imposing liability for breach of collective bargaining agreements and from a bench-trial award of money damages. UE cross-appealed the denial of its attorney-fee claim.
STANDARD OF REVIEW	Questions concerning contract interpretation, summary judgment, the appropriate remedy, and statutory interpretation were reviewed for correction of errors at law. The mitigation finding was binding if supported by substantial evidence and was viewed in the light most consistent with the judgment. The common-law attorney-fee issue was reviewed de novo.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	State of Iowa v. UE Local 893/IUP

TOPICS

- breach of contract
- collective bargaining
- damages
- specific performance remedy
- appellate procedure

PRACTICE AREAS

contract law

labor and employment law

collective bargaining

remedies

appellate procedure

QUESTIONS PRESENTED

1. Whether the State breached the 2017-2019 collective bargaining agreements by refusing to collect dues from members who had submitted authorizations during prior contract terms.
2. Whether money damages were an authorized and appropriate remedy, rather than specific performance requiring retroactive dues collection.
3. Whether substantial evidence supported the district court's finding that UE adequately mitigated its damages.
4. Whether UE was entitled to common-law attorney fees based on the State's alleged bad-faith conduct.

HOLDINGS

1. The 2017-2019 agreements required the State to collect dues from all UE members whose voluntary written authorizations had been received, including authorizations submitted during prior contract periods. The State breached the agreements by refusing to collect those dues.
2. Money damages were an authorized and appropriate remedy for the State's failure to collect and forward dues. Specific performance was unavailable because damages adequately protected UE's expectation interest.
3. Substantial evidence supported the district court's finding that UE reasonably mitigated its damages by soliciting dues directly from members and using third-party vendors.
4. UE was not entitled to common-law attorney fees. Iowa law requires conduct exceeding the willful-and-wanton standard for punitive damages and rising to oppression or connivance to harass or injure; the State's conduct did not meet that standard.

KEY QUOTATIONS

“Every breach of contract gives the injured party a right to damages against the party in breach.” (13)

“when “damages would be adequate to protect the expectation interest of the injured party,” equitable remedies like specific performance are usually “preclud[ed].”” (14)

“More than mere bad faith is required” (21)

FACTUAL BACKGROUND

UE represented science-worker and social-services-worker bargaining units employed by the State. During negotiations for 2017-2019 agreements, the State offered to retain the relevant dues-checkoff language from the 2015-2017 agreements, and UE accepted and ratified that offer before Iowa House File 291 took effect. The State nevertheless stopped collecting dues and later conditioned resumption and retroactive collection on new authorizations, indemnification, and a release. UE collected more than \$350,000 directly from members, while

the district court awarded damages representing the remaining dues it determined UE lost because of the State's breach.

PROCEDURAL HISTORY

UE sued the State seeking a declaration that 2017-2019 collective bargaining agreements had been formed and were enforceable. The district court granted UE summary judgment on contract formation and later granted summary judgment establishing that the State breached the agreements by refusing to collect dues. After a bench trial on damages, the court awarded UE \$1,046,835.05, found that UE adequately mitigated its damages, and denied attorney fees. The Supreme Court of Iowa affirmed on both the appeal and cross-appeal.

DISPOSITION

affirmed

CASES CITED

- UE Loc. 893/IUP v. State, 928 N.W.2d 51 (Iowa 2019)
- Livingood v. City of Des Moines, 991 N.W.2d 733, 740 (Iowa 2023)
- Alta Vista Props., L.L.C. v. Mauer Vision Ctr., P.C., 855 N.W.2d 722, 727 (Iowa 2014)
- U.S. Bank, Nat'l Ass'n v. Bittner, 986 N.W.2d 840, 848 (Iowa 2023)
- BLET GCA UP v. Union Pac. R.R., 988 F.3d 409, 413-14 (7th Cir. 2021)
- Ry. Lab. Execs. v. Norfolk & W. Ry., 833 F.2d 700, 705 (7th Cir. 1987)
- Univ. of Haw. Prof'l Assembly v. Cayetano, 183 F.3d 1096, 1102 (9th Cir. 1999)
- Teamsters Indus. Emps. Welfare Fund v. Rolls-Royce Motor Cars, Inc., 989 F.2d 132, 137 (3d Cir. 1993)
- Westco Agronomy Co. v. Wollesen, 909 N.W.2d 212, 219 (Iowa 2017)
- Midland Mut. Life Ins. v. Mercy Clinics, Inc., 579 N.W.2d 823, 831 (Iowa 1998)
- Homeland Energy Sols., L.L.C. v. Retterath, 938 N.W.2d 664, 694, 708 (Iowa 2020)
- Breitbach v. Christenson, 541 N.W.2d 840, 843 (Iowa 1995) (en banc)
- Royal Indem. Co. v. Factory Mut. Ins., 786 N.W.2d 839, 847 (Iowa 2010)
- Kuehl v. Freeman Bros. Agency, 521 N.W.2d 714, 718-19 (Iowa 1994)
- Est. of Pearson v. Interstate Power & Light Co., 700 N.W.2d 333, 344-45 (Iowa 2005)
- Cedar Rapids Ass'n of Firefighters, Loc. 11 v. City of Cedar Rapids, 574 N.W.2d 313, 316-17 (Iowa 1998)
- Sergeant Bluff–Luton Cmty. Ed. Ass'n v. Sergeant Bluff–Luton Cmty. Sch. Dist., 282 N.W.2d 144, 150 (Iowa 1979)
- United Steelworkers of Am. v. Warrior & Gulf Navigation Co., 363 U.S. 574, 584-85 (1960)
- Story Cnty. Wind, L.L.C. v. Story Cnty. Bd. of Rev., 990 N.W.2d 282, 285-86 (Iowa 2023)
- Vroegh v. Iowa Dep't of Corr., 972 N.W.2d 686, 702 (Iowa 2022)
- Com. Bank v. McGowen, 956 N.W.2d 128, 133 (Iowa 2021)
- R.E.T. Corp. v. Frank Paxton Co., 329 N.W.2d 416, 419, 422 (Iowa 1983)

- Hockenberg Equip. Co. v. Hockenberg's Equip. & Supply Co. of Des Moines, 510 N.W.2d 153, 158-60 (Iowa 1993)
- Goche v. WMG, L.C., 970 N.W.2d 860, 863-65 (Iowa 2022)
- Food Handlers Loc. 425 v. Valmac Indus., Inc., 528 F.2d 217, 219 (8th Cir. 1975) (per curiam)
- Alyeska Pipe Line Serv. Co. v. Wilderness Soc'y, 421 U.S. 240 (1975)
- Thornton v. Am. Interstate Ins., 897 N.W.2d 445, 475 (Iowa 2017)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/iowa-supreme-court-of-iowa/2023/ue-local-893-iup-v-state-of-iowa-9dqjzp20>