



Capitol Comments

Newsletter from your
Iowa State Representative
Richard Anderson

State Capitol
February 12, 2009

The state budget process seems to be on hold while the Governor patiently waits for more word on the federal stimulus package coming out of Washington. While we wait, policy issues are starting to warm up. They seem to be coming out of the Labor committee.

Helloo Baby. This is the Big Bopper - More Information on Fair Share

In 1959, singers Buddy Holly, the “Big Bopper”, and Richie Valens died in a plane crash after taking off from the Mason City/Clear Lake airport. When the local newspaper reported on the tragic accident, the other front page article was on an attempt to undermine Iowa’s “right to work” law by a proposal called “fair share.” As you may know, Iowa is currently a “Right to Work” state. Iowa’s “Right to Work” law prevents workers from being forced to pay union dues or join a union to get or keep their job. The proposal called “Fair Share” would require non-union employees to pay union dues or fees to the union. This bill would force non-union employees to pay dues or fees to an organization to which they do not belong but also one that they may disagree with substantially on political and social issues.

So why has this bill been coming up since 1959? One answer lies in the U.S. Department of Labor’s statistics which report that over the last 25 years union membership has declined from 20 percent in 1983 to 12 percent in 2008.

Last week, a representative from SEIU (a public employee union) told the Des Moines Register that additional dues or fees won't go to cover union costs associated with representing non-union members, but will go to increased union organizing and recruiting. Unions are apparently failing to retain and grow membership on their own so they are turning to government to help them. There are about 28,000 non-union public employees in Iowa. If forced union dues are conservatively estimated to be about \$500 per year, then the unions stand to collect about \$14 million if "Fair Share" is enacted. That would be a Big Bop for some.

"That'll be the wage when you say good bye..."

Small contractors may be singing along with Buddy Holly, "that'll be the day when you make me cry..." if a bill called "prevailing wage" continues to move forward. Some building contractors are from rural Iowa where wages may be lower than in urban Iowa. The "prevailing wage" idea would require that construction workers be paid the "prevailing wage" in the area when working on publicly funded construction projects. So a rural contractor with lower revenue and lower wages would have to pay employees higher wages when working on publicly funded projects in the city. This could increase the cost of public construction projects and may put small contractors out of the bidding process on public projects.

The non-partisan state fiscal bureau estimates "prevailing wage" legislation will increase public project costs 10 to 12 percent. The last state to pass prevailing wage legislation was Minnesota, in 1973. Nine states have since repealed their laws, including Ohio. When Ohio repealed the prevailing wage for school construction, the projects saw a 10 percent reduction in project costs, confirming the fiscal bureau numbers.

For anyone who is interested, there will be a public hearing on Prevailing Wage here at the capitol in Des Moines this next Monday evening:

SPONSOR: House Labor Committee, Rick Olson, Chair

SUBJECT: HSB 149 -- Prevailing Wage

DATE: Monday, February 16, 2009

TIME: 7:30 pm to 9:30 pm

LOCATION: Iowa House Chamber

TO TESTIFY: Persons wishing to testify should contact the Legislative Information Office to sign up to speak. Persons testifying are encouraged to provide a hard copy of the testimony.

TIME LIMIT FOR TESTIMONY: Individual testimony will be limited to three minutes.

As always I like to hear from you about these and other issues.

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