



Capitol Comments

Newsletter from your
Iowa State Representative
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Rich is Bacon – Out of the Frying Pan and Into the Fire.

Jobs, wages and the budget have been the center of much discussion up here as of late.

We had an interesting vote on the bill we have been calling “Prevailing Wage.” The vote last Friday found only 50 House members voting for it - one vote short of passage. The Speaker of the House left the voting machine open all weekend hoping to do some political arm twisting. Apparently it didn’t work. The vote was finally recorded Monday afternoon. Due to a procedural move, this bill is likely to resurface.

In the Frying Pan

The purpose of the “Prevailing Wage” bill was to increase private contractor employee wages during the construction of public projects through government imposed wage scales. The federal prevailing wage law is known as “Davis-Bacon.” I mused to myself the state “prevailing wage” bill should be called “Rich is bacon,” as I found myself bubbling in the frying pan, like a piece of bacon. Here’s why...

My nephew is a union electrician who lives and works in the Des Moines metro area. He received an excellent union apprenticeship education and is a high quality electrician. He would benefit from the Iowa prevailing wage bill. He would want me to vote for the bill.

My neighbor is a non-union electrician who lives and works in rural Iowa. He likewise is a high quality electrician. The Iowa prevailing wage bill would not help him and could hurt him and other rural contractors. Those in his shoes would want me to vote against the bill.

One of these two highly qualified electricians was going to be unhappy. This was not a politically difficult issue for me as the prevailing wage bill imposed disadvantages on rural Iowa contractors and Iowa tax payers, however, some issues can be relationally difficult, as we consider those impacted by legislation.

I was quietly sitting in committee when it happened...

David Boyd, the Iowa State Court Administrator, was sharing information about impact of the budget deficits on the Judicial Branch. Ninety-five percent of their expenses are salaries. The Judicial Branch has been taking the budget deficits very seriously. They have ordered employees to take furloughs – days off without pay – as a means of reducing expenses. They have also scheduled court office closure days. This step has saved the Judicial Branch \$335,000 per day of closure. The down side to these closure days is the burden to citizens who have no access to the courts.

David said they were leaving no stone unturned in responding to the deficit and he asked for ideas. So I sat there thinking...

High Salaries and Good Benefits

I was thinking about some of the high salaries of those who had appeared before our committee. David's annual salary is \$154,000, an attorney general staffer makes \$121,000 and the appellate defender's salary is \$113,296. Similar salaries are found across state departments for those in leadership positions. These able leaders are admittedly well paid.

I also recalled the 2002 Southwest Iowa Workforce labor shed study, sponsored in part by the local Chambers of Commerce. It showed that in rural Iowa public employees make 25% more than private sector employees. Plus those public employees have IPERS, that great defined benefit retirement plan, and a great benefit package.

Recent Lay Offs and Salary Cuts

Then I thought of those I know in the private sector who have been adversely impacted by the down turn in the economy. One relative was permanently laid off and another one had his salary substantially cut.

Then I leapt into the fire...

So I asked David Boyd if the Judicial Branch decision makers had thought of reducing everyone's salary, keeping the offices open and eliminating the furloughs? I also asked the committee in general terms, "Why not reduce state employee salaries?"

Suddenly, the legislator sitting next to me escalated (that is a kind description of how he really reacted). He started yelling at me, "Don't you read the newspaper? The state employees are negotiating a 0% cost of living raise this year?" It was a little hot. I quietly responded, "I wasn't thinking about the employees covered by collective bargaining. And by the way, those employees who have not reached the top wage scale step will still get a 4 ½% step increase." This really got him aggravated. Due to the heat from the fire I had unintentionally sparked, I decided to cease this line of questions...until later.

What Do We Expect of Leadership?

After the meeting, I ran into two members of the non-partisan Fiscal Bureau staff who were in the committee room at the time. I said to them, "Let's look only at Iowa's highest paid employees – our leaders in state government." Then I asked for the total salaries of all employees who are not covered by collective bargaining. These are typically department heads and managers...our leaders. I would like to know how much money we could save if we reduced our public salaries during these economic hard times, just as those in the private sector are being forced to do. Why should leadership not share in the budget reductions, rather than forcing those who can least afford it to carry the entire burden. I await the answer to my question.

Reducing salaries seems better than laying people off or closing court room doors. It just might help balance the budget without all the shell games we play up here through shifting money around between funds and fiscal years, inequitable salary cuts and borrowing money to fill deficit holes. I know the "Bush Economy" gets blamed for Iowa's economic woes, but the fact remains that if Iowa spending had not so grossly exceeded revenue over the past two years, we would not be having this problem. Let's face this challenge as a team.