

Iowa House of Representatives

State Representative Cecil Dolecheck

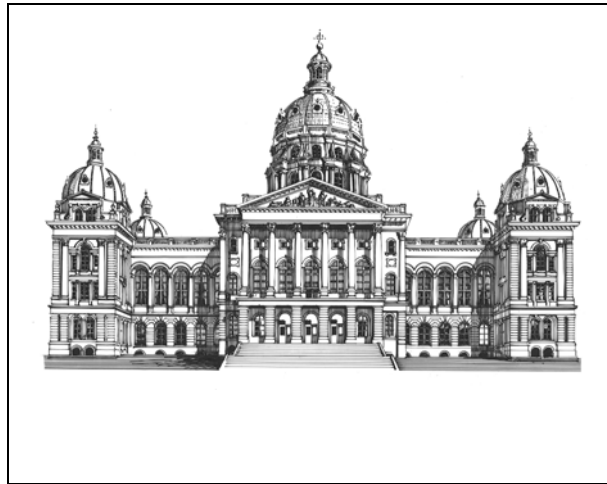
Dolecheck's Details

Address: State Capitol, Des Moines, IA 50319

Phone: 515-281-3221 Seat 65

E-Mail: cecil.dolecheck@legis.state.ia.us

**For the week of February 8th-February
12th, 2010**



Status of the \$1.1 Billion Spending Gap for FY 2011

The Fiscal Services Division of LSA has estimated the spending gap for FY 2011 to be \$1.1 billion. The Governor used several tactics to close the gap in his budget recommendations. Now the majority leadership is beginning to look at each of those items and approve legislation necessary to set budget targets.

The Governor assumed \$341 million in general fund savings from state government reorganization and efficiencies. This included three parts: Executive Order 20, the early retirement package for Executive branch employees and a package of savings that requires legislative approval.

Senate File 2088 (state government reorganization) reduces general fund spending and raising general fund revenue by \$61 million, Senate File 2062 (the early retirement bill) reduces general fund spending by \$26 million and Executive Order 20 by the Governor combines general reductions and general fund revenue increases to achieve \$88 million in savings. The total savings is \$175 million.

That means the majority party is currently \$166 million short of the Governor's goal for general fund savings on those three items. That has to be made up with additional spending cuts or revenue increases.

The Governor used five other tactics to close the spending gap:

- Appropriating \$207.5 million from the Cash Reserve Fund.
- Making revenue adjustments, including reducing tax credit redemptions by \$52.5 million.
- Not fully funding the built-in and anticipated expenditures and shifting programs typically funded from the General Fund to other funding sources. (\$214 million)
- Reducing the General Fund School Aid appropriation by \$170.2 million.
- Not funding the increase for the collective bargaining costs. (\$86 million)

There has not been any public comment by the majority party on whether they will take funds from the Cash Reserve Fund or only underfund K-12 education by \$170.2 million. One way to close the \$166 million gap would be to underfund K-12 spending by \$336 million. Of course, since the spending authority remains, which would mean many schools, would have no choice but to raise property taxes.

House Republicans will be reviewing the budget plan to determine if it does the following:

- The budget does not spend more than the state takes in
- Does not raise taxes, including property taxes
- Proposes real government efficiency and reorganization

In addition, House Republicans will continue to offer budget savings ideas, including the \$290 million in reductions we are offering on Senate File 2088, the State Government Reorganization bill.

Dismantling of the Right to Work Law Begins

This week the House Labor Committee began debate on HSB 702, which allows the unions to charge a “bargaining and grievance reimbursement fee” to non-union Executive branch employees.

The bill is referred to as “fair share” and it flies in the face of Iowa’s status as a Right to Work state.

Iowa Code Section 731.4 specifically states “It shall be unlawful for any person, firm, association, labor organization or corporation, or political subdivision, either directly or indirectly, or in any manner or by any means as a prerequisite to or a condition of employment to require any person to pay dues, charges, fees, contributions, fines or assessments to any labor union, labor association or labor organization.”

HSB 702 allows unions circumvent Iowa’s Right to Work law. Unions who cover employees of the state’s Executive branch (including Regents) are able to bargain for “reimbursement for employee bargaining and grievance services”. According to the bill, the union can charge 65 percent of union dues for bargaining services and another 10 percent of union dues for grievance services for a total of 75 percent of union dues.

According to Fiscal Services, the bill would double money going to the unions that represent state employees. Currently those unions (six in all) collect \$5.7 million a year in union dues. Under HSB 702 they would be able to collect an additional \$5.3 million from non-union employees. Additionally, there is nothing in the bill that prevents the unions from using the \$5.3 collected from non-union employees to fund all their operations and use the \$5.6 million collected from union members to bankroll their political operations. Which means non-union employees could be subsidizing the union.

The average annual union dues are \$472 per employee. The average annual fair share fee for non-union member would be \$306 per employee.

The Democrats and the unions will say that this isn’t doing anything to Right to Work because they aren’t requiring the employee to join a union or pay union dues. This is simply not true. Just because they are calling it a “fee” and not “dues” does not change the fact that it will be mandatory and the employee will have no choice but to pay the fee.

In addition, Unions say because the employee can contest the fee, it is not mandatory. But if this bill becomes law, no Court will ever side with the employee because the law says it is mandatory.

Finally, the unions admit that it will be the unions representing non-union employees at the negotiating table. The Governor will be representing the state and by law, cannot represent the non-union employees. Non-union employees are not allowed to be at the table to represent themselves. Therefore, there is no way that the unions won’t bargain for and get the maximum allowed under the bill. It is expected that the bill would be debated by the full Labor Committee this afternoon.

What do you think? Email me your thoughts. My e-mail address is : cecil.dolecheck@legis.state.ia.us

Information about my legislative forum schedule, past newsletters and biography can be found at www.iowahouserepublicans.com/members/cecil-dolecheck

The number for the House switchboard is (515) 281-3221, Seat 65