

Sweeney from the Statehouse 2-18-2010

On Monday, the Iowa House passed a major piece of legislation with overwhelming bipartisan support. [SF 2088](#), the State Reorganization bill, passed unanimously. Because of the different philosophies and approach to government, it is rare to see the entire legislature working in harmony. There were over one hundred amendments offered in the House, there was give and take within both parties. I am happy to say one of the amendments that I have been involved with passed the House and keeps the Empowerment Program intact. The Legislative Service Agency said that the reorganization would save \$68.2 million for the general fund and an additional \$56.1 million to other state accounts. Since the House amended the Senate version, the bill must now be reconsidered by the Senate.

On February 11, the House Labor Committee approved House Study Bill 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 renders Iowa’s Right to Work law nearly powerless.

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 the unions who cover employees of the state’s executive branch (including Regents) to bargain for a “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 the nonpartisan 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.

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

Unfortunately, this year we have been slow on passing legislation to help Iowans battle the poor economy. One piece of legislation that is available to us, yet we have not taken action on, is coupling tax laws. Coupling is updating our tax code so it incorporates changes made on the Federal level. Leadership did not introduce legislation last year to update and are slow to act this year. The main reason for lack of action is because it reduces state income tax revenue. If we would pass legislation to couple, Iowa taxpayers could save \$34.53 million in taxes for FY 2010. I have constituents tell me that because

of the lack of coupling our tax code, their student loan application process has become more complex. Some of the ways Iowans will be affected if we do not couple are:

- No deduction for educator expenses (\$250 out of pocket),
- No deduction for tuition and fees for higher education,
- No deduction for tax free treatment of IRA distributions for charitable donations,
- Iowans who claim the earned income tax credit will have to revise their calculation, and
- All unemployment compensation will be taxable for Iowans, even though the first \$2,400 is exempt on the federal level

With the session officially half over we are working hard to finish the bills that made it through the “funnel” week and now we start on the Appropriations. By the end of next week our chair wants the Appropriations finished for the Ag and Natural Resource Committee of which I’m on. I am continuing to learn, ask lots of questions on how we can work together to develop legislation to encourage our great state.