

Dear Senator Lofgren and Representative Carlson --

My district co-Leader, Lisa Bunn, members of our group Indivisible HD91/SD46, and I have contacted you several times this past week via telephone and email with comments, questions, and concerns about SF 213 and HSB 84. The only "reply" we received was a general note about these bills in Senator Lofgren's week 5 newsletter. Senator Lofgren, you stated in your newsletter that, "If anyone has any specific opinion on elements of Chapter 20, I would love to hear from you. Rather than expressing approval or disapproval, I would enjoy hearing more about the bill itself. "

Please consider the following our specific opinion on elements of Chapter 20.

(1.)

This bill will not empower local school boards and elected officials to pay exceptional teachers and employees more. From where are local school boards and elected officials currently getting their funding? Are they not sharing county property tax revenues with other public sector employers? Are they not receiving funds from the state for education? Recently, the state education budget increased only 1.1% for the next fiscal year, which is well below Governor Branstad's recommended increase of 2%. This increase is also well below the increase in annual cost of living. In the face of budget shortfalls in many localities, where is this extra money coming from to retain exceptional education faculty and staff, particularly within the public school system? This bill will not act as an incentive for qualified educators.

From the Iowa Policy Project:

"Five years after the implementation of Act 10 in Wisconsin, surveys and interviews with school district administrators and employees alike document harmful effects on public education. Having lost the ability to negotiate over health insurance and other working conditions, 75 percent of Wisconsin school districts report losing teachers more often because they cannot offer competitive salary or benefits, with some districts experiencing 25 percent annual staff turnover rates. The elimination of stable bargaining relationships, combined with steep declines in school funding, have resulted in acute teacher shortages, especially in STEM areas and especially in rural districts. For example, 54 percent of Wisconsin districts reported an extreme shortage of math teachers in the 2015-16 school year. ***Related directly to collective bargaining changes enacted through Act 10, Wisconsin has seen the steepest declines in school employee benefits in the nation, contributing to teacher shortages that have in turn led districts to report unavoidable lowering of educational standards***" (<http://www.iowapolicyproject.org/2017Research/170203-collbarg.html>).

Further, what about public sector employees that are not educators? Nurses. Social workers. Child care providers. Department of Motor Vehicles. Secretary of State employees that file new LLC paperwork and the like (necessary for starting a NEW business in Iowa). University faculty, adjuncts, and staff. ***Why are local school boards the only example of beneficiaries of weaker collective bargaining rights when educators are not the main target of this bill?*** What "local entity" will have the "flexibility" to hire (and fire) qualified workers at competitive wages? Weakening the collective bargaining system restricts the ability of employees to advocate for job quality or improved public service.

(2.)

Senator Lofgren quotes data "compiled from the Bureau of Labor Statistics show public sector employees earn 1.4 times more than employees in the private sector." ***First, Iowa public sector salaries rank in the center nationally. Iowa teacher pay is 25th in the nation. Iowa is dead last — 50th among all states — in average annual pay for registered nurses. The richest 1% of Iowans have an average income of \$725,000, 14 times the average income of the remaining 99 percent — \$51,250*** (Iowa Policy Project, <http://www.iowapolicyproject.org/2017Research/170203-collbarg.html>). Explain how public sector employees are an example of "out of control" benefits and wages such that their bargaining rights must be restricted? The Iowa Policy Project further states that, "Nationally, the erosion of collective bargaining is arguably the "single largest factor suppressing wage growth for middle wage workers" whose wages have now stagnated for over a generation. For both union and nonunion workers, the decline of collective bargaining can explain one-third of the increase in wage inequality among men since 1979, and one-fifth of the increase among women.[9] Implementing state policies that erode public sector bargaining will only serve to widen the already stark gap between haves and have-nots in Iowa's economy. Any decline in the number or quality of public sector jobs will have a disproportionate effect on Iowa's rural communities because, as the USDA notes, the public sector is a "major source of earned income in rural areas" that tend to attract far fewer of the financial, professional, or information service activities concentrated in urban areas." (<http://www.iowapolicyproject.org/2017Research/170203-collbarg.html>). ***The false equivalency used to suggest that public sector employees have an unfair advantage over those in the private sector is unfounded, misinformed, and illogical.***

(3.)

Because the government is an employer, the government incurs employer costs, such as paying wages to its employees. Employees in the private sector are allowed to have all manner of pre-tax wage deductions including gym membership fees, charitable donations, insurance payments, and health savings account contributions. Why is one type of payment to a non-profit organization acceptable (e.g., United Way), but not another (e.g., labor unions)? ***Singling out labor union dues as an unacceptable pre-tax wage deduction is discriminatory and leaves the door open for additional discriminatory restrictions on what qualifies as an "acceptable" pre-tax donation or deduction.***

(4.)

Senator Lofgren's newsletter states that "[i]n the years since [Chapter 20] was enacted, taxpayers have been increasingly shut out of the negotiating process, while public sector labor unions gather contributions to curry favor with elected officials in order to extract unsustainable pay and benefits at the cost of the taxpayer."

Again, leaning heavily on the well-sourced and attributed Iowa Policy Project, "Under the current law:

- 98% of public-sector contracts negotiated in Iowa each year are settled voluntarily. [22] This is what the law is designed to encourage.
- The remaining 2% are resolved by a neutral arbitrator, who is jointly selected by the employer and employees. [23] Under Iowa's law, arbitrators listen to presentations by the two parties and are then required to choose the proposal that is most "reasonable" after considering four factors spelled out in the law: (1) comparability — how do employees' wages, benefits and working conditions compare to other similar employees? (2) bargaining history — what has

happened in prior negotiations? (3) the ability of the public employer to pay — can the public employer afford the cost of proposals? and (4) the public interest — what impact would the proposed change have on citizens in the community? As the law's preamble states, these constraints are designed to protect and equally balance interests of Iowa employers, employees, and taxpayers.

- Not only do very few contracts require arbitration under this system, but even mediation is used less now than when Chapter 20 was passed. In 1975-76, 13.4% of contracts were resolved without a mediator and mediation helped to resolve another 63.9%. In 2015-16, by contrast — with 40 years of Chapter 20 experience behind all parties — mediators assisted in 32.2% of open contracts and 65.7% were resolved on their own. [24]
- No public sector strikes have occurred in Iowa since passage of the law. [25]" (<http://www.iowapolicyproject.org/2017Research/170203-collbarg.html>)

CONCLUDING THOUGHTS:

While these bills were touted as a "thoughtful review" of Chapter 20, they were not crafted with input from anyone other than the sponsors. We believe a thoughtful review would represent a joint, bipartisan effort between lawmakers, union representatives, and public sector employees, if not an independent commission to determine where inequities and cost inefficiencies exist in the current system. ***As it stands, this reform bill seems to be yet another solution in search of a problem that lacks supporting data and clear answers to the questions posed by the constituents present in Des Moines this week.*** The potential for negative impacts from this bill becoming law is enormous. Wisconsin, Kansas, and Arizona already serve as examples of how weakening collective bargaining rights for public sector employees has serious impacts on quality of education and quality of life in those states. ***It is our unequivocal opinion that SF 213 and HSB 84 deserve a NO vote.***

Sincerely,

Indivisible HD91/SD46

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