



The Watchdog

A Legislative Update from Iowans for Tax Relief



Friday, March 2, 2007

8th Week of Session

Slow Week for Tax Issues as Legislative Funnel Nears: State Fact Book Sheds Light on Iowa's Fiscal Picture

MOST BILLS MUST CLEAR MARCH 9 HURDLE TO REMAIN ALIVE FOR THE YEAR:

The Iowa General Assembly uses a sifting technique commonly referred to as the "funnel" to aid in the management of the hundreds of bills that are annually introduced for legislative consideration.

The first official funnel date for 2007 is Friday, March 9. In order for bills to remain eligible for additional consideration they must be approved by the committee to which they were first referred.

This means House bills must be reported out of House committees and Senate bills must be reported out of Senate committees or they are officially dead for the year.

The first funnel is the most important in that it will dramatically reduce the number of eligible bills and allow the Legislature to focus on its highest priorities for the remainder of the regular session.

A key exception to this rule, however, applies to tax and expenditure legislation in the Ways and Means Committee and the Appropriations Committee. **These bills are exempt from the funnel and are ALWAYS eligible for further action.**

Thus, it is customary as a funnel date nears for tax and spending legislation to take a back seat while other committees rush to finish work on other priorities that must survive the funnel deadlines in order to remain eligible.

The second and final funnel for bill eligibility is Friday, April 6.

A Senate bill must be passed by the Senate, transmitted to the House, referred to a House committee, and approved by that committee by April 6 or it is dead for the year.

A House bill follows the same path, needing to be passed by the House, transmitted to the Senate, referred to a Senate committee, and then approved by that committee by April 6 or it is dead for the year.

STATE FACT BOOK PROVIDES PICTURE OF IOWA'S FISCAL AND ECONOMIC STATUS:

The Fiscal Division of the Legislative Services Agency annually produces an Iowa Fact Book with nearly 300 pages of interesting facts and figures concerning Iowa government, finance, and important economic measures.

You can link to a copy of the 2006 version at:
www.legis.state.ia.us/Fiscal/factbook/

Here are a few of the more interesting facts from this report:

1. Government workers are the third largest employee category with 15.2% of total non-farm Iowa employment.

The largest employment category is Trade, Transportation, and Warehousing with 20.7% of the total, while Manufacturing employment comes in second place with 15.8% of total non-farm Iowa employment.



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FACTBOOK, continued...

Trade, Transportation, and Warehousing	311,000 (20.7%)
Manufacturing	236,500 (15.8%)
Government	227,400 (15.2%)
Education and Health	191,200 (12.8%)
Leisure and Hospitality	138,700 (09.2%)
Professional and Business Services	118,000 (07.9%)
Financial Activities	101,400 (06.8%)
All other categories	174,700 (11.6%)

Source: Iowa Workforce Development, Employment Statistics Division, 2006.

2. Average annual salary of Iowa state government workers exceeds all but one category of private sector Iowans.

Average Annual Pay: Iowa

Finance and Insurance	\$45,647
State Government	\$44,755
Manufacturing	\$39,864
Construction	\$35,521
Trans. and Warehousing	\$32,517

Not only are state government workers in Iowa among the highest paid classes of Iowa employees, but they rank the 9th highest of the 50 states when compared to state government workers across the country.

The average salary of an Iowa state government worker is more than 10% higher

than the national average for similar workers in other states (\$40,057).

Source: United States Bureau of Labor Statistics, 2003 (most recent data available).

3. Iowa Legislators are among the lowest paid in the Midwest.

If you think Iowa Legislators get rich serving you in Des Moines, think again. The 2006 salary of Iowa Legislators ranks 5th among seven states (Iowa and our six bordering states).

Illinois	\$57,619
Wisconsin	\$45,569
Missouri	\$31,351
Minnesota	\$31,141
Iowa	\$21,381
Nebraska	\$12,000
South Dakota	\$ 6,000

Source: The Council of State Governments, Book of States, 2006.

Iowa Legislators received a raise for 2007 and their annual salary increased to \$25,000 a year. However, this does not change our rank amongst our neighbors.

Legislative leaders receive additional compensation in recognition of the additional responsibilities those jobs require. The Speaker of the House, President of the Senate, and Majority and Minority leaders of the House and Senate all receive an annual salary of \$37,500.

Watch for next week's *The Watchdog* for breaking news on the proposed statewide sales tax for schools.

The Watchdog is a weekly update of issues which are being considered by the Iowa Legislature.

It is a service to members of Iowans for Tax Relief. Permission is granted to forward this to any interested individuals.

Comments or questions concerning **The Watchdog** should be directed to:

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