

POLK DES MOINES
TAXPAYERS
ASSOCIATION

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GOVERNMENT PAY & BENEFITS

Everybody knows that government workers receive benefits that are increasingly rare in the private sector: generous defined-benefit pensions and health coverage after retirement. And then there's job security, which also is all but gone in corporate America. But this is part of the bargain, municipal unions say. After all, government workers are paid a lot less than employees in business, right? A new study says perhaps not. The study compared government paychecks in New Jersey with those in private industry and found the public sector workers are now paid more than those in business. Add in benefits, and the value of a government pay packet would be much greater. Thirty years ago, government workers were paid less in New Jersey than private workers and may still be in other parts of the country. In 1970, men working for New Jersey state and local governments made about 13% less than those working for companies. Rutgers University Professor William M Rogers III found in his study. By 2000, men in government had passed their private-sector counterparts. (Interestingly, women in government have long made more than women in business.) Rogers thinks two things caused wages to catch up. First, business pay stagnated. Second, unions remained strong among public-sector employees, and their bargaining has boosted government paychecks.

URBAN NOTEBOOK *GOVERNING* JANUARY 2007

BENCHMARKING IN EDUCATION

This Association and others across the country have helped to infuse accountability measures into the budget process of many local governments.

However, most public schools have resisted any change to the age-old incremental process (last year's appropriation multiplied by some politically agreed upon growth factor). The terms "performance measures" and "benchmarking" rarely have anything to do with the public education budget process. Outcome and zero-based budgeting have proven extremely valuable. It is time public education institute these same concepts.

Educators and the advocacy groups that represent them have effectively emotionalized the debate. "How can you put a price on a child's future?" seems a common refrain. I doubt any of us are willing to place a price on a child's future (definitely not one of our own). Our collective willingness to invest in education is not in question, but how we should go about making the investment is. If a city manager can prove certain objectives have been met while, at the same time, making the city's streets safer, should not a superintendent be required to find ways to meet budget objectives that promote success in the classroom?

The Association should require superintendents, principals, and school boards to make a visible and vocal commitment to improving the budget process through benchmarking and clear action plans. The Association expects this from cities and it is time school districts be held to the same standard. All areas of a school district budget – food service, transportation, purchasing of supplies, and educational success – should be evaluated to see if money could be spent more wisely. The final solution likely will have less to do with increasing funding and more with developing and adhering to strategic budgeting principles.

Most teachers and educators accomplish remarkable things in classrooms and schools every day. Few of them do so because of a pending performance evaluation or because a large bonus is promised to those who meet certain goals. In fact, many will argue that the majority of teachers succeed despite some of the restrictions placed on them. Many recent attempts at educational reform focus too much on punitive actions based on test scores that may or may not indicate educational success. The performance measures we seek in public education reform should have more to do with how we administer our schools than how we restrict the creativity and professionalism of teachers.

The responsibility and hope for success in reforming school budgeting lies with school boards and superintendents. They need to simplify the budgeting process and link each area to clear and easy to evaluate performance standards. Administrators and policy makers should develop plans that articulate what is expected and work with teachers and employees to ensure the resources are available to meet the challenge.

In the end, the public deserves to know our tax dollars are being spent as efficiently and effectively as possible and only educational budget reform can do this.

2007 POSITION STATEMENTS (Adopted at the February 2nd Annual Meeting)

Budget Process –

Governments should conduct a comprehensive review of revenues, programs and expenses each year. Operational budgets should be developed using a zero-based budget process as opposed to an incremental process. It is not acceptable for governments to establish budgets with an assumption of growth without a clear analysis of need.

The budget process should be conducted in public with citizen involvement.

Property Tax Reform –

Iowa is in need of comprehensive tax reform. The best and most logical place to start is with a reform of Iowa's property tax structure. The first step is to freeze the growing disparity of property taxes among property classes. Next, develop a plan to reduce the reliance on property taxes and create a fair and balanced structure between residential, commercial, agricultural and not-for-profit entities.

Regional Coordination –

The citizens are better served when governments work together. Local government and schools should collaborate to improve service and create efficiencies. Regional entities should be supported by an equitable regional funding structure.

Economic Development –

Economic development is vital to Polk County. Local government should promote sustainable growth. Governments within Polk County should work together to stimulate economic growth and not compete with one another for individual projects. Government economic development initiatives should only be approved after a thorough cost/benefit analysis.

Education Funding Formula –

Iowa's education funding formula is outdated. The General Assembly should construct an education formula that promotes student achievement by accounting for the needs of students and is not based solely on a district's student census. School districts should be given additional time to manage the budget process by lengthening the time between legislative actions, state mandated contract settlement dates and the budget certification deadline. Districts should be given incentives to collaborate, achieve cost efficiencies and eliminate duplicative services.

Local Option Sales Tax (Project Destiny)

The potential 2007 ballot measure to pass a one-cent local option sales tax in Polk, Warren and Dallas counties deserves careful consideration. The Project Destiny plan promises the proposed tax will diversify tax streams, lower property taxes and provide new revenue sources for public projects. Additionally, supporters claim increased governmental and regional cooperation may be a positive result of this measure.

Polk County passed a ten-year, one-cent local option sales tax to build and renovate school buildings in 1999. This experience clearly demonstrates the need for comprehensive planning regarding how tax revenue is spent and, as important, how adjustments will be made during the life of the tax.

Good government requires community oversight and government accountability. The current Project Destiny plan greatly relies on cooperation and agreement among governments, and segments anticipated revenues from the tax three ways. The Association maintains this multi-purpose and broad tax initiative be presented to the voters in a clear and unambiguous plan. The plan should define how the tax would be expended, and stipulate a public decision-making and review process for the life of the tax.

Open Government –

Governmental decision-making should be conducted in full public view. Public officials should approve and participate in closed sessions and restrict public access to records on only rare occasion as permitted by law. The Association maintains that Iowa's open meeting and records laws set a minimum – not a maximum – standard of responsibility for those involved in government.

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*I'm tired of hearing it said
that democracy doesn't
work. Of course it doesn't
work. We are supposed to
work it.*

Alexander Woolcott