



INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

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2019 IFPTE Issue Brief

116th Congress

Boost State and Local governments while rebuilding our nation's Transportation infrastructure

Overview - Public servants in states, counties & cities all across America not only provide us with quality public services every day, they do so at the most efficient cost to the taxpayer. Unfortunately, some lawmakers have decided to ignore the services provided by these public servants and instead focus on damaging policies such as costly privatization, cutting or eliminating public pensions, and reducing pay and workforce size. However, the newly minted 116th Congress can inject a much-needed shot in the arm for our nation's public employees, and the economies they support by passing a robust transportation infrastructure bill that could maintain and create tens of thousands of public sector jobs.

Robust Transportation infrastructure funding = more jobs and healthy state and local economies - Regardless of where one falls on the political spectrum, we all agree that our nation's commitment to rebuilding our many infrastructure needs has fallen well short. For example, when it comes to our highways and bridges, most reasonable minds also agree that the traditional method of funding these projects – through the gas tax – has proven to be insufficient in providing enough resources to meet our infrastructure needs. Furthermore, President Trump's meager \$1.5 billion infrastructure proposal last year, along with the expectation for the States and Localities to pay the rest, was not a serious funding proposal. IFPTE believes that a comprehensive infrastructure package in the neighborhood of \$1 trillion is necessary.

Surface transportation project monies should be spent efficiently - With federal infrastructure dollars also come decisions on how the money is spent between the private sector and public sector. While IFPTE understands that there is a role for contractors to play in the rebuilding of our infrastructure, we also realize that many times the best bang for the buck comes from State and Local workers. It is unfortunate that in past bills to fund transportation projects there have been efforts made to include language to guarantee or incentivize the privatization of engineering and design work. IFPTE urges lawmakers to resist any such attempts should a transportation infrastructure bill make its way through Congress.

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It is also true that some States and Localities are electing to unilaterally allocate hundreds of millions of federal taxpayer dollars to private contracts for engineering and related transportation services without competitive bidding and without so much as a cost-comparison between the private sector and the public sector. IFPTE urges that any infrastructure spending bill include mandates for fair cost comparisons between the public and private sectors so that taxpayers are guaranteed that they will get top quality infrastructure services at the best price.

Public inspections should be done by public employees – All inspection for federally funded transportation projects should be performed by government workers. This will provide certainty to the public that these projects are being inspected and declared safe by those whose only allegiance is to the public. This will also give comfort to the public knowing that those declaring our highways, bridges, hydro and dams' projects, etc., are safe, and do not have any conflicts of interest. Any infrastructure bill should include language deeming all inspections work to be inherently governmental.

Other issues of Importance to Public Sector workers:

1. **Medicaid** - Various proposals being considered by Congress, and recommendations laid out by the Trump Administration budgets, that aim to cut Medicaid and even turn it into a block grant system. Such proposals would dramatically shift the burden of providing Medicaid services from the federal government to state governments, resulting not only in reduced health care coverage for our nation's most vulnerable, but also in the cannibalization of other critical state resources to cover some of the cuts to Medicaid resources. Federal Medicaid dollars are critical – not only for Medicaid programs, but also to help sustain other state programs. **IFPTE urges lawmakers to avoid any cuts to Medicaid, including turning it into a block grant system.**
2. **Public Sector Worker Pension Funds** – Legislation was introduced in the past Congress' that would have negatively impacted public sector worker pension funds. Specifically, the so-called Public Employee Pension Transparency Act would force state governments to change the metric used in determining their unfunded liabilities from the current return on investments rate, which is around 8%, to a Treasury rate, which is 4%-5%. This forced accounting gimmick to the lower Treasury rate will distort or artificially create an appearance of unfunded liabilities. It would also penalties on those state and local governments who fail to properly report to the Treasury Department by denying them the ability to issue federally subsidized tax-exempt, tax-credit or taxable bonds. The legislation would lead to the eventual forced transition of dependable State worker defined pension monies to risky Wall Street controlled 401(k) accounts. **IFPTE urges lawmakers to oppose the Public Employee Pension Transparency Act and similar legislation that may be introduced in the 116th Congress.**