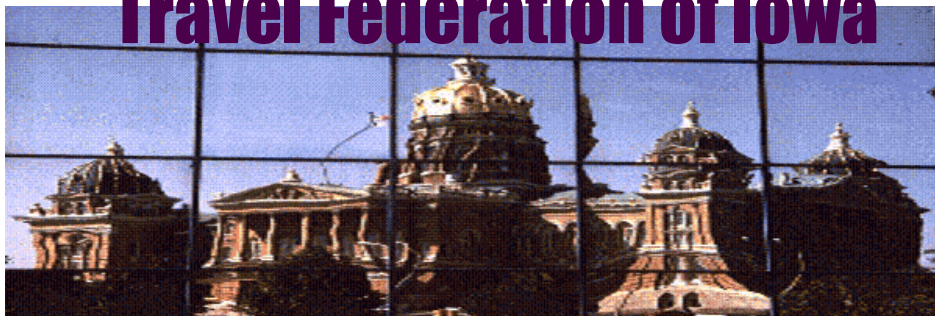


# Travel Federation of Iowa



LET'S TALK  
TOURISM

## Issue Eight – May 18, 2006

### News from the Capitol Steps

### Status of Tourism Priorities

### Bills of Interest

### News from the Capitol Steps

The legislative session was scheduled to end on April 18 - but legislators stayed around another two weeks without pay (until May 3) before reaching a compromise on the state's \$5 billion budget. Teacher pay, school reform, tax cuts for seniors, the Governor's busy travel schedule, a last minute leadership change, and the emerging workforce development (CIETC) scandal held up session this year.

In a surprise move, Senate Republicans decided to change leaders in the final weeks of session, removing Senator Stewart Iverson of Dows and naming the more moderate Senator Mary Lundby of Marion their new Co-Majority Leader. Sen. Lundby is Iowa's first woman to become a Majority Leader in the Senate. You might also remember her as the lone ranger in her caucus, supporting full mental health parity (of course that doesn't mean she can get that through her caucus yet).

The end of session also hit when the Governor was on the road - in India working on a trade deal, in Iraq visiting Iowa troops, and in California promoting the state (or as some have eluded, raising money for his national race for President).

And last but not least, the scandal involving the extremely high salaries of Central Iowa Employment Training Consortium (CIETC) executives gave legislators a credible reason to stick around. Legislators continue to hold hearings into this scandal, even though session is done, although it seems they have found out about all they can without broadening the scope of the investigation. Legislators want to make sure taxpayer dollars are not misused - and the nearly \$400,000 salaries of CIETC executives left legislators wondering who was supposed to be watching how money was being spent.

A bill was introduced in the final days of session to help address some of the issues raised by CIETC (SF 2410). It requires state agencies to look more closely at contracts, and opens up records of businesses getting more than \$500,000 from the state. It also limits the pay for top executives at organizations getting these large contracts to 110% of a comparable state worker salary. That has a lot of organizations nervous. There are many exemptions to this rule, including anyone receiving transportation funding, so the rules that implement this bill might be a bit tricky. Most people think we'll be back next session to fix whatever unintended consequences this legislation has.

Insiders predicted a "do-nothing" session, expecting legislator to put together a quick budget and do a few fixes to legislation like the sex offender residency bill. In the end, the budget was far from quick and no action (and really not much discussion) was taken on the sex offender bill. And it was far from a "do-nothing" session!

The extra fifteen days of negotiations was actually astonishingly productive. Here are just a few of the things they were able to get done this year:

- ✓ \$5.3 billion budget (that's about a 6% increase)
- ✓ Extensive education reforms that include pay for performance and removing barriers to school consolidation.
- ✓ Increased teacher pay by \$35 million each year over the next three years (moving Iowa's ranking on teacher pay from 41<sup>st</sup> up to 32<sup>nd</sup> - which means adding about \$3,000 to each teacher's salary).
- ✓ Passed a massive tax cut for seniors (age 65 & older). This agreement phases out all taxes on Social Security Income over eight years and allows all seniors to earn up to \$24,000 (single persons) or \$32,000 (married people) tax-free.
- ✓ \$15 million for preschool programs to make sure every child has access to quality preschool options.
- ✓ \$17-18 million to improve Iowa's water quality (cleaning up rivers and lakes).
- ✓ Ban TouchPlay machines - those video lottery games that look a lot like casino slot machines. The ban took effect May 1, but businesses that bought them are suing the state for the money they lost.
- ✓ Major Ethanol Bill intended to promote the use of more ethanol in the state (which of course helps Iowa's farmers).
- ✓ Putting the required 7.5% into the state's Cash Reserve Fund and repaying \$50 million to the state's Senior Living Trust Fund. This is big news to legislators - they increased the budget this year, implemented many of their priorities, AND lived up to the obligations by putting money away for a rainy day (Cash Reserve Fund is like a savings account for the state) and began repaying the Senior Living Trust Fund.

The Governor now has 30 days to sign or veto all the legislation sent to him (June 3). He is expected to sign most of it - but there is always a possibility of a veto. Typically the Governor vetoes about 6% of the bills that hit his desk, but this session may be different given the extent of negotiations that occurred prior to adjournment.

We are often asked what the end of the legislative session is like. It's kind of like being in a burning house; you know the house is coming down and you are frantically throwing important items onto the lawn as quickly as you can. At the end of it, you stand there looking at the lawn assessing what you were able to save. Session is like that; legislators are frantically passing bills trying to get as much out as they can before the final fall of the gavel. Now we are all standing back and looking at what made it out on the lawn.

[\(return to top\)](#)

## **Status of Tourism Priorities**

We had high hopes this year, after legislators made big promises to tourism industry members in their districts. In the end, our success was a mixed bag. While some progress was made, it was far from the clean sweep we had hoped for and were expecting as we entered the behind-the-scenes negotiations. We are likely to never know who sabotaged our efforts, as the decisions on all of these items occurred without votes and without public scrutiny.

While we didn't get everything we asked for – we did gain ground and come out ahead:

- ✓ **Dedicated funding for tourism marketing.** The budget earmark increasing regional tourism marketing by \$250,000 was removed during budget negotiations (we understand it came down to us or the World Food Prize).

However, regional tourism marketing will get a dedicated funding stream from gambling dollars beginning July 1, 2007. The bill (HF 2798) dedicates 1% of the gambling revenues to community foundations in the 84 counties without gambling (80%), community cultural grants (\$260,000), and Department of Cultural Affairs operational support grants (\$260,000), with the remaining funds split between regional tourism marketing (about \$900,000) and Endow Iowa tax credits (about \$900,000). Once signed by the Governor, the appropriations will be automatic each year and does not require legislative action.

- ✓ **Eliminate the School Start Date Waiver.** Attempts to put an end to this debate resulted in a surprise vote that scuttled the compromise that had been crafted, prohibiting schools from starting before August 25 (the end of the State Fair) and eliminating the waivers. The only opponents were the School Administrators of Iowa and Iowa Association of School Boards, who argued local control. Their most compelling argument is that tourism professionals in each area should negotiate with the local school boards to start later, if the impact is really that dramatic on local economies. Sen. Putney, Sen. Connolly & Rep. May fought hard to forge this compromise and were sorely disappointed when the House voted it down in a non-recorded vote (only about 30 people supported the compromise).
- ✓ **Resist efforts to designate “essential services” that counties and cities must fund with property taxes** (and thereby making all non-essential services like local tourism funding optional and likely to get cut or eliminated if funding is squeezed or limited). Legislators tried to revive these bills, but were ultimately unsuccessful in even moving them to the floor for debate.

Do thank your legislators for their support in dedicating funds to tourism marketing beginning July 1, 2007. However, if you are disappointed in what happened this session, let your legislators and the candidates running against them know. Elections are our way of holding legislators accountable for their actions – so make sure you talk to the people running for office locally and find out what they are willing to do to support tourism.

Tell them you were disappointed that in years where gas prices are at an all-time high, and people are looking to their borders for travel opportunities - and Iowa's going to miss out. The additional \$900,000 coming in 2007 doesn't move us up in national rankings on tourism spending – we'll still be trading water at 48<sup>th</sup>. So, take the time this summer to brief candidates on tourism issues, and what it means to your local economy.

[\(return to top\)](#)

## **Bills of Interest**

See attached chart.

[\(return to top\)](#)

## **2006 Top Tourism Priorities**

1. Increase the Iowa Tourism Office's budget to the Midwest regional average of \$8.3 million. Iowa's current budget of \$3,442,000 is not even half of the Midwest regional average.
2. Maintain a traditional school year calendar.
3. We encourage local interest groups to consider what will best serve the industry in their location and encourage them to advocate for those issues.

### **Important 2006 Dates to Know:**

- **June 3, 2006 – Governor’s Deadline for Action on Bills.** The Governor has 30 days from the end of the Legislative Session to sign, line-item veto (budget bills only), or veto bills.
- **June 6, 2006 – Primary Election.** Make sure you get out and vote in your local primaries if you have them – and find out more about how those running in these races intend to support tourism.
- **October 23-25, 2006 – 2006 Tourism Conference (Ames)**

### **Your Advocacy Toolkit:**

[Find Your Legislator](#)

[Contact Your Legislator](#)

[Legislative Committee Listings](#)

[Track Legislation \(instantly updated\)](#)

[House & Senate Calendars \(weekly & daily\)](#)

[Listen to Debate \(live\)](#)

[Session Calendar](#)

[How a Bill Becomes a Law](#)

[TFI Fast Facts & Legislative Talking Points](#)

[Guide to the General Assembly](#)

### **Your Capitol Team**

Craig Patterson, TFI Lobbyist - [Craig@Campbell-Patterson.com](mailto:Craig@Campbell-Patterson.com)

Amy Campbell, TFI Lobbyist - [Amy@Campbell-Patterson.com](mailto:Amy@Campbell-Patterson.com)