

LET'S TALK

TOURISM



Iowa Legislative Report

Capitol News Issue # 3

ACTION ALERT!

Call or E-mail your legislator THIS WEEK and tell them important it is to fully fund tourism in Iowa to help our economy grow out of this recession. Tell them to INVEST where they get the biggest returns. Just Go [HERE!](#)

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Halfway!!



Friday, February 19th, marked the 40th day of the 80-day Legislative session. Much energy has been spent getting to this point, but much more will probably be spent to survive the rest of the way. The first funnel deadline arrived last Friday (the 12th), and killed many, many bills. The ones that were survived are good, bad and somewhere in between, depending on your position. Many more bills will continue to be introduced - remember that tax & spending bills are exempt from the funnel deadlines.

With the first funnel in the rear view mirror, legislators focused this past week on pushing as many worthy bills through the House and Senate as they could muster, in preparation for the March 5th Second Funnel deadline. By the close of business on March 5th, non-tax and spending legislation will need to emerge from committee in the opposite chamber from where it was introduced in order to stay alive (For Example - A health bill from the House would need to be passed out of the Senate Human Resources committee).

The next week then will be spent shuttling bills through the subcommittee process. This will set up the Second Funnel week which will consist of many full committee meetings to clear worthy bills of the second funnel deadline. All of this on the policy side, while ...

→ Check the Bill Tracker!

Please take a moment to check out the [TFI Bill Tracker](#) and see what bills TFI is tracking. If you see a bill listed and you think TFI should support it or oppose it or just remain neutral, don't hesitate to weigh in with a TFI board member and let them know your thoughts.

The Bill Tracker was built with you in mind, so take advantage of it.

→ Road Use Tax Fund



Troy Price, the Governor's spokesperson, said that if lawmakers don't approve shifting \$50 million from the Road Use Tax Fund then they had better find \$50 million in savings elsewhere in the state's general fund budget. Comments from legislators seem to indicate bipartisan agreement to not shift money from the Road Use Tax Fund.

The FY 2011 Budget process gets underway. With Race to the Top and Early Retirement legislation complete, and Government Reorganization legislation nearly complete, the Legislature has begun the process of molding the FY 2011 budget. The first step was Thursday's release of budget targets, the amount of money each of the seven appropriations subcommittees will be allowed to spend.

While most lobbyists and legislators wait with baited breath for the target numbers, the truth is that the targets really don't give you much information. Overall, the target show plans to spend \$474.7 million less in the general fund than recommended by Gov. Chet Culver and \$260.8 million less than the current fiscal year, which amounts to about a 5 percent cut. In this year's targets, all of them are pretty level and slightly lower with the exceptions of Education and Health and Human Services, both of which are cut deeply but both of which start with much bigger numbers in the first place. The subcommittees will each begin crafting their budget bills immediately with the goal of having all seven of them voted out of committee by Thursday, February 25th.

The 3-member Revenue Estimating Conference's (REC) March meeting has been moved up by two weeks and will occur on March 11th. Most in the Capitol are speculating that the Legislature will try to have nearly all appropriations bills as close to complete as possible by the time the REC's new budget projections come in. They will then likely make adjustments to those bills based on how much the REC's projections rise or fall.

→ Budget Targets

Legislative leaders gave their budget chairs their targets on Wednesday, telling them how much of the budget pie they have to spend. This year, the Health & Human Services Budget is going to leave the table hungry. The budget targets are 5% below current levels (that is, below last fall's 10% across the board cut).



→ School Start Date

Bills to alter the school start date did not end up surviving the funnel deadline. Support within the House Education Committee eroded this year, due partly to the condensed legislative session limiting the scope of debate and the incredibly harsh winter and insane number of snow days. While there is still a small sliver of hope of inserting the language into some other bill, the chances of succeeding this year look very slim.

Even worse, two legislators that have led the charge on this - Rep. Mike May and Rep. Polly Bukta - have both announced they will not seek re-election. While it is easy to be discouraged by this development, everyone needs to remember that the school start date debate did not end when Senator John Putney retired a few years ago, as some thought it might. Advocates for a later date just need to continue talking with their legislators about this issue. Turn your legislator into our next school start date champion!!

Here are the targets for the seven areas of the state budget:

Administration/Regulation - \$ 63,836,703

This is an increase of \$ 2,897,461 over current levels (and is \$2,857,461 over the Governor's recommendation).

Agriculture/Natural Resources - \$ 35,917,312

This is a cut of \$340,780 under current levels (and is the same as the Governor's recommendation).

Economic Development - \$ 41,754,957

This is an increase of \$1,138,322 over current levels (and is the same as the Governor's recommendation).

Education - \$ 844,371,902

This is an increase of \$28,514,198 over current levels (and is \$11,490,688 below the Governor's recommendation).

Health/Human Services - \$954,340,874

This is a cut of \$168,162,109 under current levels (and is \$172,625,510 under the Governor's recommendation).

Justice System - \$ 634,366,394

This is an increase of \$8,593,422 (and is \$920,181 over the Governor's recommendation).

Transportation - \$ 0

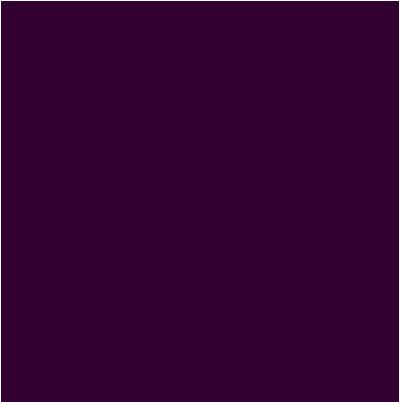
This is \$1,350,000 under current levels and the Governor's recommendation. This recommendation would shift all administrative funds to federal funds.

Reorganization "Savings" - (\$ 79,940,500)

GRAND TOTAL - \$ 2,494,647,642

This is \$208,689,986 below current levels (and \$260,831,514 below the Governor's recommendation).

You might notice about \$3 billion missing from these budget targets (this year's budget will be about \$5.3 billion). That is because these budget targets only show money spent in the seven budget subcommittees and does not include general fund money that will be spent in the "standings budget" which funds things like K-12 education and property tax credits.



To make matters worse, the state loses its enhanced federal Medicaid match in December. The state had been relying on extra federal Medicaid money coming into the state through the economic stimulus package passed by Congress last year. That money runs out in December, leaving half a fiscal year with less federal dollars. That means Medicaid will really have \$375 million less to work with next year.

Your Capitol Team

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