



Nick's News from the
Iowa House of Representatives
 State of Iowa
Eighty-Third General Assembly
 Week 3: January 26-29, 2009

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Third week of the 83rd General Assembly

The pace has picked up in the legislature this week. On Tuesday evening the legislature passed HF 64 by a vote of 98-0. The bill appropriated \$56 million to flood relief victims and codified the establishment of the Rebuild Iowa Office (RIO). \$24 million will be provided for Jump Start funds, \$10 million in individual assistance and \$22 million for city and county grants.

This is a big step in providing disaster relief for Iowans. I did propose an amendment to the bill (House Amendment 1006) that would have removed the provision for the creation of the Rebuild Iowa Office. I felt that the creation of a new state agency requires a thorough and diligent discussion and should be debated in a separate bill. The amendment did fail but I am proud to have offered the amendment. I also voted for an amendment that would have required persons receiving funds to provide receipts for their emergency purchases which also failed. There was a lot of positive work that went into this bill and I voted in favor of it because overall it is a step in the right direction for disaster recovery.

On Wednesday House Resolution Number 4 was passed unanimously to honor the memory of former Representative Rosemary Thomson. An excerpt from the resolution can be read in the right hand column and the full text can be read here:

<http://coolice.legis.state.ia.us/Legislation/83rdGA/Resolutions/Introduced/HR4.html>.

We were honored to have Jim Thomson, Kim Reem and Karla Underwood in attendance for the passage of the resolution. Jim and Rosemary are two of the nicest people that I have ever met and Rosemary will be missed by those that knew her.

The governor also released his proposed budget on Wednesday. Some highlights of the budget include:

- A 6.5% decrease in the General Fund budget totaling \$400 million
- No Salary increases
- Cuts in the Property tax credits
- \$48 million in new revenues or revenue increases
- \$200 million transfer from the state cash reserves
- \$20 million in "Reorganization savings"
- Elimination of the Research and Activities tax credit for businesses
- A cap on the Business Assistance Tax credit
- K-12 Education allowable growth of 4% with state funding 2%
- Eliminate the Senior Living Trust Fund
- Total General fund budget \$6.21 billion – the **largest** in state history if passed

I was very pleased to see that the governor did not include any direct tax increases. There are however some tax increases that will be derived from the cuts in property tax credits and not fully funding the education allowable growth. I will continue to seek alternatives to raising taxes. There were a number of across the board cuts that I believe need to be further examined as I think it is preferable to prioritize state government programs and eliminate waste while cutting unnecessary spending rather than hacking away without scrutiny. We need to examine what works and what does not and make cuts based upon this analysis. Now is the opportunity to cut programs that waste valuable tax payer dollars and maintain and strengthen those that are of benefit.

We must also uphold our commitments to Iowans, yet the Governor proposes eliminating the Senior Living Trust Fund which was created a few years ago by a unanimous vote of the House and Senate. I am very concerned about using \$200 million from the Cash Reserve Fund to balance the budget. There is currently a \$779 million shortfall in the fiscal year 2010. About \$200 million is due to the economy and reduced revenues but the remaining \$559 million is due to the increased spending from the past two years and this shortfall existed before the economy downturn or disasters. The budget has continued to soar over the past two years due to increased spending: FY 2007= \$5.340 billion, FY 2008= \$5.888 billion, FY 2009= \$6.095 billion to what would be the state's largest budget ever of \$6.211 billion for FY 2010.



Committee News

Commerce

Consideration of HSB 68
 Presentation by Attorney General's Office

**Local Government
 (Ranking Member)**

Consideration of SF 45
 Presentation on Local Innovation Fund

Transportation

Presentation by Iowa Department of Transportation

Ways and Means

Consideration of SF 44



Nick Wagner, Karla Underwood, Jim Thomson, Kim Reem

HR 4

A Resolution to Honor the Memory of Former Rep. Rosemary Thomson

WHEREAS, Rosemary Thomson came to the House of Representatives in 1995 with an extensive background in education; and

WHEREAS, with the experience and knowledge of a career educator and substance abuse prevention specialist, Representative Thomson served as the Vice-chair of the Committee on Education; and...

WHEREAS, her dedication to public education won her the respect of her legislative colleagues and constituents alike; NOW THEREFORE,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That the House of Representatives rises to honor the life and memory of Rosemary Thomson and to celebrate her work on behalf of the people of Iowa.



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These amounts do not include dollars that are spent from the state's other funds such as Senior Living Trust and the Rebuild Iowa Infrastructure Fund (RIIF). There are many aspects of the proposed budget that show progress towards accomplishing the tough budget decisions ahead of us and I look forward to a bipartisan and open discussion with the governor and fellow legislators to address the concerns that I have.

This week was also much busier in our committees as we started to get bills for consideration and presentations from various state agencies, departments and business.

SF44 was debated and voted on in the Ways and Means committee. The bill allows the Local Options Sales Tax (LOST) process to be expedited as well as allowing cities within contiguous areas to be addressed as individuals rather than one incorporated area. One of my main concerns with the bill is the lack of a sunset clause; there is nothing in the language to require them to set a date in the question for this additional tax to expire. There is also no language in the legislation that requires the revenue raised by the LOST to be spent on disaster relief. Rushing or "expediting" the process may also limit public debate, suppresses public input and restricts public review. I also believe that there is a better way to implement disaster relief without having to tax those that have been impacted the greatest by the disasters. It was because of these strong concerns I voted against this bill in committee in hopes that the concerns could be addressed and a new draft presented.

The bill was passed out of the committee and debated on the house floor on Thursday afternoon. Amendments were presented that created a sunset for any tax, and specifying that the generated revenue be used for disaster relief. I voted in favor of both amendments which failed therefore I voted against the bill on the floor.



Rep. Wagner and Rep. Schulte with students and staff from Kirkwood Community College

Thursday morning a number of students representing Kirkwood Community College came to visit the capitol. It was a pleasure to get a moment to talk with these students and find out how our community colleges are making a strong impact on the youth of our state.

Feel free to contact me with any suggestions and concerns that you may have. I am looking forward to another productive week as your representative and always appreciate hearing from you. Thanks for your continued support.