



Nick's News from the
Iowa House of Representatives
 State of Iowa
Eighty-Third General Assembly
 Week 15+: April 24-26

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The Final Days

The last few days saw a lot of activity as we debated several bonding bills, the block grant and federal stimulus bill, a renewable energy bill and the standings bill. I've spent this week trying to catch up on sleep as we debated into the very early morning on Saturday until about 4:20am, and then we were back at work Saturday morning at 10:00am and finally adjourned the session at about 5:00am Sunday morning!

The Budget

The final budget created a plan that spends fewer general fund dollars than last year but uses one-time federal stimulus dollars to backfill the difference, actually spending more than last years budget. The spending in this year's budget will be the highest amount ever spent by our state government, totaling over \$6.3 billion. Legislative Republicans argued bitterly against using one time funds from the federal government to address on-going spending and proposed more than \$250 million in line by line budget cuts that were continually turned down by House Democrats. There is no plan to fill the shortfall in future years that is created by using all this one-time money.

After working for 15 weeks in secret meetings on the budget, the Democrat Majority rolled out the final four components of the state budget on Friday night: the Standing Appropriation Bill, the Bonding Plan, the Rebuild Iowa Infrastructure Fund, and the plan to spend the Federal Stimulus Funds. Ranking Appropriation Chairman, Rep. Scott Raecker spoke for all of us in the Minority as he addressed the House Sunday morning: "Bottom line – despite the worst economy in generations – the state of Iowa will spend more money next year - \$6.3 billion – than in any year in our history."

In addition, after months of closed-door meetings with no public input, the Majority Democrats rolled out a plan to spend \$1.6 billion over the next 20 years by borrowing \$765 million to spend now. The answer to our budget problems is the same that you and I use in our home budget, reduce spending, and as a state we failed to do that this year. The state has used up all of our checking account, all of our savings account and now we've maxed out our credit card!

Standing Appropriations Bill for FY 2010

SF 478 is the Standings appropriations bill for FY 09. The bill funds the property tax credits from the Property Tax Credit Fund, makes appropriations from the Cash Reserve Fund, puts limitations on several standing appropriations, ratifies the collective bargaining agreements and sets appointed officers salaries, sets the mental health allowed growth factor for FY 11, adds several bills or parts of policy bills that did not make it through the funnel deadline and makes several technical and corrective changes.

Rebuild Iowa Infrastructure Fund

The Rebuild Iowa Infrastructure Fund is used to fund the vertical infrastructure needs in Iowa and was created to provide a funding source for those projects. All gambling revenues greater than \$60 Million go into RIIF. To view the Legislative Services Agency's Analysis of RIIF please visit: http://www.legis.state.ia.us/Isadocs/Fiscal_Topics/2009/FTMAT000.PDF.

In this years budget HF 822 dealt with the appropriations for RIIF and the bill appropriates a total of \$159.1 million from the following sources: \$144.1 million from the Rebuild Iowa Infrastructure Fund (RIIF), \$14.8 million from the Technology Reinvestment Fund, and \$195,000 from the Restricted Capitol Fund. The bill contained 23 notwithstanding which means that that portion of the bill does not have to follow the laws or code in that area and in this case meant the money did not have to be used specifically for infrastructure as is the intent of RIIF. The bill notwithstands 74.8 percent of the funds, a total of \$172 million which will be used for ongoing expenses in non-infrastructure related areas. Republicans offered amendments to cut the projects that don't meet the intent of the funds but most of those were rejected.



Bills Passed:

- HF 820
- HF 822
- SF 224
- SF 304
- SF 340
- SF 376
- SF 389
- SF 432
- SF 457
- SF 465
- SF 470
- SF 471
- SF 474
- SF 477
- SF 478
- SF 483

For a full text of these bills and others please visit:

<http://www.legis.state.ia.us>

If you would like updates on legislation that is of interest to you, please visit the Iowa General Assembly Bill and Code Watch website at:

<https://coolice.legis.state.ia.us/secure/default.asp?Category=BillWatch&Service=BWSignIn>

This site will help you stay informed on bills scheduled for action on the House and Senate floors. There is no subscription or monthly fee. In order to function, the Bill Watch system must have JavaScript enabled in your browser.



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Bonding

There were three bonding bills passed in the last days. SF 376 authorizes the State Treasurer to issue up to \$545 million in bonds to be paid off by gambling revenue over the next 20 years. These bonds will be used for a range of purposes including targeted floor relief for specific project in Cedar Rapids, vertical infrastructure projects, Iowa jobs program, soil conservation, sewer infrastructure and other infrastructure.

The targeted projects for Cedar Rapids are as listed:

- Steam Energy Solution (Matched by IDED /City) - \$5 million
- Human Services Resource Replacement Center - \$10 million
- National Czech & Slovak Museum - \$10 million
- Fire Stations in three different cities - \$1.5 million (\$500,000 each)
- Options of Linn County (Mental Health workshop building) - \$5 million
- Paramount - \$5 million
- Cedar Rapids Public Library - \$5 million
- Cedar Rapids Public Works Building - \$5 million

The bill also moves \$200,000 annually from the RIIF to fund administration of the Iowa jobs program. Over the past couple of years the state has continually moved money from the RIIF to the general fund to pay for non-infrastructure and other expenses such as salaries, office supplies, vehicles, etc. There is also a portion of the bonding that will dispersed by a new 11 member board that will review project requests and provide awards to those they determine should get funding.

There is no doubt that there is need for flood relief and prevention. We can and should provide that relief by reducing our ongoing expenses and cutting spending which would eliminate the need to transfer money from the RIIF to the general fund for ongoing expenses. The RIIF currently receives revenues of about \$200 million to \$250 million per year and is supposed to be used for infrastructure purposes.

The total cost of this bill for bonding would be \$1.2 billion including principal and interest and costs related to the bonding process. The gambling revenue that will be used to pay off these bonds currently goes into the Rebuild Iowa Infrastructure Fund which is used for infrastructure purposes in Iowa, excluding roads and bridges. With this bill those dollars will no longer be used for future projects but will have to be used to pay off the bonds. This will reduce the amount of funding that will be available for any future projects. There is more about RIIF later in the newsletter. There were also two other bonding bills authorizes the Board of Regents to issue \$100 million in academic revenue bonds for flood rebuilding projects at the University of Iowa. The bonds will be repaid by tuition replacement appropriations via the Legislature. The third bonding bill included \$105 million in bonds for vertical infrastructure projects to be passed by the 2010 Legislature.

Overall total amount of bonding is \$765 million, interest and costs are \$899 million for a total of \$1.664 billion! This is debt that we will have for the next 20 years, to do \$765 million in projects today. Again if we cut our spending in ongoing expenses we could use the infrastructure money available over the next 3 to 4 years to do these projects without creating a huge debt load for future budgets!

Federal Stimulus Bill

HF 820 provides the mechanism for the state to receive \$5 billion in federal funds for federal fiscal year (FFY) 2010, an increase of \$400,000. The federal fiscal year begins on September 1. The bill provides the mechanism for the state to receive \$203 million in block grant funds, as follows:

- Edward Byrne (Law Enforcement Drug Policy): \$1.1 million
- Community Mental Health Services: \$3.5 million
- Maternal and Child Health Services: \$6.5 million
- Preventive Health & Health Services: \$1.1 million
- Stop Violence Against Women: \$1.4 million
- Social Services: \$16.7 million
- Residential Substance Abuse Treatment for State Prisoners: \$77,000
- Substance Abuse: \$13.5 million
- Community Services: \$7.0 million
- Community Development: \$25.7 million
- Low-Income Home Energy Assistance: \$67.8 million
- Child Care and Development: \$43.3 million



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The bill also appropriates expected federal funds by department. The total in categorical funding is \$4.8 billion, with \$2.8 billion going to the Department of Human Services. The Regents, Department of Education and Department of Workforce Development all receive over \$400 million in funding. The Department of Transportation is expected to receive \$259.3 million for road building projects.

The House added the funding from the American Recovery and Reinvestment Act (ARRA). For FY 2009 and FY 2010, the bill appropriates \$255 million for Medicaid, \$346 million for education (K-12 and higher education) and \$49.5 million in general fiscal stabilization. (The education number includes \$80.3 million to the Board of Regents and \$25.6 million to the community colleges.)

The House approved the bill on April 25 on a 56-42 vote. The Senate added another \$37.5 million in stimulus funding to the bill and passed it on April 25 on a 31-16 vote. The House concurred with the Senate amendment and passed the bill on a party-line vote on April 25.

One for the History Books

This session was rather exciting and as was a great learning experience. I will continue to work for tax payers and small businesses to help the growth of jobs around Iowa and so every taxpayer can keep more of the money that they worked so hard to earn. I will also continue to fight against any bills that seek to weaken the Right to Work laws that protect all Iowa Workers.

Luckily this year there were bi-partisan efforts to stop much of the legislation that would have weakened the states Right to Work laws. I thank the Democrats who joined the 43 House Republicans against controversial bills such as changes in Collective Bargaining, Workers Choice of Doctors, Prevailing Wage, Fair Share, and elimination of Federal Deductibility on Iowa income taxes.

This session saw a helping hand partially outstretched to flood stricken areas of last summer and I will fight to see that the hand is fully extended to these disaster areas and that Cedar Rapids and other areas see life brought back into their towns and help them to flourish stronger than ever.

Thanks again for electing me to represent Marion and District 36 in the State House of Representatives. It has been a pleasure to work for you the tax payers here at the capitol and I look forward to going back to Des Moines for the second part of the 83rd General assembly next spring. As you know Iowa has a citizen legislature and I will be back in Marion the rest of the year spending time with my family and working at The ESCO Group until session begins next spring. I will continue to respond to your emails and phone calls during this time and look forward to seeing you all around town. Don't hesitate to come up and share your thoughts with me if you see me, send an e-mail or give me a call. During this time the best way to get in contact with me is the following:

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