



“Be sure you put your feet in the right place, then stand firm.”

- Abraham Lincoln

Wednesday, February 3, 2011

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Republican Message Points

Inside this issue:

Governor Branstad’s Budget Recommendation

The Governor promised spending cuts – he delivers by cutting the FY 2012 budget by \$185 million compared to adjusted FY 2011 and cutting most agency budgets by 6 percent

The Governor promised job creation – he delivers by proposing a 6 percent flat tax for corporate income and a large reduction in commercial property taxes

Of the 89 general fund expenditures totaling \$872 million that were funded with one-time or other funds, the Governor recommends pulling 46 expenditures totaling \$709 million back into the general fund and eliminates the funding for 36 expenditures

The Governor fully-funds 0 percent allowable growth at \$215 million, meaning that property taxpayers won’t be forced to pay more to make up the difference

In order to off-set the reduction in the corporate income tax, the Governor raises casino taxes from 22 or 24 percent to a flat rate of 36 percent -- this raises \$200 million in revenue annually

The Governor does not propose funding the outrageous salary increases agreed to by former Governor Culver – the agencies will have to pay the raises but will have to pay for them using existing resources

Allowable Growth

A 0% allowable growth rate is necessary because the state went on a spending spree the last four years spending more than it took in through revenue. Unlike much of state government which is facing cuts, a 0% allowable growth leaves district with a status-quo budget.

Tuesday House Republicans chose to give our kids \$215 million dollars more than last year while at the same time providing \$47 million in property tax relief for the districts affected by declining enrollment.

It was just last year that Democrats led by Chet Culver underfunded K-12 schools by \$156 million, leaving property tax payers with the bill.

The Republican plan will lessen the property tax impact, increase state funding, and make it easier for superintendents and school boards to begin planning their budgets for the next two years.

Right to Work

HF 148 requires state economic development materials advertise the fact that Iowa is a Right to Work state.

After surviving 4 consecutive years of direct attacks, Republicans want to prominently advertise our Right to Work status.

Iowa’s Right to Work law prevents forced unionism. It protect lowans from being forced or coerced into joining a union to keep to get a job.

Health Care Freedom Act

- We have over 70,000 jobs related to insurance and financial services in Iowa, and we are working to preserve these jobs while helping these companies to create new ones.

There are a number of job killing provisions in the federal health care reform bill that all lowans should be very concerned about.

The Medical Loss Ratio requirement will also have a big impact on competition for your health care coverage. Iowa needs more health insurers, not less. But the 80 percent requirement is likely to force small insurers out of business in Iowa. That means two things – fewer people working in the insurance industry. And less competition, which translates to higher costs for health insurance.

The federal health care law doesn’t increase competition or choice.

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The federal health care reform bill forces smaller insurers out of states, and forces a consolidation of health insurance offerings that will do one thing – raise our costs. And higher health care costs to employers does not equal job creation. It sets the stage for job cuts.

We want to help Iowa businesses grow and put people back to work. Why would we support a law that raises the hurdles businesses already face?

The bill requires employers with 50 or more employees to provide coverage or pay a \$2,000 fine per worker.

Most of these small employers are not Fortune 500 companies. They are local businesses, trying to provide jobs and economic opportunity to their friends and neighbors. And with these new rules, many are asking why should they expand? Why hire that 50th employee and subject themselves to the new requirements?

This is not idle speculation. It is already happening today. Businesses are making

the choice to stay small and not add on workers, so they do not find themselves in a position where they cannot afford to keep people on the payroll.

By passing House File 111, we are asserting Iowans' rights to make decisions about their health care.

By passing House File 111, we are saying that Iowans are in a better position to make decisions about their health care than bureaucrats in Washington.

By passing House File 111, we are trying to ensure that the many of the jobs we have today in the insurance industry will be here for years to come.

House File 1: Rolling Sunset of all State Programs

- HF 1 is the key piece in establishing a biennial budget requested by the Governor
- It establishes a zero-based budgeting concept that will force the Legislature to review all state programs every 5 years

- It limits the Governor's transfer authority once the Legislature adjourns session

- It attempts to smooth out the peaks and valleys of revenue growth and drops by using a 7-year rolling average

It protects teachers from potential layoffs by requiring contract renegotiations if the Governor is forced to do an across the board cut

Taxpayer's First Act

The bill reduces state spending by over half a billion dollars (net) in the next three years; and in addition, sets aside \$327 million in a Tax Relief Fund so that any additional one-time money the state receives at year-end goes to the taxpayer first rather than more government spending.

As of Thursday February 2, it has been sitting in the Democrat controlled Senate for 14 days without action.

Appropriations

(Contact Lon Anderson at 1-5184.)

Governor Proposes Spending Cuts and Tax Reductions

On Thursday, January 27, Governor Branstad unveiled his budget recommendations for FY 2012 and 2013. The Governor significantly reduces spending while also cutting tax rates to promote job creation.

According to the Governor, the FY 2011 budget (approved by Legislative Democrats and former Governor Culver last year) spent \$6.35 billion. This includes \$872 million in expenditure shifts – general fund expenditures that were funded by one-time and other funds.

In addition to the supplemental appropriations for indigent defense and mental health in House File 45, the Governor proposes \$21 million of supplemental appropriations to backfill health and public safety cuts that were part of Culver's \$84 million in reductions mandated by last year's Standings bill.

For FY 2012, the Governor's recommenda-

tion for FY 2012 general fund expenditures is just over \$6.1 billion, or a decrease of \$185 million compared to adjusted FY 2011. This is the first budget proposal in five years to align ongoing revenue with ongoing spending and it does it in the first year (FY 2012).

“ The Governor significantly reduces spending while also cutting tax rates to promote job creation.”

Most agencies are cut by 6 percent compared to FY 2011. The Governor does propose fully funding K-12 education (0 percent allowable growth costs \$215 million in state funds) and funds Medicaid with an increase in general fund expenditures of

\$529 million, mostly to replace one-time funds used for Medicaid in the previous fiscal year.

The Governor does not propose funding any of the Culver salary increases. That means the state agencies must fund the raises (which total 15 percent over the two year contract) but will have to fund the raises with existing resources. This will lead to layoffs and is the primary reason the Governor and House Republicans have called on unions to come back to the bargaining table.

The Governor recommends two major tax reductions to encourage job growth.

First, the Governor recommends changing the corporate income tax from a graduated system of 6 percent, 9 percent and 12 percent to a flat 6 percent rate. This reduces

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corporate income tax revenue by roughly \$200 million per year once it is fully implemented.

Second, the Governor proposes that new corporate property be taxed at 60 percent of value and existing corporate property be reduced to 60 percent (from the current 100 percent) over the next 5 years. He proposes making up one-half of the \$500

million reduction in revenue and local governments will be forced to make up the other half.

In order to off-set some of the revenue lost by reducing the corporate income tax, the Governor increases the tax on casino profits from the current rate of 22 percent (for riverboats) and 24 (for racetracks) to a flat rate for both of 36 percent. This generates roughly \$200 million per year in new revenue.

State Revenue Above REC Estimate through January

On Tuesday, February 1, Fiscal Services Division of LSA released a memo on revenue through the first seven months of the fiscal year. As has been the case for the past few months, gross general fund revenue is running above the estimates set by the Revenue Estimating Conference (REC).

Through January, year-to-date revenue increased by \$210 million, or 6.6 percent compared to FY 2010. This is above the REC estimate of \$217 million, or 3.9 percent. This means that as long as revenue does not turn negative in the remaining five months of the fiscal year, actual revenue

will exceed the estimate.

Driving the increase is a dramatic surge in personal income tax receipts. Through the first seven months of the fiscal year, personal income tax receipts increased by 6.5 percent compared to the REC estimate of 3.9 percent. At least part of this growth is due to a strong commodity and agriculture sector.

Sales and use tax, corporate income taxes, insurance premium taxes, tobacco taxes and bank franchise taxes all increased compared to the REC estimate. Only two sources of revenue – cigarette taxes and

Under the Iowa Constitution, the Governor proposes a budget and the Legislature approves a budget. The release of the Governor's proposal is a starting point for the development of House Republican budget targets. House Republicans support the Governor as he attempts to give the taxpayers a seat at the table and align ongoing spending with ongoing revenue.

inheritance taxes – went down compared to actual FY 2010 and the REC estimate for FY 2011.

The increase in revenue and potential increase in the ending balance for FY 2011 is more evidence that the Tax Relief Fund contained in House File 45 should become law. Otherwise this one-time surplus may be rolled into the on-going expenditures continuing the budget problems House Republicans are fixing this year.

Agriculture

(Contact Lew Olson at 1-3096.)

IDALS Rules Require Firewood Labels

On Friday, January 28, 2011, the Iowa Department of Agriculture and Land Stewardship (IDALS) issued a press release in which Iowa Secretary of Agriculture Bill Northey highlighted new requirements that all packaged and bulk firewood sold in Iowa must include a label with the state and county where the wood was harvested. These new requirements went into place this month and are designed to help slow the spread of the Emerald Ash Borer (EAB).

“The rules became effective on January 1, 2011.”

An EAB infestation was confirmed last year in Allamakee County in Northeast Iowa. The infestation was on an island in the Mis-

issippi River two miles south of the Minnesota border. After extensive surveys and inspections around the state, no additional EAB infestations have been found anywhere in Iowa.

In addition to EAB, other damaging plant pests can also be spread on firewood, including gypsy moth, Asian longhorn beetle, thousand canker disease of walnut, sirenix woodwasp and mountain pine beetle. IDALS amended Chapter 46 the Iowa Administrative Code, “Crop Pests,” to require that every package of firewood offered for sale, sold or distributed include the harvest location of the wood by county and state. The harvest location of wood sold in bulk must be included on the delivery ticket. The rules became effective on January 1, 2011.

Specifically, the label on all firewood sold in

Iowa must include the following information:

- Identity of the commodity (e.g., ‘firewood’)
- Identification of species group is allowed, but not required (e.g., 50% ash, 50% oak)
- Net quantity in terms of cubic feet or cubic meters, including fractions. A cord is also acceptable, as it is 128 cubic feet, ranked and well stowed
- Name and address of manufacturer, packer or distributor if the packages were not produced on the premises where they are being sold
- Unit price (or it must be posted at the point of sale)

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- Harvest location of the wood by county and state
- Iowans with additional questions or who see unlabeled firewood being sold can contact the Department's Entomology Bureau at 515-725-1470.

After the discovery of EAB in Allamakee County in Northeast Iowa, a quarantine has been put in place so regulated articles, including firewood, cannot be moved from Allamakee County unless a permit has been issued by either the Iowa Department of Agriculture and Land Stewardship or USDA Animal and Plant Health Inspection

Service (APHIS) or if the article has been treated to exterminate any pests under the supervision of USDA and the Iowa Department of Agriculture and Land Stewardship. To learn more about EAB please visit www.IowaTreePests.com

USDA Assistance Available to Agricultural Producers to

On Friday, January 28, 2011, the United States Department of Agriculture (USDA) issued a press release in which Agriculture Secretary Tom Vilsack announced the expansion of a USDA initiative to help farmers and ranchers conduct energy audits and improve their overall energy efficiency. The program will build on an existing energy audit initiative to help producers implement the energy conservation and efficiency recommendations that result from an energy audit. These on-farm energy audits are tailored to each agricultural operation's primary energy uses and are designed to help producers determine the amount of energy used by the entire operation and identify short- and long-term measures

producers can implement to conserve energy and achieve greater energy efficiencies.

The On-Farm Energy Audit/Implementation Initiative is offered through USDA's Natural Resources Conservation Service (NRCS), which provides technical and financial assistance for this purpose through the Environmental Quality Incentives Program (EQIP). The on-farm energy audits, which are offered as EQIP Agricultural Energy Management Plans, must be conducted by certified technical service providers. Producers who have had an on-farm energy audit conducted that meets or exceeds the criteria of an EQIP Agricultural Energy Management Plan may apply for technical and financial assistance to implement the audit's recommendations. Interested pro-

ducers should contact their local NRCS office immediately to determine their State's specific deadline and payment schedule. Application deadlines may be no later than February 25, 2011. NRCS Service Center contact information is available on the Web at with an interactive map of all states at--<http://offices.sc.egov.usda.gov/locator/app?agency=nrsc> and an interactive map for Iowa counties at-- <http://offices.sc.egov.usda.gov/locator/app?service=page/CountyMap&state=IA&stateName=Iowa&stateCode=19>.

Commerce

(Contact Brad Trow at 1-3471.)

Health Care Reform Decision Raises New Issues

The much-anticipated ruling of a Florida court in the multi-state challenge to the federal health care reform law arrived on Monday. The Florida court threw out the entire law and put the Obama administration's plans for implementation into question.

As many legal experts anticipated, Judge Roger Vinson found that the law's provision requiring all Americans to have health care coverage violated the Constitution's limits on federal power over commerce. But these same experts were surprised that the judge focused on a factor that has not been as prominent in the discussion over the individual mandate - regulating inactivity.

Vinson found that the law was setting up federal regulation of inactivity, in this situation the decision by Americans to not purchase health insurance or sign up for Medicaid. Judge Vinson made an interesting

analogy in discussing his belief that Congress's actions went beyond the founders' intent:

It is difficult to imagine that a nation which began, at least in part, as the result of opposition to a British mandate giving the East India Company a monopoly and imposing a nominal tax on all tea sold in America would have set out to create a government with the power to force people to buy tea in the first place.

Judge Vinson's ruling was a significant departure for the December ruling by Judge Henry Hudson in Virginia. The Hudson ruling had found the individual mandate was unconstitutional, but allowed the rest of the bill to move forward. To the surprise of many legal scholars, Vinson

threw out the whole law, because the bill lacked a severability clause.

These clauses are frequently put into legislation to ensure that if a judge throws out a certain aspect of the law, the remaining pieces stay into effect. When the US Senate passed its version of the bill on Christmas Eve 2009, it lacked such a clause. Followers of the bill believed that the clause would be inserted in conference committee. But the election of Scott Brown to fill the vacant Massachusetts senate seat threw the process in chaos and Congress never added the clause to the bill.

Without the severability clause, Judge Vinson ruled that the unconstitutionality of the individual mandate rendered the whole bill unconstitutional. While Vinson threw out the whole bill, he did not issue an injunction to stop the federal government and

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the states from implementing the provisions of the bill. This means the Obama administration is free to continue implementation of the bill.

The decision has created confusion amongst the states as to their next move. In Wisconsin, Attorney General JB Van Hollen has said for his state the federal law

is "dead." But Wisconsin governor Scott Walker has been silent about the ruling. In other states, officials continue to move forward with implementation .

Economic Growth

(Contact Louis Vander Streek 1-3626.)

Governor Releases Plan for Iowa Partnership for Economic Progress

On Monday, Governor Branstad released his proposal to reorganize the current Department of Economic Development. The new plan, called the Iowa Partnership for Economic Progress, creates a new public-private collaboration.

The Economic Progress Authority is the 'public' portion of the public-private collaboration. The Authority would take the place of the current department, and would assume all duties and responsibilities. This includes the ability to receive appropriations from the General Assembly, to provide advice and services for the purpose of

economic development, and to make awards of financial assistance.

The Economic Progress Corporation is the 'private' portion of the public-private collaboration. The new Corporation will be a non-profit that qualifies as a 501 (3)(c) under Federal law and a 504 under Iowa law. The Corporation is not to be considered as an agency, department or administrative unit of the state. This also means that the Corporation cannot receive appropriations from the General Assembly. The Corporation is being established so that donations and bequests qualify as tax deductible under federal and state income tax laws.

The Economic Progress Board is the third component of the new arrangement. The Board is chaired by either the Governor or the Lieutenant Governor, and contains seven other voting members who are from the private, for-profit sector of the economy. These members are appointed by the Governor, confirmed by the Senate, and will serve four year terms. This Board also acts as the governing body for the Authority as well as the board of directors of the Corporation.

The bill is expected to be filed shortly.

Education

(Contact Jason Chapman at 1-3015.)

Governor's FY12 Budget Recommendations for Education

There are four general areas that the governor's FY12 budget recommendations affect. They are:

- 1) The Department of the Blind;
- 2) The College Student Aid Commission;
- 3) The Department of Education; and
- 4) The Regents Universities.

The general breakdown in funding recommended by the governor is (and comparison to ESTIMATED FY11 amounts)

Department of the Blind - \$1,706,053 (decrease of \$108,897)*

College Student Aid Commission - \$59,243,200 (decrease of \$14,994)*

Department of Education - \$245,450,963 (increase of \$12,942,982)*

Regents Universities - \$509,513,094

(decrease of \$32,522,112)*

Total - \$815,913,310 (decrease of \$22,703,021) *

**these numbers do not include a \$5M Cash Reserve Fund transfer, but do include the \$84M reduction by Gov. Culver in January*

Before getting into the breakdown, there are two amounts to consider as we look at the budget compared to last year. Two components of the reorg bill figure differently into these numbers. One was a reduction of \$84 million ordered by Gov. Culver before he left office in January, and the other was a \$5 million transfer from the Cash Reserve Fund (CRF) that was distributed over various line items.

The Breakdown:

Department of the Blind – The department provides vocational rehabilitation,

independent living skills, library services, and other essential services to blind Iowans.

Gov. Branstad's \$1,706,053 recommendation is a decrease of \$108,897 over estimated final FY11. This is a decrease of 6%.

There is one caveat, however due to the CRF transfer. In FY11 the Department received an additional \$80,000. Adding this to the total shows a decrease of \$188,897 over FY11. In addition, the mid-year \$84 million dollar reduction by Gov. Culver was an impact of \$137,253.

College Student Aid Commission – The CSAC, under direction of a 12-member commission, administers a variety of State and federal programs to connect students with resources and services to finance a

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college education.

Gov. Branstad's \$59,243,200 appropriation is a decrease of \$14,994 over estimated final FY11. The governor maintains the same appropriation for all grant and loan programs. The \$14,994 comes from the administration budget and is a 6% decrease.

The previous governor's mid-year \$84 million cut took \$60,946 out of the CSAC administration budget, equal to a 19.6% reduction, in FY11. The new level created by this is what the new governor's \$14,995 is coming off of.

Department of Education – The DE budget includes community colleges, IPTV, and Vocational Rehabilitation.

Voc Rehab – Branstad's recommendation for FY12 is \$4,704,228. This is a decrease of \$450,271 over FY11. However, note that Voc Rehab received a CRF transfer of

\$150,000 and the \$450,271 includes that. Additionally, the \$84 million cut by Culver resulted in a loss of \$378,969 in FY11.

IPTV – Branstad's recommendation for FY12 is \$7,711,286. This is a decrease of \$842,210 over FY11. However, note that IPTV received \$350,000 from the CRF transfer and the \$842,210 decrease includes the loss of that money. Additionally, the \$84 million cut by Culver resulted in a loss of \$618,101 in FY11.

Department of Ed – Branstad's recommendation for FY12 is a 6% decrease across the board for the Department, with the exception of preschool funding. The Statewide program will see a 100% decrease and Early Childhood Iowa will see a decrease of 58.7% (\$4,455,035). These are because the governor's new preschool plan will receive a proposed \$43.6 mil-

lion.

Community Colleges – Branstad's recommendation for FY12 is \$144,412,677. This is a decrease of 6%, or \$9,217,831 over FY11. What is included in the reduction is \$8,413,234 in general aid and a zeroing out of the extra salaries account, which is \$804,597.

Regents Universities - For the Regents, Gov. Branstad is recommending a 6% cut across all line items. This makes a total recommendation of \$509,513,094. That is a decrease of \$32,522,112 from FY11.

Additionally, the governor is not recommending a refilling of the nearly \$9 million transfer from the Underground Storage Tank Fund in FY11.

The Regents received no money in FY11 from the CRT transfer, and they were exempt from the \$84 million cut ordered by the previous governor.

Environmental Protection

(Contact Lew Olson at 1-3096.)

Legislation Introduced to Restrict EPC Rule-Making Authority

On Wednesday, January 26, 2011, and on Monday, January 31, 2011, House File 112, and House Study Bill 48 were introduced and recorded respectively and both measures restrict the authority of the Environmental Protection Commission (EPC) to devise and approve administrative rules.

House File 112, sponsored by a number of Republican House members adds an additional requirement to EPC rule making authority that qualifies that any administrative rule that the EPC adopts must also be ap-

proved by the director of the state's Department of Natural Resources (DNR). The other measure, HSB 48, totally strips the EPC of its rule making authority and likewise also strips the Natural Resources Commission (NRC) of its rule making authority. The bill leaves both panels with advice and recommendation roles with the rule making authority being shifted to the director of the DNR. Both measures seek to circumscribe the commissions' rule making roles because over the last several years each panel became dominated by

members who were of the opinion that it had independent legislative power, rather than legislative directed and delegated role to flesh out state statutes with the detail needed to implement state and federal law. In several instances, the EPC adopted rules or took action that were in part contrary to DNR director, staff, and departmental legal advice and on a couple of occasions were contrary to existing Code provisions. Both measures have been assigned identical subcommittee members.

DNR Schedules Public Meeting To Discuss Lead Air Pollution Area in Council

On Friday, January 28, 2011, the Department of Natural Resources (DNR) issued a press release in which it announced that its Air Quality Bureau will hold a public meeting February 16th at 9:30 a.m. at the Council Bluffs Community Hall, 205 South Main Street, on a proposed lead nonattainment

area in Council Bluffs. The purpose of the meetings is to provide more information on the proposed nonattainment area and seek input from the public, businesses and other affected stakeholders. A nonattainment area is designated when outdoor (ambient) air pollution levels violate the National Am-

bient Air Quality Standards (NAAQS). The lead monitor located in Council Bluffs has measured five violations of the NAAQS for lead, from data collected through October 2010.

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In 2008 the Environmental Protection Agency (EPA) lowered the lead NAAQS from 1.5 to 0.15 micrograms per cubic meter of air, measured as a consecutive three-month rolling average. EPA lowered the lead NAAQS due to recent scientific studies that indicate people's health is impacted at lower levels than previously understood. Because the monitor measures ambient air

quality and not specific sources of lead pollution, the EPA has directed the DNR to make a nonattainment area boundary recommendation that will focus the DNR's effort in planning to bring the affected area back into attainment by December 2016. Sources of lead emissions to the air include industrial combustion and ore and metals processing.

Persons with questions about this meeting

and nonattainment area may contact Jim McGraw at (515) 242-5167 jim.mcgraw@dnr.iowa.gov or Matthew Johnson at (515) 242-5164 matthew.johnson@dnr.iowa.gov . More information about the monitoring data is available on the DNR website at www.iowadnr.gov/air/prof/monitor/monitor.html.

Human Resources

(Contact Brad Trow at 1-3471.)

National Study Ranks Iowa Tops for Children's Health

A national study released today finds that Iowa is the national leader for children's health. The Commonwealth Fund, a national group that studies health trends among the states, released its 2011 children's health scorecard. This year, Iowa and Massachusetts have tied for being the top state for children's health.

“One of the key factors for this success, according to the report, has been Community Empowerment Areas.”

The study measured state performance in four categories: Access and Affordability, Prevention and Treatment, Potential to Lead Healthy Lives, and Equity. Iowa was found to be the national leader in preven-

tion and treatment, second for the potential to lead healthy lives, sixth in access and affordability, and seventh for equity.

Specifically, almost 95 percent of Iowa children had some form of health care coverage. Iowa was also the national leader for children being having the proper vaccinations before age 3 and infant mortality rates.

In its description of what Iowa is doing well, the Commonwealth Fund identified the state's commitment to early treatment and intervention of health issues. One of the key factors for this success, according to the report, has been Community Empowerment Areas. Also cited was the state's leadership in the implementation of the Early and Periodic Screening, Diagnosis, and Treatment program (EPSDT). This Medicaid program allows children with significant health issues to obtain early treat-

ment, which allows them to lead healthier lives. An additional factor was the HAWK-I program and the fact that it provides eligible children with private health insurance.

In concluding its review of the state's programs, the Commonwealth Fund said:

Iowa's innovative policies and public-private partnerships to improve children's health care serve as evidence-based models that other states can follow to move toward a higher-performing child health system.

Judiciary

(Contact: Amanda Freel, 1-5230)

The Final Nine

The Supreme Court has been a hot topic of discussion for the past several months. As of January 1st, our state Supreme Court has only four sitting members. The other three were removed last November by Iowans in the judicial retention vote. After several weeks of waiting and wondering, Iowans now have an idea of who may fill the three empty spots.

Last week the State Judicial Nominating Commission released the names of the

nine nominees for the Iowa Supreme Court. According to the Commission, these nine represent the best candidates available. Now, it is up to Governor Branstad to interview each of the nine and select three who will then be appointed to the Iowa Supreme Court. The Governor has thirty days to make his final decision. The nine nominees include; Robert James Blink (West Des Moines), Arthur E. Gamble (Clive), John C. Gray (Sioux City), Steven Verne Lawyer (New Virginia), Edward M. Mans-

field (Des Moines), Michael R. Mullins (Washington), Angela Onwuachi-Willig (Grinnell), Thomas Dana Waterman (Pleasant Valley), and Bruce B. Zager (Waterloo).

Iowans were invited by the Commission to witness the interviews in person and to review each nominee's resume, writing samples, and data questioner. This is the first time the selection process has been

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sotransparent. Iowa House Republicans are carefully reviewing the judicial selection process and are preparing to offer changes to make the system more transparent, fair and accountable to the people of Iowa.

Suggestions from the public and Representatives include finding ways to make the Commission less partisan and more accountable to the people of Iowa. Currently 12 of the 14 members are registered Democrats. Even if members are supposed to

ignore political affiliation, it is hard to imag-

“Currently 12 of the 14 members are registered Democrats.”

ine a truly impartial selection process with only one registered Republican on the commission. Additionally, none of the commission members are selected by the pub-

lic and this has made many Iowans feel they are not getting their say in the judicial selection process.

As the legislative season progresses, House Republicans will continue to monitor the Judicial Selection process and consider the best way to make the selection process work for all Iowans.

Labor

(Contact Lon Anderson at 1-5184.)

Branstad's Labor Consultant Releases Ideas

Leon Shearer, Governor Branstad's labor relations consultant, recently released a report on collective bargaining in Iowa. Shearer was tasked with looking at the state's current collective bargaining law and making recommendations as to how it could be improved to restore a balance between management and labor. Shearer believed that the balance has been tilted in favor of labor, limiting the rights of management to maneuver effectively.

Among the recommendations that were made by Shearer included:

- allowing the Public Employee Relations Board to charge fees for services (they are offered free at the moment),
- shifting the cost of mediation from the

state to the users of the mediation services,

- excluding a requirement that an arbitrator must consider past contracts,
- including a requirement that an arbitrator must consider both public and private comparison of wages and benefits, and excluding the terms and source of insurance from the bargaining process.

The governor's office has not introduced an actual bill that would include these changes. Right now, they remain recommendations.

These recommendations come on the heels of an unprecedented action by the

Culver administration to agree to AFSCME's initial contract offer during recent negotiations on a new two year contract for the union. AFSCME is the largest union representing state employees. The agreement is unprecedented because the Culver administration accepted the first offer from the Union and did not even offer their own counteroffer. The two year contract, which Governor Branstad is attempting to get reopened for negotiations, provides a number of step and raise increases in a time when the state is attempting to cut costs and spending. Branstad has said that Culver's labor deal may end up forcing layoffs, as the state simply does not have the funds to honor the new contract.

Public Safety

(Contact: Amanda Freel, 1-5230)

Giving Iowa a 2nd Amendment

At the beginning of this year Iowa became a "shall" issue weapons permit state. This was a major step towards ensuring gun rights for Iowans and has been very popular throughout the state. This year, Iowa House Republicans are working hard to expand the rights of law abiding Iowans to keep and bear arms. Two major pieces of legislation are currently being discussed in the Public Safety committee.

The first bill, set for a committee vote in the near future, would protect Iowans' gun rights even in a state of emergency. After

hurricane Katrina, the city of New Orleans declared a state of emergency, and there were reports of citizens being denied the right to legally carry weapons and even instances of citizens being forced to hand over their legally owned guns to the government. Most would agree, this is a serious misuse of government power and creates a danger to our constitutional rights.

House Study Bill 18 was drafted to protect Iowans facing a similar situation. This bill would prevent any state officials from stopping law abiding Iowans from possessing

or carrying guns, even in a state of emergency. Republicans in favor of the legislation proposed the idea because they believe Iowans should always have the right to protect themselves and their families. Iowans should not be left helpless, especially when there is a state of emergency declared. Allowing law abiding Iowans to keep their weapons will help protect all Iowans, should disaster strike.

The second piece of legislation being considered would give Iowans the constitution-

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al right to keep and bear arms, similar to the 2nd Amendment in the United States Constitution. House Joint Resolution 17 guarantees Iowans the right to acquire, keep, possess, transport, carry and use

arms for defense. It also prohibits special licenses and registrations that are currently required. This resolution would allow all law abiding Iowans to own guns without interference from the state government and makes it a fundamental right as our federal Constitution provides.

These two bills, along with several others being considered are designed to protect law abiding Iowans rights. Iowans value the right to keep and bear arms and House Republicans are working hard to ensure that right is protected.

State Government

(Contact Kristi Kielhorn at 2-5290.)

Redistricting Starts in Iowa

Iowa will soon begin the process of redrawing the congressional and state legislative districts. This happens only every ten years, after census data becomes available. Next week, the first batch of states will receive the data required to begin the redistricting process. Iowa is expected to receive its data in one of the first groups.

Iowa's redistricting process is unique. Other states have appointed commissions draw their district lines. Some states rely on the courts to settle disputes over political advantage in their various proposals. Iowa uses the non-partisan Legislative Service Agency to create its congressional and legislative plans.

Congressional Redistricting

The first step in drawing the new districts will be to devise the congressional seats. The congressional districts are drawn first because the legislative districts are based upon them. Based on 2010 census data, Iowa will only be apportioned four congressional seats.

Congressional districts cannot split county boundaries. Iowa code requires that the congressional districts be as nearly equal as practicable. (Iowa Code Section 42.4 (1)). The law also states that no district can vary by more than one percent from the ideal population. In the event that a district varies by more than one percent, the burden is on the General Assembly to justify the variation. Because of the "as equal as practicable" standard—any successive congressional plan presented to the General Assembly must have a lower population variance than its predecessor. This is to protect the General Assembly in the event the plan is challenged in court.

Legislative Redistricting

Like the congressional districts, the legislative districts are also required to be as nearly equal as practicable. Legislative districts should also not vary in ideal population by more than one percent so as to avoid the burden shift.

Additionally, to the extent consistent with the population standards, the legislative district boundaries shall coincide with boundaries for political subdivisions. This means that the number of counties and cities that are divided shall be as small as possible. When necessary, the larger political subdivision will be split over the smaller, unless a district line follows a county line and splits a city. All representative districts are completely nested in a senatorial district and as much as possible, each senatorial and shall be nested within a single congressional district.

Other Redistricting Considerations

Iowa code also directs that districts be composed of convenient and contiguous territories. No point contiguity is allowed. This is an absolute requirement. A convenient, contiguous territory means that districts cannot be irregularly shaped. Iowa code also requires that districts be reasonably compact.

In addition to the many requirements of redistricting, there are also some factors that are prohibited from consideration. Iowa code prohibits the lines from being drawn for the purpose of "favoring a political party, incumbent legislator or member of Congress, or other person or group..." Because of this code prohibition—the Legislative Service Agency will not consider addresses

of incumbents, political data, election results, or any other demographic information other than population.

Redistricting Timeline

The first "plan" will be delivered to the General Assembly within 45 days if the data is delivered on or after February 15. (If released before Feb 15, they have until April 1). The plan cannot be amended (unless corrective) and must move to a full floor vote in one chamber. It cannot die in subcommittee or committee.

If the first plan fails to be enacted the second plan must be delivered to the General Assembly within 35 days of the rejection of the first plan. The legislature cannot consider the second plan until at least seven days after its delivery. Again, only corrective amendments are allowed, and the bill must make it to a full vote of one chamber. At this point, the first plan cannot be resurrected.

If the second plan fails, the third plan must be delivered to the General Assembly within 35 days of the rejection of the second plan. As with the second plan, the third plan cannot be considered until at least seven days after its delivery. The major difference between the third plan and the first two is the fact that this plan is amendable in the same manner as all other bills.

A plan must be adopted by the General Assembly by September 1, 2011 and signed by the Governor by September 15. If this does not occur, the Iowa Supreme Court is given the power to create the redistricting plan. In 1981, the third plan was enacted without amendment. In 1991, the

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first plan was enacted, and in 2001, the second plan was enacted. More information on redistricting can be found at

<http://www.legis.iowa.gov/Resources/Redist/redistricting.aspx>.

Transportation

(Contact: Kristi Kielhorn, 2-5290)

Traffic Cameras Make Millions for Cities

Automated traffic cameras have started showing up in cities around the county to enforce both speed restrictions and red lights. There are 23 states that currently utilize these cameras for red lights and 12 that use them to enforce speed. Many of these states have laws that regulate how and where the traffic cameras are used. Iowa is one of the few that allows the cameras, but has no regulatory power over them.

Currently five Iowa cities (Davenport, Council Bluffs, Cedar Rapids, Clive, and

Sioux City) use traffic cameras for red light enforcement and three of these cities (Cedar Rapids, Davenport, and Sioux City) use them for speed enforcement.

Although cities maintain that the objective for the use is safety, some concern has been raised about the amount of money the cameras are generating. Cedar Rapids' cameras brought in more than \$1.5 million to the city in the first seven months of operation. In addition, more than a million went to an out of state company that served as the vendor of the cameras.

For more information on automated traffic cameras from the Governor's Highway Safety Association, see http://www.ghsa.org/html/issues/redlight-_autoenforce.html

Veterans Affairs

(Contact: Jill Jennings, 1-3440.)

Veterans Adjusting to College

The Veterans Committee will meet next week with the University of Iowa to learn more about a new course designed for veterans. A University of Iowa College of Education student has helped create a new course titled "Life After War: Post-Deployment Issues."

The course was created to help veterans understand the effects of combat after it

was observed that many were dropping out of classes shortly after returning. Issues included are Traumatic Brain Injury (TBI), Post-Traumatic Stress Disorder (PTSD), chronic pain, musculoskeletal problems, sleep problems, anxiety, and depression. Nine students enrolled for the first available class, and will be offered again on campus and via distance learning in a Des Moines satellite classroom. At the UI, there are an

estimated 385 student veterans currently enrolled, up from 300 the previous fall. However, the UI graduation rate for veterans is 15 percent lower than the rate for nonveterans, according to a 2009 UI Veterans Task Force Report. The class is held this fall, Monday evenings from 4:30 to 6 p.m.

Ways and Means

(Contact: Dustin Blythe, 1-3452.)

Income and Property Tax Relief Measures Move

.House File 4, which calls for a 20% across the board cut to individual income tax rates, was unanimously approved by subcommittee last week. The last major tax relief signed measure into law was a 10% across the board cut in 1997.

According to a study by the Tax Foundation, Iowa is ranked in the bottom ten for individual income tax rates. Iowa received low scores due to high rates and a progressive bracket structure.

According to the Tax Foundation these states have the worst business climates:

CA, MN, IA, OH, NY, NC, MD, NJ, RI, CT

According to the Tax Foundation study these ten states have the best tax climates:

MT, AK, NV, WY, SD, IN, NH, TX, FL, DE

States that do not impose an individual income tax received high scores, as well as states that have a flat, low tax rate with few deductions and exemptions. States that scored poorly have complex, multiple rate systems.

"The last major tax relief signed measure into law was a 10% across the board cut in 1997."

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The bill was approved on a bipartisan vote in full committee and will move to the floor of the house.

House Study Bill 41, which establishes a school district property tax relief supplement for FY 2012 was approved by subcommittee on a 2-1 vote.

The previous two legislatures have not fully funded allowable growth, thus pushing the burden to Iowa property tax payers. If the House passes zero percent allowable growth while fully funding it, there still is

property tax impact of \$70 million dollars.

Of that \$70 million, \$47 million of the increase would come from the budget guarantee. This bill would address the budget guarantee portion and protect Iowa property taxpayers from the full increase. The budget guarantee last year totaled \$25 million, and the increase for FY 2012 is projected to be \$22 million for a total of \$47 million dollars.

The Department of Management will notify each school district the amount they will

receive and an appropriation will be made from the general fund. In addition, school districts that receive a property tax relief supplement are prohibited from levying additional property taxes, and the money must be used in the same manner and purpose that property taxes would have been used for.

The bill was approved on a bipartisan vote in full committee and will move to the floor of the house.