



Capitol Comments

Newsletter from your
Iowa State Representative
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State Capitol
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Strolling the Fairgrounds: Funnel Cakes, Drumsticks, Corn Dogs and Blue Ribbons

Last week, at the Iowa State Fairgrounds, we legislators were hosted by tourism-happy Iowans at the Iowa Tourism reception. It is a bit like trick or treating. Legislators walk around, with bag in hand, visiting each booth hearing about great Iowa communities, tasting local foodstuffs, and receiving tourism brochures and local promotional trinkets (of course, all under the \$2.99 limit). It is a favorite event for Chamber directors and legislators as we gather to celebrate Iowa festivals and attractions.

Funnel Cakes – Legislative Deadlines

You know the tasty fair favorite – the funnel cake. Flour, eggs and water are mixed together and scooped into a funnel. When the funnel is held up, some mix flows out and some stays behind stuck to the funnel wall. It is hard to believe, but we are already in the first “funnel” week of the Iowa legislature. This week, bills originating in each chamber (the House or the Senate) must move out of committee or die. Iowans, who follow issues important to them, celebrate...or don't...as they await action on their favorite piece of legislation. Like the funnel cake mix, some bills flow through and some get stuck behind.

Drumsticks – Advocates Drum up Support

Although no drumsticks were seen, advocates were certainly drumming up support in the capitol as the House Labor committee tried to address a number of labor issues. We saw union members and Tea Partiers working to influence the direction HSB 117 would take. Some key provisions in the bill include: allowing non-dues paying public employees to opt out of representation by the union (as unions have asked) and what portion state employees (not school employees) should pay for health insurance. Currently, 84% of state employees pay no premiums for health insurance. Some would also like public employers to be able to keep the best employees, like teachers, in the event of staff reductions, not necessarily the employee with the most seniority. Iowa is not following Wisconsin and other states in trying to eliminate collective bargaining. The Iowa House Labor committee is trying to find the right balance between the taxpayer and the public unions.

Corn Dogs – Wrapping Up Economic Progress

With corn being the centerpiece of Iowa industry, we continue to work on making Iowa fertile soil for business recruitment and retention. The finishing touches are being put on Governor Branstad's new economic development department. It will include a public-private partnership bringing successful Iowa businesses to the table along with innovation and economic progress. We will continue to encourage renewable fuels, bio-tech and advanced manufacturing.

Strolling the Fairgrounds Can Be Taxing – A Few Comments on the Budget and Taxes

The state auditor has released his review of Governor Branstad's budget. Generally high marks were given for reducing the use of one-time money (not using emergency funds for ongoing expenses), increasing transparency, using a two year budget and long-term planning. The Auditor has long supported multi-year budgeting. Better financial decisions are made when we look at the long-term impact of program costs, not just look at next year's budget. The Auditor noted there is still room for improvement and noted that the Governor's projected revenues may be too optimistic.

Growth in the cost of government is still a concern. Growth in the three biggest areas of spending – education, Medicaid and salaries – is projected to be nearly \$300 million per year. This is a 5 percent increase. Yet Iowa's annual revenue growth in the last 20 years averaged only 3.6 percent. We must continue to bring pressure on this growth by pushing for reductions in spending.

Regarding taxes, the past few years the Iowa tax law has not "coupled" (matched) federal tax law. This was a source of frustration for both taxpayers and tax preparers in the area of deductions and depreciation. A bill moving through the Iowa legislature will allow individuals and corporations to take a bonus depreciation deduction on their Iowa tax returns. The effective date is still being negotiated, but this tax change should accelerate investment spending giving the economy a boost.

Blue Ribbons for Environmental Excellence

Iowa businesses, organizations and citizens can apply for the Governor's Iowa Environmental Excellence Awards. To download an application, go to <http://www.iowadnr.gov/other/ee/index.html>; applications are due May 13, 2011. These awards are the premier environmental honors in Iowa, recognizing leadership and innovation in the protection of Iowa's water, land and air. Special awards are given for air quality, energy efficiency/renewable energy, habitat restoration, waste management, water quality and environmental education. Let's keep Iowa beautiful.

With the coming of spring we all anticipate a new season of family fun in Iowa communities and look forward to a summer season of funnel cakes, drumsticks, corn dogs, and blue ribbons.