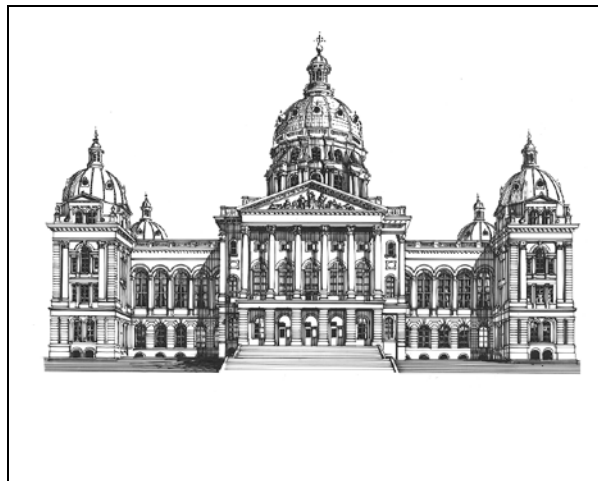


**Iowa House of Representatives
State Representative Cecil Dolecheck
Dolecheck's Details**

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For the week of February 7th, 2011



Align Spending with Ongoing Revenue

On Thursday, February 10, The Majority Party will announce targets for the FY 2012 budget. These targets will fulfill the promise of aligning ongoing spending with ongoing revenue.

We are proposing to align ongoing spending with ongoing revenue in FY 2012. This is in contrast to the last four years when ongoing revenue was not sufficient to cover all of the increased spending demanded by the former governor and Legislature.

According to the Governor, the FY 2011 budget spent \$6.35 billion. This includes \$872 million in expenditure shifts, which are general fund expenditures that were funded by one-time and other funds.

For FY 2012, the Governor's recommendation 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).

House Republicans agree that ongoing spending must be aligned with ongoing revenue and therefore will propose budget targets that accomplish that goal.

These budget targets will spend \$477 million less than the expenditure limitation under current law. This is because current law allows the one-time surplus of \$298 million from FY 2011 to be used to fund ongoing expenditures in the FY 2012 budget. In addition, the \$119 million from the extension of the federal tax rates should not be used for new spending.

The Taxpayers First Act, House File 45, establishes a Tax Relief Fund to capture the one-time surplus and revenue from the federal tax rate extension to be used for tax relief. This surplus is due to Iowans being overtaxed and should be not used to grow government spending. The tax relief likely will be in the form of lower property taxes, lower personal income taxes or lower corporate income taxes.

These targets will not be easily achieved without difficult work being done to eliminate unnecessary and duplicative programs and spending. But this work must be done in order to ensure the state has the ability to fund the priorities like taking care of the most needy and keeping the public safe.

The budget subcommittees will meet jointly until it is time to approve a bill. The House will start the following bills: Taxpayers First Act, Administration and Regulation, Education, Transportation, RIIIF and Health and Human Services. The Senate will start the remainder: Federal Block Grant, Agriculture and Natural Resources, Economic Growth, Courts, Justice System and Standings.

House Republicans believe that the taxpayers should finally have a seat at the table and ongoing spending must be aligned with ongoing revenue to ensure that the budget is sustainable in the future.

Getting Government Out of the Way of Iowa Businesses

House Republicans believe that an important component of job creation and fostering a positive economic climate means government getting out of the way of businesses. There are a number of ways that Republicans are working to reduce burdensome regulations.

The first of these is a tour with Legislators and the governor, hitting the road and talking with Iowans. They will stop in 10 communities across the state collecting ideas from all Iowans on what administrative rules are getting in the way of business. The meetings will be in Ames, Newton, Oskaloosa, Sioux City, Council Bluffs, Cresco, Cedar Falls, Dubuque, Cedar Rapids, and Burlington. Legislators will return to Des Moines to implement the proposed ideas to remove these road blocks.

The Economic Growth committee will also be discussing a number of bills related to administrative rules. HF 176 requires that state agencies go no further in administering rules or policies than the specific requirements of the corresponding federal law or policy. This means that federal rules or policies would be the ceiling with which the state could compare, **not** the floor. Federal regulations are quite enough, we don't need the state to make them even more burdensome. HF 181 is a bill that provides an automatic sunset to all rules five years after their adoption. This act forces a constant updating and review of rules that can become outdated and overly burdensome.

House Republicans are committed to easing restrictions and regulations on business. Removing these barriers will allow for a reduction in burdens on businesses and to increased job creation.

Protecting Property Taxpayer's, Schools

This week the House voted to shield local property taxpayers from an increase in property taxes resulting from a \$216 million increase in education funding.

On Tuesday, the Iowa House approved an allowable growth rate for Fiscal Year 2012. Allowable growth is the percentage at which the state's per-pupil funding for education is allowed to increase. Due to underfunding from previous legislatures, a zero percent growth rate still increases state funding for education. Therefore, the House set the rate at zero percent, which put \$216 million in new money into Iowa's schools.

To prevent an increase for property taxpayers due to declining enrollments, Republicans also approved a bill which has the state assume the responsibility. In previous years, property taxpayers were forced to pick up the cost of increased funding. Many Iowans are seeing the result in their property tax bills. However, we are committed to fully-funding the state's share of allowable growth to stop saddling property taxpayers with a growing burden.

"Iowans expect the Legislature to make education a priority. They also expect a budget that does not spend more than the state takes in.

At a time when most of state government is getting cut, K-12 education is an area where there will be an increase in funding. A zero percent growth rate for schools is the most responsible action the Legislature can take with the state facing a \$700 million budget gap.

What do you think? Email me your thoughts. My e-mail address is :

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Visitors to the House include : Linda Swanson of Kellerton Methodist Church, Josh Rush, Daniel Stull, and Andy Kellner of Mount Ayr.

Information about my legislative forum schedule, past newsletters and biography can be found at www.iowahouserepublicans.com/members/cecil-dolecheck