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Education Funding

HF 2531, the Standings bill, underfunds school aid by \$167 million and does not fund the \$14 million Instructional Support program next year. A lot of numbers are swirling around about the real effect on school budgets. The Legislative Services Agency clears up many of the differences that seem to arise when different people analyze the same numbers. There are many pieces to the whole Education budget, i.e., regular state aid, pre-school aid, teacher salary supplement, professional development supplement, early intervention supplement, and federal stimulus funds. After all is said and done after the governor's across-the-board cut and many adjustments are made in all of the brackets, the final number for in the \$2.494 billion of state Education funding is a cut of \$103 million for FY 2011 compared to the current funding.

Here are the numbers for school districts in Sioux and Lyon County:

	Est. FY 2011 shortfall Due to funding Cap	Est. State Aid shortfall as a property tax rate increase	Est. shortfall for FY 2011 instructional Support levy	Total FY 2011 State Aid Shortfall
Boyd-Hull	\$198,980	1.359%	\$20,345	\$219,325
Central Lyon	\$231,826	1.261%	\$19,930	\$251,756
George-Little Rock	\$164,082	1.059%	\$11,815	\$175,897
MOC-FV	\$441,488	1.121%	\$35,325	\$476,813
Rock Valley	\$192,765	1.263%	\$16,438	\$209,203
Sheldon	\$339,467	1.381%	\$32,249	\$371,716
Sioux Center	\$328,488	1.112%	\$25,830	\$354,368
West Lyon	\$239,420	1.100%	\$20,032	\$259,452
West Sioux	\$239,683	1.667%	\$16,461	\$256,144

Note that the \$167 million shortfall in state aid is backed by property tax spending authority. The numbers above show the property tax rate increase of each district needed to fully fund state aid next year. Districts have three options: cut spending, use dwindling cash reserves or levy for cash reserves in the amount of \$167 million. There is no spending authority behind the Instructional Support program funds. This is much like the Phase I cut last year. In the case of Instructional Support each district will have no choice but to cut spending.

House Republicans offered nearly \$300 million of cost saving ideas that could have held our local schools harmless, but those ideas were dismissed by the majority party. I voted "no" on the Standings Bill because the bottom line could have been done better for our schools, as well as funding for the Homestead Property Tax Credit, the Ag Land Tax Credit and the County Mental Health Property tax relief. Counties were hit with another \$27.6 million cut in those three areas.

Spending Gap When Legislature Adjourns - \$1 Billion

On Friday, March 19, the Democrats finally released a balance sheet showing all of the spending that will be approved during the 2011 session. The numbers paint a bleak picture – according to the non-partisan Fiscal Services Division of LSA the built-in spending approved so far exceeds \$1 billion for FY 2012.

Here is the breakdown by Fiscal Services of the \$1.014 billion in built-in spending for FY 2012:

- \$303.3 million to replace Cash Reserve Fund money for Medicaid plus growth
- \$243.7 million to replace one-time federal stimulus funds for Medicaid
- \$170.1 million to fully fund 2 percent allowable growth for K-12 education
- \$109.8 million to replace one-time funds for the property tax credits
- \$50 million to replace funding for Value Fund with general fund dollars
- \$47.9 million to replace one-time stimulus funds used for K-12 education
- \$44.5 million to replace other one-time funds in Health and Human Services
- \$27.3 million to replace funding for CAT, Technology Reinvestment Fund, college student aid
- \$18 million to fully fund instructional support, non-public transportation, at-risk programs

Since the Democrats' budget plan will spend more than the state takes in and raises property taxes, I cannot support that kind of spending when there is no clear plan for trying to stay within our means.

Health Care Reform Starts Federal Tanning Tax

It didn't take long for President Obama to sign the Senate's version of health care reform into law. And it won't take long for him to continue breaking campaign promises.

With Tuesday's signing of the bill, provisions are beginning to go into effect. The first change some Americans will notice is, of all things, a new tax. Beginning Wednesday, March 24, 2010, those who choose to utilize indoor tanning salons will pay an additional 10 percent tax on this service. Apparently, the President's promise not to raise taxes on those Americans making less than \$200,000 does not apply to high school students getting ready for prom or college students preparing for spring break.

It did not take a long time for people to start spotting flaws in the final legislation. As late as last week, the President said "Starting this year, insurance companies will be banned forever from denying coverage to children with pre-existing conditions." Just one problem with that statement – the bill doesn't do that.

The Associated Press discovered that while the bill prevents insurers from applying pre-existing condition exclusions for children accepted for coverage, nothing requires the insurers to agree to cover a child with such a condition. That requirement does not go into effect until 2014. Instead, parents will be forced to enroll in high-risk plans until 2014. Administration officials said they were working on a regulatory fix. But the admission of this oversight is likely to be the first of many embarrassing discoveries for the White House and Congressional Democrats.

Congressional employees are finding out that there are two different classes of staff when it comes to insurance coverage. Both the House and Senate agreed that members of Congress and their staffs were to obtain their health insurance through the same exchanges the public would use. But the Senate bill has an interesting definition of staff. Under their version of the bill, the only staff required to use this process are the staffers attached to the Member's office. Committee staff, administrative staff, and leadership staff were somehow exempted from this requirement. No one in the Senate is admitting to revising the definition, but it is creating a level of resentment amongst many staffers.

Many of these may have been corrected if the President had just followed another campaign promise. Candidate Obama told the American people that they would have five days to review any bill passed by Congress before he would sign it. But with many other bills enacted over the past year, President Obama

couldn't wait that long as it was just 36 hours between passage and the signing ceremony. When it comes to health care reform, there will likely be many more broken promises to come.

Legislative forum with Senator Randy Feenstra and Rep. Dwayne Alons:

Saturday, March 27 "Eggs and Issues" Rock Rapids CANCELLED

Saturday, April 10, 8:00 am, "Eggs and Issues"

Rock Rapids, Forster Comm. Bldg