



Capitol Comments

Newsletter from your
Iowa State Representative
Richard Anderson

State Capitol
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The Beginning of the End – Budget Bills On the Move.

We know the end of the legislative session is drawing near when the budget bills start to move. It is painful this year. The Iowa budget woes should be familiar to those of you who have been paying attention.

For the past three years, House Republicans have been warning Iowans about the over-spending being advanced and approved by Governor Culver. State spending has grown by 19 percent over the last 3 years, well in excess of reasonable growth and available general funds. According to the State Auditor, recent tax and fee increases have produced over \$600 million (10%) growth in state revenue. Additionally, close to \$250 million of state spending (4% of the annual state general fund) has been passed on to the property tax payer.

As an example of the challenges we face, I want to highlight the one of the budget bills in particular – the Health and Human Services appropriations bill. This budget funds our social and health safety net programs. This includes Medicaid, also known as Title 19, which provides resources for low income and disabled Iowans. This budget also funds our state mental health hospitals and resource schools.

For the year that ends June 30, 2011 only about 40% of the spending is covered by our projected incoming tax revenue. The balance of the funding comes from one time and non-recurring funding – such as \$225 million of federal stimulus funds, \$188 million from the state’s Cash Reserve Fund, and the balance from the Senior Living Trust Fund. According to the non-partisan Legislative Services Agency, \$530 million in one-time resources will be used for the Health and Human Service budget. The point is we are spending vast amounts of one-time money to maintain current ongoing programs.

While the vast majority of this one-time money is going to fund the state’s share of Medicaid, many other programs are now reliant on one-time sources of revenue. These include:

Program - Source of One Time Funding	Amount
Medicaid - Enhanced Federal Medicaid Match	\$ 225,104,633
Medicaid - Cash Reserve Transfer	\$ 187,800,000
Medicaid - Final Senior Living Funds	\$ 39,080,435
Family Investment Program - Federal Emergency Welfare Funds	\$ 17,678,279
Child Care Assistance - Federal Stimulus	\$ 15,755,256
Child Care Assistance - FY 2010 Carry forward	\$ 8,881,827
Dept. on Aging – Final Senior Living Funds	\$ 8,486,698
IowaCare - Enhanced Federal Medicaid Match	\$ 5,500,000
State Resource Center - Enhanced Federal Medicaid Match	\$ 5,500,000
Medicaid - FY 2010 Carry-forward	\$ 3,000,000
Medical Contracts - Pharmaceutical Settlement Account	\$ 2,500,000
Adoption Subsidy – Transfer from Child and Family Services	\$ 2,807,389
Adoption - Enhanced Federal Funds	\$ 2,200,000
Foster Care - Enhanced Federal Funds	\$ 1,387,581
Health Care Trust Fund - FY 2010 Carry-forward	\$ 1,348,678
Dept. of Inspection & Appeals – Medicaid Fraud Account	\$ 1,339,527
DHS Field Operations -Transfer of Vets Home FY 2010 Carry-forward	\$ 1,000,000
Iowa Finance Authority - Final Senior Living Funds	\$ 700,000
Toledo Juvenile Home – Transfer from Eldora Training School	\$ 110,000
Appropriation from Merchant Marine Fund	\$ 90,000
TOTAL ONE TIME FUNDING	\$ 530,270,303

When putting together any budget we must keep one eye on the future. We face a real problem next year when we reconvene to work on the 2012 budget. This reliance on one-time funds means the legislature next year will face the daunting task of finding over \$600 million (based on expected growth rates) to fund these programs. We were able to preserve the Clarinda Mental Health Institute this year, but we will likely face similar pressures next year. Iowans have to ask how these services will be provided next year and how they will be asked to pay for them.

Balancing the Budget on the Backs of the (un)Buckled

Another budget bill recently passed funds the judicial branch. This budget is being partially funded by increasing fines and court costs - to the tune of \$15.2 million. This may sound like an echo - because last year the majority increased court costs by \$21.3 million.

The fines on some violations will see a significant increase. For example, the fine for a failure to obey a traffic signal goes from \$35 to \$75. The fine for a failure to wear a seat belt, one of the most common offenses in the state, will increase from \$25 to \$75.

In addition to the fine, a violator is also assessed a 35% surcharge. So each increase in a fine means another increase in the surcharge. That isn't all... the bill increases court costs over last year's increase. The chart below reflects the increase for seat belt violators.

Fail to Maintain Safety Belt	Current Law	New Law
Fine	\$25	\$75
35% Surcharge	\$8.75	\$26.25
Court Cost	\$60	\$70
Total	\$93.75	\$171.25

Most of the money raised will go to help fund the Iowa Judicial Branch. If this proposed change is signed by the Governor, it will mean that fines and court costs will have increased by a total of \$36.5 million in two years. If you are interested I can forward to you a chart showing the increase in specific fines.

Noticed Any Potholes?

The Iowa Transportation Commission recently amended the 2010-2014 Iowa Transportation Improvement Program to authorize \$12 million in additional funding to maintain Iowa's deteriorating roads. This new funding will be distributed evenly with \$2 million going to each of the Iowa DOT's six districts. The staff in each district will identify and prioritize the particular district's needs based on pavement condition and location, and will develop projects based on these identified needs and the funds available.

A Service Project for Those Serving our Country

The Iowa National Guard Officer's Auxiliary (INGOAux) has initiated the "Bear Hug" project. Since 2001, the INGOAux has been assembling and distributing custom-made Teddy Bears to each child under the age of twelve of a deployed Iowa soldier or airman. The Teddy Bear serves as a source of comfort and as a link to the soldier.

In the fall of 2010, the Iowa National Guard will face the largest deployment since World War II. The INGOAux has set the goal of raising \$30,000 to help provide a Teddy Bear for the 5,000 children who will be affected. Iowa's brave soldiers and their families make sacrifices every day. This project is just a small way we can support the families and children of those deployed.

If you are interested in participating, checks can be mailed to the INGO Aux at Polk County Bank, PO Box 79, Polk City, Iowa 50226 or by visiting www.iowaofficers.org.

Please let me know if you have any concerns or questions.