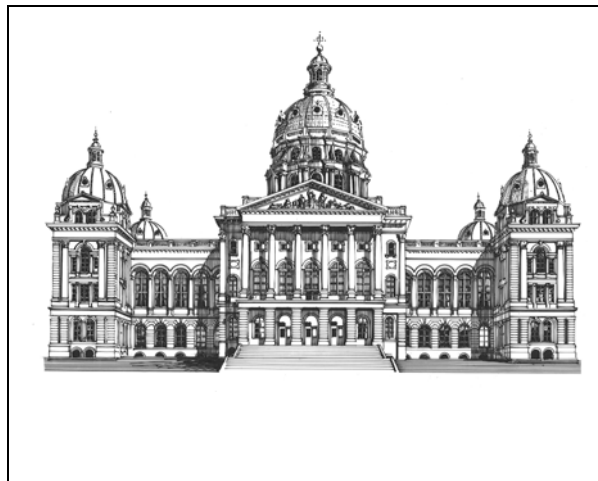


**Iowa House of Representatives
State Representative Cecil Dolecheck
Dolecheck's Details**

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For the week of March 1st-March 5th, 2010



General Fund Revenue Slightly Above REC Estimate

On Monday, March 1, Fiscal Services Division released the general fund revenue numbers for the first 8 months of FY 2010. Net revenue through February was slightly above the REC estimate for FY 2010.

Net revenue was down \$292.4 million or -7.5 percent compared to FY 2009. A timing issue caused \$32 million of revenue to be shifted into March. When this is factored in, net revenue was -6.5. This is above the REC estimate of -8.5 percent.

Through February, personal income tax revenue was down 4.4 percent, compared to the REC estimate of 3.6 percent. While income tax withholding is only down 1.1 percent, payment of estimated taxes is down 21.2 percent and payments with returns are down 17.7 percent. This suggests that tax refunds will be up dramatically as taxpayers file taxes due on April 30.

Total sales and use tax revenue decreased by 3.9 percent compared to FY 2009. This is above the REC estimate of 5.3 percent.

Sin taxes had a strong month as cigarette taxes (up 3.4 percent), tobacco taxes (up 23.3 percent) and liquor profits (up 40 percent) all showed strong gains.

It is not yet known if the REC will lower the mid March estimate. Since revenue is running a little above the estimate, they may just adjust the tax refund number and leave the revenue estimate at -8.5 percent.

Despite the budget bills beginning to move in both chambers, Iowans still do not know how much the majority party plans to spend on general fund programs. It is estimated that the final FY 2011 spending will approach \$6 billion when the money from the Cash Reserve Fund, remaining stimulus funds and underfunding of Medicaid are included in the total. Until the majority party authorizes LSA to release a general fund balance sheet, there is no way of knowing the exact numbers.

Education

I received a copy of the Education Appropriations bill late Tuesday morning to review. We were told that there would be little or no new policy language and they would just be applying spreadsheet numbers to last years bill shell.

To my surprise and disappointment there is new policy language inserted in this bill. Policy bills should go through the regular Education standing policy committee of which I am a member, and not be placed in an appropriations bill. The only policy that should be acceptable in an appropriations bill is what might be required to conform to current law or a new policy established through the efforts of the Education committee and signed by the Governor.

The policy language found in the bill that I find offensive is an attempt by the Iowa State Education Association (ISEA) to exempt teacher salaries from any across the board cuts that the Governor might have to make to balance the budget.

I will be offering three separate amendments to eliminate this policy language from the bill. The first is the attempt to require school districts to fully fund teacher quality supplements in 2009 and in the future. Most schools had language in teacher contracts that state teacher quality monies be kept separate and would be reduced if the state did not provide the full appropriation. The Department of Education actually stated, after the Governor's across the board cut, that school districts could reduce Teacher Salary Supplement salary dollars by that amount. This new policy language will force the schools to now make these payments to teachers which will be paid for with property tax dollars.

The second amendment that I will offer is to eliminate policy language in the bill which seeks to make teacher quality money, phase II, and any professional development monies be combined into one salary schedule. This action helps to enforce what ISEA is attempting to accomplish, exempting teachers from having to share any responsibility in helping to improve a staggering economy.

The third amendment will be to strike the language that states that salaries and teacher quality money be exempt from future across the board cuts.

These attempts by the unions to get something to hang their hat on out of this session is very disheartening. My school administrators and school boards are also livid about this language. I have visited with several teachers from my districts who have also indicated this language is not what they asked for and, they do not agree with the union money grab. What do you think?

What do you think? Email me your thoughts. My e-mail address is : cecil.dolecheck@legis.state.ia.us

House Visitors include : Landi McFarland from Iowa Cattlemen-Ringgold County, Nick Zimmer of the Red Oak Ymca, Pam Sprauge, Treasurer from Taylor County and Joni Ernst, Auditor from Montgomery County.

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

The number for the House switchboard is (515) 281-3221, Seat 65