

For Immediate Release

Capitol Comments

Houston, We've Had a Problem

By State Rep. Mike May

Those of you old enough to remember Apollo 13 will remember that our third mission to the moon went very sour two days into the space flight as the ship failed in that no-mans-land between earth and moon.

We feared for the lives of the three astronauts after command pilot James Lovell reported an explosion aboard Apollo with, *"Houston, we've had a problem."* It has since become a catch phrase, but it stunned much of the world when it was first uttered and broadcast on April 13, 1970.

It all ended well because of undaunted courage, incredible engineering skills applied under the worst kind of pressure, and teamwork among the three space voyagers and thousands of specialists on the ground.

That's a set of skills I would like to see at work in the Iowa Capitol. For years men and women in the legislature who believe in fiscal sanity have been metaphorically echoing Lovell's warning. Too few of the others are responding well to the fiscal disaster which is the Iowa budget. We need skill, courage, and a cooperative spirit. We're not getting it.

Half Way Home

Last Friday we reached the halfway point of the session. Five weeks down, five to go, and we marked the week by passing the Government Reorganization Bill. We debated it for two days, considered almost countless amendments, and finally approved it with a comfortable majority.

The final result will save a modest sum of tax money. We estimate it will reduce the size of government enough to save something like \$70 million or a little more in general fund expenses and just over \$55 million in other state funds. The estimates apply to fiscal year 2011, beginning July 1 this year.

Any program that trims government is likely to be good, but in my estimation the reorganization bill is a baby step. We still face a billion-dollar gap between projected spending and projected income, so we obviously need to do much more cutting over the next five weeks.

Two programs that were temporarily saved in the final bill were the Library Services Areas which are very important support for rural libraries. I heard from many of you on this issue and worked with my Democratic colleagues to see that these areas were kept in place.

Bipartisanship and hard work also helped us keep the highly effective empowerment program within the Department of Management. Many of us feared if the program, that does so

much for our preschool children, were to be placed in the Department of Education it would become an additional casualty of the bureaucratic nightmare that exists within that department.

Consolidation of information technology services, early retirements, job attrition, and capping certain Department of Human Services expenses were all cost effective achievements within this bill.

Budget Targets

Democrats released a list of budget targets that give a partial view of their FY 2011 budget "plan".

Unfortunately, this does not give us a transparent look at spending and revenue. It shows roughly \$2.5 billion of the general fund budget (the final budget will be over twice this amount).

The press release shows that legislative Democrats are \$475 million below the Governor's recommendations but are still likely to spend close to the same amount as they did in 2010.

Like their counterparts in Washington, D. C. they have created an unsustainable budget which does not deal with the systemic spending problems in state government.

Most of their savings come as a reduction in health and human services which means they are likely to be under funding programs like Medicaid to meet their budget targets.

The release of partial targets does not give a sense of how much K-12 education will be under funded or how much money will be shifted from the Cash Reserve Fund, or how much property tax credits will be reduced. We may be looking at a major increase in local property taxes if the state walks away from its promises.

House Republicans are committed to three principles. 1) The budget does not spend more than the state takes in. 2) The plan does not raise taxes. 3) The budget includes further proposals to improve government efficiency. While we have proposed over \$500 million of additional savings the last two years we are committed to finding other savings whether they are accepted by the majority party or not.

Right To Work

It looks as if HSB 702, which allows unions to charge what they call a "bargaining and grievance reimbursement fee" to non-union executive branch employees, will move forward. A hearing last Wednesday revealed Democrats may have the votes to end Iowa's status as a right to work state.

Plainly stated, the bill would allow the unions to charge nonunion members fees for services they don't want.

According to fiscal services the bill would double the money going to the unions from \$5.7 million to \$11 million. Fees for individual nonunion members would probably be in the \$300 dollar per year range.

While Republicans and a few Blue Dog Democrats have repelled this assault on right to work for three years, it now looks as though the battle may be going the other way. Iowa Democrats -- like their machine politician counterparts in Chicago -- may have the pure political clout to pay back their union supporters at the expense of our status as a right to work state. We will continue the fight, but the majority party needs to hear from you on this issue.

I guess you could say, "Houston, We've Got a Problem." And in this case, we need your help to bring the ship home safely.