



Nick's News from the
Iowa House of Representatives
 State of Iowa
Eighty-Third General Assembly
 Week 1: January 11th-15th, 2009

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First week of the 83rd General Assembly

It is the first week of the legislative session and it feels great to be back at the Capitol. I look forward to opportunity to continue to serve the residents of House District 36. As I have said in the past I will fight for the tax payers and residents of Iowa. If you have any questions or if there is some way that I can help please do not hesitate to contact me by phone or e-mail and I always enjoy

Condition of the State Address

On Tuesday, the House and Senate convened in joint session to hear the State of the State address delivered by Gov. Culver. The Much of the Governor's speech included details as to what he has done in the past 3 years rather than speaking to how we will move forward and work through the tough budget situation. He touted the I-Jobs program which is the bonding program passed in the last session. This program borrowed over \$700 Million that will cost the taxpayers of Iowa \$1.4 Billion over the next 20-30 years. I was very happy to see that the Governor did take some of the suggestions for reducing the cost of state government provided by the Republicans in the last session such as consolidating computer systems and leasing instead of purchasing state vehicles. The Governor also laid out more increases in spending at a time when just cannot afford to do so. We still have not seen revenues rebound and just cannot continue to spend more than we bring in as we have done with the budget in the last few years, and contributes to our \$1 Billion gap for next year's budget.

Condition of the Judiciary

On Wednesday, the House and Senate convened once again in joint session to hear the Condition of Judiciary address delivered by Chief Justice Marsha Ternus. The Chief Justice warned of the necessity of the accessibility and administration of justice in her speech and asked that "after a decade of downsizing, the time has come to hold the line." To help maintain their budget, the Chief Justice noted that the courts would be open to again increasing court fees but would not, at this time, consider consolidation of the courts. Chief Justice Ternus noted that budget cuts could not come at a worse time for Iowa's judicial system. Some areas have seen significant increases in demand over the last two years:

- Mortgage foreclosures are up 34%
- Debt collection cases are up 21%
- Petitions for domestic violence protective orders are up 15%
- Adult commitments for substance abuse or mental health problems are up 16%
- Juvenile commitments for substance abuse or mental health problems are up 76%

Budget Issues

The state budget is at the forefront of our efforts in committee as well as subcommittees. This year the legislature has reduced the number of days of the session to 80 (instead of the normal 100) to save costs. Work started very quickly on many issues. I currently serve on the Administration & Regulation Appropriation Subcommittee which oversees various state executive agency budgets. Budget subcommittees are joint committees meaning they have members from the Senate and the House and they conduct joint budget hearings during January and February providing recommendations which are passed on to the full Appropriations Committee for action. My colleagues and I will be asking each department to provide detailed information during the budget review process such as number of full time positions that have been added in the past year, what the impacts of those positions are including (i.e. salary and benefits), suggestions on how to reduce the budget and/or the responsibilities, and any services that could be leased, sold or privatized.

Hopefully answers to these questions will help us to make informed decisions when we receive the Governor's proposed budget which is expected the last week in January. I am hopeful that the budget will contain the necessary spending cuts to allow Iowa to regain its financial footing, balance or budget, and not pass on the cost and burden of reckless state spending on to the taxpayer. We cannot continue to spend and tax our way out of the budget mess we are in.



Committee News

Commerce

Introduction, Assignment of Bills

**Local Government
(Ranking Member)**

Introduction, Assignment of Bills

Transportation

Introduction, Assignment of Bills

Ways and Means

Cancelled

**Admin. & Reg. Appropriation
Subcommittee**

Cancelled

Filed Bills

I filed two bills this week:

HF2045

Provides that school supplies are included as part of the tax free shopping holiday held each year. This comes from a constituent that contacted me and asked why she could go buy a new coat and it was tax free, but a school backpack for her children was not. This is confusing as it stands now and adding school supplies help provides some relief to parents when buying those supplies.

Waiting for First Reading

Eliminates the sales taxes required on professional recruiting services. A recruiter from Marion moved out of state because he was able to run his business with less cost in another state. There are many other professional services that are not taxed and recruiters should be one of them. As we try to pull out of the recession companies will be hiring and it does not make sense to make it more costly to hire employees.



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On December 17, the Governor issued Executive Order #20, which contained 39 proposals to reduce or eliminate spending. The Governor claims that the EO will save the taxpayers \$140 million in FY 2011 and over \$500 million from FY 2011 to FY 2015. Some of the ideas were offered by Republicans last year but were voted down by Democrats. One of which I proposed was to consolidate information technology planning and operations to the extent reasonably possible which would save, by some estimates up to \$14 Million.

As was the case last session, this session House Republicans will not vote for a budget that spends more than the state receives in revenue, and I support this stance. Republicans have continued to review the budget and provide ideas for improving and preventing future problems such as we face now. Here are some of the Republican initiatives that are being proposed to reign in state finances.

Constitutional Limit on State Spending

- Iowa currently has a law requiring a 99% spending limitation on its budget which means each year the government must set aside 1% of revenue collected and not spend it. This is not working. Democrats authorized nearly 70 loopholes in the current law to allow their outrageous spending increases in the last session alone. The law needs to be added to the Constitution. Iowa families must live within their means – Iowa state government should be no different.

Supermajority Vote on New State Debt

- In 2009 Gov. Culver and legislative Democrats approved legislation that puts Iowans on the hook for \$1.7 billion in debt. Statewide polling showed that 70% of Iowans opposed the debt scheme. A 2/3 supermajority of both houses of the legislature is needed to authorize new state borrowing. A 60% vote is required at the local level to ensure widespread support. The same should apply in the Legislature.

Sunset Authorization of Every State Program

- There should be a systematic process wherein EVERY program funded by state government will be sunset (deauthorized) by a date certain unless the Governor and the Legislature reauthorize that program. This forces a top to bottom review of every existing program funded by state government to determine whether the program is effectively and efficiently meeting the needs for which it was created, or if the need even continues to exist. Programs no longer needed should be eliminated and those resources should be diverted to other priorities.



Rep. Wagner and Kristine Donehoo (Marion)

Wagner Greets FaDDS Member at Capitol: A local member of the Family Development and Self-Sufficiency (FaDSS) grant program visited the State Capital early in the 2010 legislative session.

Feel free to contact me with any suggestions and concerns that you may have. I am looking forward to another productive week as your representative and always appreciate hearing from you. Thanks for your continued support.