



Issue No. 2

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The Capitol Report

League of Women Voters of Iowa Legislative News

Halfway There.

Legislators are celebrating the halfway point of the legislative session - Friday, February 19 was day 40 of the 80-day Iowa legislative session. They have been working long days and a few Fridays in order to keep the session on track to end March 31.

February 12 marked the Legislature's first deadline - called a funnel.

Committees needed to act on bills by that date if they wanted to keep them alive. Bills that didn't make it are dead for the year. While hot button issues like a constitutional marriage amendment and long-shots like medical marijuana died in the funnel, others that ban texting while driving, toughen laws against puppy mills, and require seatbelts for kids of any age in the back seat all survived to see another day.

- You can look at a complete list of bills that survived the "funnel" deadline [here](#).
- You can review LWVIA-related bills in our Bill Tracker [here](#).

Budget Targets Released



The Governor's "supplemental" bill (

[SSB 3197](#)

) is out - it puts money back into the programs the Governor exempted from last fall's 10% across the board cut. These programs include an expansion of health insurance coverage for kids, public health programs, and corrections spending. The bill was voted out of the Senate Appropriations Committee and should be ready for floor debate early next week.

Speaking of budgets, the budget targets for 2011 are out, and it's not pretty. Legislative leaders gave their budget chairs a "target" on Wednesday, telling them how much of the budget pie they have to spend. This year, the Health & Human Services Budget is going to leave the table hungry.

The budget targets are 5% below current levels (that is, below last fall's 10% across the board cut). Here are the targets for the seven areas of the state budget:

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- **Administration/Regulation - \$ 63,836,703** - This is an increase of \$ 2,897,461 over current levels (and is \$2,857,461 over the Governor's recommendation).
- **Agriculture/Natural Resources - \$ 35,917,312** - This is a cut of \$340,780 under current levels (and is the same as the Governor's recommendation).
- **Economic Development - \$ 41,754,957** - This is an increase of \$1,138,322 over current levels (and is the same as the Governor's recommendation).
- **Education - \$ 844,371,902** - This is an increase of \$28,514,198 over current levels (and is \$11,490,688 below the Governor's recommendation).
- **Health/Human Services - \$ 954,340,874** - This is a cut of \$168,162,109 under current levels (and is \$172,625,510 under the Governor's recommendation).
- **Justice System - \$ 634,366,394** - This is an increase of \$8,593,422 (and is \$920,181 over the Governor's recommendation).
- **Transportation - \$ 0** - This is \$1,350,000 under current levels and the Governor's recommendation. This recommendation would shift all administrative funds to federal funds.
- **Reorganization "Savings" - (\$ 79,940,500)**
- **GRAND TOTAL - \$ 2,494,647,642** - This is \$208,689,986 below current levels (and \$260,831,514 below the Governor's recommendation).

You might notice about \$3 billion missing from these budget targets (this year's budget will be about \$5.3 billion). That is because these budget targets only show money spent in the seven budget subcommittees and does not include general fund money that will be spent in the "standings budget" which funds things like K-12 education and property tax credits. A spreadsheet of these budget targets is available [here](#).

To make matters worse, the state loses its enhanced federal Medicaid match in December. The state had been relying on extra federal Medicaid money coming into the state through the economic stimulus package passed by Congress last year. That money runs out in December, leaving half a fiscal year with less federal dollars. That means Medicaid will really have \$375 million less to work with next year.

Most budget subcommittees cancelled meetings last week, and instead met privately to figure out their game plan. Legislative leaders have asked each of the seven budget subcommittees to get their budgets done by Thursday, February 25. Their hope is to have all budgets done and ready to go when the Revenue Estimating Conference (REC) meets on March 11.

Reorganization Coming to End

Legislators spent the summer and early part of this session finding ways to find efficiencies in restructuring government operations and save money.

Their plan, as passed by the Iowa Senate earlier this month, would have saved the state about \$74 million. By the time the House passed the bill, the savings were down to \$60.7 million. Under both plans, local governments will see about \$44.2 million in savings. The Governor's original proposal would have saved \$341 million, but legislators didn't trust the consultant's math.



There are significant differences between the House and Senate ([SF 2088](#)):

- The Senate closed the Clarinda **Mental Health Institute** - but the House eliminated all MHI closure language. Original plans called for the closure of the Mt. Pleasant MHI.
- The Senate made big changes to early childhood "**empowerment**" programs, bringing them under the control of the Department of Education. The House took out language and left their local governing structures in place.
- House also amended the central savings portion of the bill - called "**span of control**." Span of control is the number of employees managed by a supervisor. The Senate required one manager for every 20 employees, phased in over seven years. The House decided on a two-year phase-in, taking the state from 1 manager for every 12 employees to 1 manager for every 15 employees.
- The Mental Health/Mental Retardation/Developmental Disabilities/Brain Injury Commission duties were revised in both House and Senate versions of the bill at the request of the Commission. They will also get a mercifully shorter name - **Mental Health/Disability Services Commission**.
- The state would look for ways to restructure and be more efficient every four years under the Senate-passed version and every two years under the House-passed version.
- Both bills still include changes that would take brand name **psychiatric drugs** off the Medicaid preferred drug list (requiring people try out less expensive drugs first) unless their manufacturers give the state rebates and lower pricing. Both bills also allow doctors to prescribe a seven-day supply of drugs that are not on the preferred drug list, instead of the current 30-day supply.

Still in the bill include:

- Eliminates the requirement that government agencies deliver one paper copy of all reports to the General Assembly (instead submitted electronically) and allows for the Legislative Services Agency to publish official state legal publications electronically.
- Creates a False Claims Act to allow the state to recover more for Medicaid fraud.
- Allows DHS to establish new service areas and field offices.
- Requires the Department of Human Services to develop a disease management program for children to help better control chronic diseases (like diabetes and asthma).
- Closes the Luster Heights Correctional Facility (Farms 1 & 3). (\$2.4 million savings)

You can read the Legislative Fiscal Bureau's analysis and explanation of the bill [here](#).

Status of League Priorities

The League of Women Voters of Iowa's top priorities this year are implementing the recommendations of the Criminal Code Restructuring Study Committee, mental health, and predatory lending.

Mental Health Parity (HF 234). Legislators are preparing to bring the Mental Health Parity Bill up for a vote this week, but plan to have several changes they hope will bring more people to the table. Some of the changes include exempting coverage for "v" codes (lifestyle codes), allowing managed care principles to be used for mental health (if they are used for physical health as well) and allowing care consistent with evidence-based practices. The more controversial changes include a provision to phase small business coverage in over three years and possibly allowing businesses to opt out if their rates increase by more than 5% because of mental health coverage.

The problem with the latter is that no one knows how to track insurer rate increase. Rep. Janet Petersen is working with her colleagues in the House on an amendment that would require insurers to open up their actuarial books so that the State Insurance Commissioner can double check rates and make sure they are justified. Insurance companies won't like that. Look for amendments soon, and legislators to take a vote in the coming days.

Predatory Lending. This year's bill to curb the tide of predatory "pay day" lenders is [HF 2127](#), but it died in the first legislative funnel deadline. This bill, deemed a compromise by advocates, gives lenders a choice of providing up to six pay day loans per customer at current unlimited rates but requiring them to submit detailed information about the loan, lender and payment history to a state database or limiting all loans to a 36% APR with no reporting. While the bill is dead, the issue does not have to be. Keep talking to your legislators and ask them to amend it onto another bill, or put it in Standings.

Corporate Campaign Reform (SF 2354). Legislators reacted quickly to the recent US Supreme Court ruling that opened the door for corporate campaign contributions. News reports say Iowa's bill is the most aggressive and strongest in the country so far. The bill is awaiting Senate action. It would require shareholders give approval of any corporate campaign contribution, prohibit a corporation from hiring the same ad firm as a candidate, and banned all insurance companies and banks from making in-kind or monetary contributions (but they can solicit funds for a PAC).

Open Meetings/Public Records (HF 777). Last year, organizations representing various government entities and advocates for open meetings worked hard to develop a compromise that would clarify existing laws. This year, the bill is on the move again, but the compromise was derailed when an amendment was added to the bill that struck all clarifying language and instead created a gubernatorial appointed commission charged with interpreting and enforcing existing open meetings and public records laws. The bill was voted out of the Senate State Government Committee, which means it is safe for the rest of session.

You can view a complete list of these bills on the [LWVIA website](#) or the [LWVIA Bill Tracker](#).

Happy 90th Birthday League!

Thanks to all of you that attended the LWVIA Capitol

Day this year. Governor Culver signed a proclamation honoring the League for their contributions and wishing them a very happy birthday (90 years young). The Governor stuck around for quite a while taking pictures with League members. You will be able to see many of these pictures on our website soon - check back at www.lwvia.org in the coming days.



Following the proclamation signing, Rep. Lisa Heddens of Ames and Rep. Renee Schulte of Cedar Rapids read a resolution in the House Chambers and recognized League members in the balcony just before the entire House passed the [resolution](#).



Sen. Amanda Ragan of Mason City could not be present for the proclamation signing, but sent along a certificate of recognition from the Iowa Senate recognizing the League and its accomplishments.

What a birthday - and what a year to join you!



What Next?

Things are moving at lightening speed around the Capitol these days. Even you are under the gold dome every day, it can be tough to keep up on things. Here is a quick review of what's ahead this next two weeks:

- **Budget Subcommittees are to have their budgets done by February 25.** This probably won't happen - or at least budgets won't be in final form. Most budgets can get by with passing a status quo, no increase budget. The Health/Human Services Budget will need to make very deep cuts - and rumor has it they will probably underfund Medicaid (something that was done for years). Underfunding Medicaid is a budget trick - since it is an entitlement, the state has to pay for it. They would just have to pass a supplemental next session, when hopefully there is more money.
- **The second legislative "funnel" deadline is in two weeks away (March 5).** Bills need to be pretty far along in the legislative process to be alive after this date - they need to have passed out of one chamber and out of committee in the opposite chamber. Tax and budget bills can be debated at any time.
- **Final decisions on the reorganization bill will be made, and the savings locked in.** While things change daily at the Capitol, most legislators think the bill will end up in a "conference committee." Conference committee reports cannot be amended, so sometimes negotiations are simpler in conference committee.
- **Bake sales.** Laugh away, but the Governor's Supplemental Budget ([SSB 3197](#)) calls for a garage sale. That's right - the bill authorizes the Department of Administrative Services to sell off any unneeded equipment, furniture and fixtures found when they take possession of the Mercy Capitol complex. The building is being renovated for state office space. I wonder how many lampshades and chairs (or pies) it will take to make up the \$1 billion budget gap.

LWVIA Bill Tracker

Click here to access our [LWVIA Bill Tracker](#). This system allows you to keep up to date on the most recent status of the bills we are tracking for you - so you can keep updated between our monthly reports.

You can keep up on their status and watch for new additions at any time by going to our website at www.ialobby.com or directly to the [Bill Tracker](http://www.ialobby.com/CPCBillTracker/tabid/59/Default.aspx?cid=LWVIA) at <http://www.ialobby.com/CPCBillTracker/tabid/59/Default.aspx?cid=LWVIA>.

We update this list every day - sometimes many times a day. So you can see what's going on according to your schedule - not ours!

Quick Links

[LWVIA Bill Tracker](#) *(status of tracked bills, updated daily)*

[State Legislative Website](#) *(schedules, legislators, committees)*

[Governor's Website](#) *(executive orders, press releases)*

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