

Jeff Smith
STATE REPRESENTATIVE
Sixth District
Statehouse: (515) 242-6411
e-mail – jeff.smith@legis.state.ia.us

HOME ADDRESS
1006 North Brooks Lane
Okoboji, Iowa 51355

Contact: Jeff Smith
(712)320-2679

FOR IMMEDIATE RELEASE

STATE BUDGET DEBATE

April 7, 2011



House of Representatives
State of Iowa
Eighty-Fourth General Assembly
STATEHOUSE
Des Moines, Iowa 50319

COMMITTEES
Commerce
Economic Growth/Rebuild Iowa
Local Government, *Vice Chair*
Natural Resources, *Vice Chair*
APPROPRIATIONS SUBCOMMITTEE
Administration and Regulation

Budget Bills Move to the House Floor

We are now entering the final month of the 2011 legislative session which means we are focusing almost entirely on the budget. Budget committees have been working all session on preparing these budgets and we are now in the process of debating them on the House floor. As you can imagine, these debates can be very lengthy and often contentious. House Republicans have been very clear on how the State's budget will be handled this year. We are committed to approving a budget that funds Iowans' priorities while not spending more than we take in.

This year's budget process is quite different from past years. Governor Branstad has insisted on passage of a biennial budget. House Republicans will approve a two-year budget but will not give up the Legislative authority to appropriate and have insisted on the Governor signing a limit to the Governor's transfer powers. This budgeting process is very similar to the way many local businesses operate and is essential for long term planning. Iowa has a serious problem with its budget for not only FY 2012 but FY 2013 as well. Many of these issues have arisen from spending programs that were implemented with one-time funding sources. A biennial budget will force the legislature to look forward and see how each new program will affect the outlying years. This will also make us take a hard look at how we spend any federal stimulus dollars.

House Republicans are taking a conservative approach to FY 2013 budgeting by using a small rate (3.5%) of growth to identify new priorities. The growth rate is less than the historical average of 4% over the past ten years and is lower than the Department of Management's 3.9% revenue growth estimate. This amounts to an increase of total general growth revenue of \$209

million compared to FY 2012 budget targets. The bulk of the new revenue will be used to fulfill commitments made to the property tax payers and fixing budgeting issues.

Another benefit to a biennial budget is the ability to provide more oversight on existing government programs. In the even numbered sessions we will be able to review all programs and determine if they are meeting the goals that were set when enacted. It's been said that once a government program is put in place, it is there forever. In some cases that may be a good thing but many times it is not. Sometimes these programs have outlived their usefulness other times they are put on auto pilot and funded, many times at a higher amount than needed, regardless of its effectiveness. We have to be better stewards of the taxpayer's money and eliminate overlapping and ineffective government programs. This budgeting process is the first step of many to moving Iowa forward and once again getting control of our spending practices.

If you have any questions please contact me and we can discuss any issues you may have. You can reach me at jeff.smith@legis.state.ia.us or call (712)320-2679.

###