

State Revenue Estimate Drops

The Revenue Estimating Conference met on March 19 for its required meeting during the legislative session. The three-member committee reduced the amount of new dollars the General Fund will have to spend in FY 2016. That means the legislature will have to use this estimate to set the budget instead of the December estimate. As this was expected the legislature had been holding off work on the budget until it was known which estimate we would need to use.

For FY 2016 which begins in July, the REC lowered the General Fund revenue projections to \$7.1755 billion. The amount of new ongoing revenue available to be spent is the difference between the FY 2016 revenue forecast (\$7.1755 billion) and the FY 2015 budget (\$6.9946 billion) that has already been appropriated. Prior to this meeting, we had been working under the assumption that the state would have \$200 million of new money in FY 2016. The revised estimate means the state has instead only \$180.9 million of new money to spend in FY 2016.

With that in mind work has begun on setting budget targets. The House allocated early in the legislative session an \$84 million increase out of this \$180.9 million of new money, for K-12 schools. That bill is now in conference committee to hammer out an agreement between the House and the Senate. K-12 schools are getting the first, and the single biggest, bite of the apple when it comes to state spending. The apple, however, due to falling revenues, is not as big as many had hoped. The rest of the new money, \$100 million, will be needed to fund increases in the state's other priorities of Medicaid, public safety, mental health, state workers' salaries, the Regents schools, community colleges, prisons, etc.

All three members of the REC said there had been little change in the economic factors since their last meeting in December. Economic growth in the US and Iowa remains solid, if at a modest pace. The average work week is now at 42 hours and wage growth is beginning to pick up in-state, even though it has yet to reach the level seen before the 2008 recession.

There is concern over Iowa's agricultural economy. The state saw a loss of manufacturing and ag machinery jobs in the last few months and the Rural Main Street Index fell below neutral levels. The strong dollar is having an

impact on export markets, which are a key part of Iowa's ag economy. Average corn prices are still 43 percent below their 2013 highs with significant supplies still in the bins.

Even with these caution signs, Iowa's farm economy is not in trouble the REC says. Income tax returns are showing farmers are holding their own or posting small profits from the last year. Ag debt levels are at a manageable level, since many of the purchases made during the last few years were with cash. Livestock producers continue to have solid prices. Input costs should begin to decline if lower oil prices remain during calendar year 2015, and the over-supply of corn should be reduced in the next two to three years.

School Start Date Bill Starts & Stops

The House this week sent a school start date bill (SF 227) back to the Senate which approved the bill Wednesday but did not send it down to the Governor. Instead Senator Gronstal filed a Motion to Reconsider. The bill passed by both chambers sets the earliest school start date at August 23rd, and sets up a process by which individual prekindergarten through 8th grade buildings can request waivers for year-round schools. This is in contrast to the Senate's language of total local control on the issue.

This bill passed in bipartisan fashion and is an attempt to find a middle ground between the two sides of the issue, those who support total local control, and those who support a start after Labor Day in September. The Governor has made it clear that he will veto any bills that arrive at his desk that provide total local control on the issue. If that ends up being the case the start date will remain as it currently is: a day in the week of Sept. 1st with waivers granted under the Department's new strict guidelines. August 23rd, as passed by both chambers, appears to be a date that will satisfy most of those engaged in the debate. With the bill now in Sen. Gronstal's hands, we await further action.

Ultrasound Bill and 2nd Amendment Bill Sit in the Senate

On March 16th the House sent HF 573 over to the Senate. It requires that prior to performing an abortion, a physician must certify in the woman's medical record that the woman has undergone an ultrasound imaging of the unborn baby; that the woman is given the opportunity to view the ultrasound image of the baby; and that the woman is given the option of hearing a description of the ultrasound image and the heartbeat of the baby. This bill is still awaiting action in the Senate.

On March 10th, the House sent HF 527, a 2nd Amendment bill relating to the Senate for consideration. HF 527 was created with bi-partisan work and passed out of the house with overwhelming support. As of today, the bill is still waiting for action in the Senate.

Opponents have expressed concern that the bill would end all background checks for handgun purchases. However, that is not the case. It is still the responsibility of the seller and buyer to adhere to all laws governing background checks. These checks can easily be done through the National Instant Criminal Background Check System (NICS) which is run by the FBI. The NICS database is constantly updated to ensure accurate information is available.

While many Iowans choose to have a permit to purchase or a permit to carry weapons, they often don't want everyone to know they have these permits. Publishing the addresses of permit holders can place them, and their families, in danger from those who may consider breaking in to a house to steal weapons. It also makes those who don't have a permit targets for crimes. HF 527 ensures the safety by keeping the information of permit holders private to everyone except law enforcement, in limited circumstances.

The legislation also allows Iowans the right to use a suppressor. This would put Iowa in line with the majority of other states. Unlike what is shown in movies, a suppressor does not silence a firearm, it only reduces the noise. Much like a muffler on a car, a suppressor can't eliminate sound from a firearm, but it can lower the decibels to protect the hearing of shooters and observers.

House File 527 has several other provisions designed to clarify and simplify firearms laws. Including allowing parents the right to teach their children how to safely shoot and handle firearms and a simplified process for the

renewal of carry permits. The goal of House File 527 is to ensure Iowans can continue exercising their 2nd amendment rights safely, with less red tape and less interference from the government.

Feel free to contact me with ideas, thoughts, and concerns. My phone is 319-987-3021 or you can email me at sandy.salmon@legis.iowa.gov . I want to hear what you are thinking and will listen to your input. Together we will work to make a difference for the future of Iowa. Thank you very much for the honor of representing you!

Sincerely,

Sandy