

Iowa Courthouses Set to Close Eight Days Between March and June

Written by Lynn Campbell
Friday, 27 February 2009 15:07



Iowa courthouses will close an additional eight days between now and June 30 if the \$3.8-million cut to the judicial system approved Thursday by the Iowa House is also approved by the Senate and signed by the governor, State Court Administrator David Boyd told a panel of lawmakers this week.

That's twice a month, or once a pay period, Boyd told the legislature's joint justice-system budget subcommittee. Beginning in March, the courts would close on each day that the state's 1,600 clerks of court and other judicial employees take a furlough, or unpaid day off, for a savings of \$335,000 a day.

The Iowa Supreme Court on Friday issued an order requiring all court offices to be closed for seven days before the fiscal year ends June 30, in anticipation of the \$3.8-million budget cut. With the order, all 1,600 judicial employees will take unpaid leave and courthouses across Iowa will be closed March 20, April 10, April 24, May 8, May 22, June 5 and June 19.

"One furlough per quarter is not that bad," said Senator Rob Hogg, an attorney and Cedar Rapids Democrat. "But when you get to talking about eight -- two a month -- that is not acceptable."

Yet the Iowa House voted 55-43 Thursday afternoon for a bill that includes a \$3.8-million budget cut to the judicial system, a \$957,000 cut to the legislative branch, and a \$25.6-million cut to the executive branch, all before June 30. Democratic legislative leaders confirmed that they don't intend to alter the level of cuts.

"I think it's fairly strong that that's going to stick," said Representative Todd Taylor (D-Cedar Rapids), chair of the justice-system budget subcommittee. "At this point, I don't see that changing a whole lot. ... It's not signed by the governor yet, but I don't have high hopes that it's going to change a whole lot."

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Iowa's courthouses already closed February 16 for the first of what was anticipated to be several furlough days between now and June 30.

A \$3.8-million cut would represent 2.6 percent of the courts' operating budget -- almost twice the 1.5-percent cut that agencies in the executive branch were ordered to take. It's also much more severe than what court officials had proposed to Governor Chet Culver: a \$1.7-million cut in the current fiscal year that would mean only three court-closure days.

Iowa's court system will undergo much more drastic cuts -- 20 furlough days and between 80 and 160 layoffs -- if it's required to take a \$15.4-million cut next fiscal year, Boyd told lawmakers.

House Approves 2 Percent Allowable Growth

The Iowa House gave final legislative approval Thursday to bills setting school districts' per-pupil allowable growth and state categorical allowable growth at 2 percent for fiscal year 2011, meeting the 30-day deadline to put a bill on Culver's desk.

Republican lawmakers rose in opposition to setting a percentage that would increase school spending in two years when Iowa's fiscal future is still up in the air.

"At this time, when there is so much fiscal uncertainty not only in the world but the state, it would be fiscally irresponsible for us to try to pick any number that has just as good a chance as being wrong as being right," said Representative Tom Sands (R-Columbus Junction).

Republicans also voiced concerns about the burden the allowable-growth figure will put on taxpayers. To pay for the 2-percent increase, it's estimated that \$58.3 million in additional property taxes must be collected.

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Earlier in the week, the Iowa Association of School Boards (IASB) warned that a 2-percent allowable-growth rate for 2010-11 would cause an increase in property taxes, result in at least 1,500 layoffs of teachers and staff statewide, and squelch enthusiasm for implementing the core curriculum.

"We've no more fat to cut, and each cut we makes brings a room full of tear-filled parents to our board room, wondering why we can't keep our teachers," said Lee Ann Grimley, president of the Springville School Board. "Our community wants the best for their kids, and they are willing to pay for it."

IASB requested that legislators raise the allowable growth rate to a number that would cover the cost of wages, benefits, utilities, fuel, and other expenses. Typically, schools need at least 4 percent to keep up with salary settlements.

A 2-percent allowable growth figure is as far as the state can go, Culver told reporters this week. On Friday, he signed into law the bills setting a 2-percent allowable growth for school districts' per-pupil spending and categorical spending for fiscal year 2011.

"We literally did as much as we could given the tight budget," Culver said of the increase in per-pupil spending two years from now. "With 2 percent, it's less likely there will be as many layoffs."

Democrats have said they plan to use money from the federal stimulus package to backfill a shortfall in state funding for schools in the next two years. Representative Roger Wendt, a Sioux City Democrat and the bill's floor manager, said he understands the budget concerns but still thinks this is the right thing to do.

"I, too, recognize that 2012 could be a very difficult year if we don't have any change in our economy, but by the same token I think we need to use that stimulus money," Wendt said. "The intent of the stimulus money was to get us over the difficult times, and I think that's an appropriate use of stimulus money. I know we have difficult times ahead of us, but I think this is an appropriate thing to do for that 2011 budget year."

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But Representative David Heaton (R-Mt. Pleasant), said it is irresponsible to use one-time money to fund allowable growth. He said that would put the budget in a predicament a few years down the line.

“I just have to say I am so concerned,” Heaton said. “Not concerned about being able to fund the 2011 school budget. What concerns me should be concerning you, and that is: What do we do in 2012 when we no longer get assistance from the federal government? Where will this state ever find the funds to make up for the use of one-time funds? While we’re solving our problem today, tomorrow -- after the feds stop sending the money -- what are we going to do?”

Despite Republican misgivings, the bill passed 54-43, meaning the state will provide a total of \$2.37 billion in state aid to schools in fiscal year 2011, while property taxes will provide \$1.28 billion in funding. The state cost per pupil would then be set at \$5,883, an increase of \$115 per pupil.

Democrats Release Budget Targets, Aim to Spend Less Than Culver

Iowa Democratic legislative leaders this week released the skeleton of a \$6.1-billion budget plan that they said spends \$133 million less than the plan proposed by Culver and makes cuts that are 2 percent deeper -- for a total of about an 8.5-percent cut to most areas of state government.

“Those are the targets that we expect our committees to meet,” said Senate Majority Leader Mike Gronstal (D-Council Bluffs), noting that adjustments may still have to be made after the Revenue Estimating Conference meets March 20 to adjust state-revenue projections. “We have cut deeper to be prepared for whatever happens.”

Under the plan, Democrats would use \$100 million from the state’s cash reserves, instead of \$200 million as proposed by the governor. The legislature would also adopt the governor’s recommendation to eliminate \$30 million in tax credits -- not necessarily the same ones proposed by the Culver, but roughly the same dollar amount.

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Beyond that, Democratic legislative leaders refused to elaborate Thursday on specifics of where or how cuts will be made, saying that work will be left to budget subcommittees in the next month.

"It's partly across-the-board, and it's partly looking at specifics," Gronstal said of the proposed cuts that led to the budget targets. "I'm willing to let my subcommittees do their work. I think this is pretty good direction; I think it's pretty serious direction, as well."

Phil Roeder, a spokesperson for Culver, said the budget targets underscore the point that Culver has been making for the past several months: That state government needs to cut spending.

"We're glad everyone involved is showing leadership on this issue," Roeder said. "The governor and legislative leadership are heading in the same direction by cutting state spending during the middle of this national economic recession."

Republican legislative leaders said they were not given the budget targets until after they were released Thursday morning to the media.

"Just standing alone in that chart, they don't mean a whole lot, because we haven't seen what transfers are going to be made, how much of that they're calculating in federal stimulus money," said House Minority Leader Kraig Paulsen (R-Hiawatha). "We'll need to delve into it. That's their targets, and now we've got to start looking at how they fall out underneath them."

Senate Minority Leader Paul McKinley (R-Chariton) said Republicans only heard that Democrats had proposed a 7.5-percent cut that would perhaps be backfilled with federal stimulus money.

"Our position all along is that we have spent so much the past two years -- spending has exploded by 21 percent," McKinley said. "That's what's created this problem and the painful cuts

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that will follow.”

Democrats said the plan released Thursday does not include any of the money from Iowa's \$1.9-billion share of the federal stimulus package. Democrats said the stimulus money will spare Medicaid from cuts but warned against others looking to that money to save them.

“Other people looking at federal stimulus as a way to save things, I think those are going to be exceedingly limited,” Gronstal said. “Do not expect the federal stimulus package will bail out all of the cuts.”

Panelists at IowaPolitics.com Forum: Keep Education a Priority; Avoid Taxes

Education should remain Iowa's top priority, and tax increases should be avoided during this time of economic uncertainty and budget cutbacks, representatives from two Iowa special-interest groups and the state auditor said at an IowaPolitics.com forum Thursday afternoon.

Brad Hudson from the Iowa State Education Association and Ed Failor Jr. from Iowans for Tax Relief joined state Auditor David Vaudt at the forum held in Drake University's Levitt Hall.

While the three men represented different interests and occasionally clashed on political and economic ideology, they found common ground that education should be a government spending priority and that now is not the time to raise taxes.

“I don't think this is the time to be raising taxes -- I don't think we need to,” Hudson said. “I think we have the resources, and we can set the priorities such that that's not necessary.”

Vaudt said a recession would be the worst time to raise taxes and would only put more burden

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on individuals who are already strapped for cash. Failor worried that increased taxes would discourage spending and investing, which are vital to jump-starting the economy.

The panelists -- liberal and conservative alike -- also agreed that public education should remain Iowa's top priority and continue to receive the lion's share of money in the state budget. When asked what should escape the 6.5-percent budget cut to most state agencies and programs proposed by Culver, there was consensus that more, not less, should be spent on Iowa's public schools.

"Education, quite frankly, is the first thing that needs to be the priority of the government," Failor said. "Beyond that, I wouldn't stop looking at anything [to be considered for budget cuts]."

At a time when the state faces a \$779-million budget gap, legislators are looking for ways to cut spending and increase revenue. All three men warned that "one-time money" on its way to Iowa as part of the federal economic-stimulus package should be used wisely and not depended on in the future.

The forum, produced with partners Drake University and Mediacom, is scheduled to be televised on the Mediacom Connections Channel (channel 22 in most areas of Iowa) at the following times: 3 p.m. Wednesday, March 4; 11 a.m. Sunday, March 8; 2 p.m. Monday, March 9; and 3 p.m. Wednesday, March 11.

It will also be available through Mediacom's "On Demand" service after March 6.

Republicans Call for Selling the ICN

House Republicans this week called for the state to sell or lease the Iowa Communications Network (ICN), the state's aging fiber-optic network that started in the 1980s with Iowa's community colleges and was built into a statewide network in the 1990s.

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"The technology is dramatically outdated, and we end up spending tens of millions of dollars every single year on something that quite frankly, really doesn't have that much more capability than plugging your computer into the wall and hooking up to the Internet," Paulsen said.

Paulsen said it's time for the state to get rid of the ICN and get out of that business. He said maybe the ICN does have some value and the state could make some money by selling it, although he said he had no idea what it's worth. He also said that if the ICN can't be sold, he feels that it should simply be shut down.

"The truth of the matter is the technology hasn't kept up, and we have far less expensive options than the ICN," Paulsen said. "At a bare minimum, it cuts out -- I think last year, we spent \$25 million on something that's outdated and of marginal value."

The idea of selling the ICN has come up in the legislature many times in the past. It resurfaced Thursday as an amendment to House File 414, the deappropriations and supplemental-budget bill. House Republicans said the budget-cutting idea was one of several offered through a Web site aimed at soliciting ideas from the public.

"It's basically to determine whether or not this is a feasible opportunity," said Representative Dwayne Alons (R-Hull). "It is something that we do own, and as the majority party said earlier, they were willing to look at everything, put it on the table and to consider the situation in this tough budget year to see if we can come up with assets we might be able to let go and let the private sector do it better. This is an asset, it should be on the table, and we should allow the free-market system to determine what is the best direction for the ICN."

Representative Doris Kelley (D-Waterloo), a telecommunications consultant, agreed that it is important for the state to explore ways it can generate revenue and save money. But she cautioned members of the House to analyze the impact such a move would have, not only on state government but also on the state as a whole.

"There is no question that we are driven in a knowledge-driven economy. We all know that access to information is so critical. Broadband is changing the way you live, it's changing the

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way you learn, and it's changing the way you communicate. It's also preparing our children for the future," Kelley said. "Selling the ICN would take away our opportunity to take a leadership role by making broadband as universal as telephone service is today, and bringing its benefits to all Iowans as soon as possible. To get rid of an infrastructure that is so critical to economic growth in our state really puts us at a disadvantage."

The amendment to sell or lease the ICN failed on a 55-43 vote.

Prevailing Wage Bill Fails for Now, But Likely to Return

In what officials called the longest vote in Iowa Statehouse history, House Speaker Pat Murphy at 1:09 p.m. Monday closed the voting machine on the prevailing-wage bill after two days, 19 hours, and 14 minutes, declaring that the bill had lost. The bill would require contractors to pay workers the same hourly wages and benefits on public projects as they would on private-sector projects in the area.

The vote was 50-48, one vote short of passage. But then House Majority Leader Kevin McCarthy (D-Des Moines), switched his vote to "no" -- a procedural move that will allow him to bring the bill up for reconsideration later this session. So the final vote stood at 49-49.

State Representative Geri Huser (D-Altoona), the only person who didn't vote on the prevailing-wage bill that kept the Iowa House in session around the clock for 67 hours last weekend, returned from a Florida vacation this week and said she continues to be a "no" vote on the bill.

"My caucus knew where I was at on the bill. And prior to me leaving, they knew," Huser told IowaPolitics.com. "I actually have been contacted by a lot of constituents. I've been on my e-mails and doing all of that even while I was away. So I think I'm pretty familiar with who's irritated with me, who's happy with me, and where people would like to see things end up."

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Huser was vacationing in Florida with her sister, where they went to visit their parents, when debate started at 12:20 p.m. Friday. The trip was planned more than two months ago.

Representative McKinley Bailey (D-Webster City) was was the Democrats' 51st vote on the bill but changed his mind when an amendment he proposed was ruled out of order. He said his amendment would have addressed a lot of his concerns about the bill by providing some protection for small contractors in rural Iowa, and removing an unfunded mandate that required counties, school boards, and community colleges to do something without the state helping to pay it.

Following the vote, Bailey, who is serving his second term, said he received a warm reception at a forum in Webster City.

"People were very, very happy," Bailey said. "I got applause when I went in. I didn't have a single person ask me to change my vote. I feel like I represented my district. While I feel bad about letting so many of my caucus members down, I think at the end of the day, I have to represent Wright and Hamilton and Webster county. ... My constituents seem to be happy with my decision."

Since then, Bailey has been spotted in the House chamber at times this week while fellow Democrats have met downstairs in closed-door caucuses. He is also no longer the lead legislator on some of the bills he was spearheading. But House Speaker Murphy denied Thursday that Bailey is being punished or treated differently now by House Democrats.

"No. I don't know why people get that idea," said Murphy (D-Dubuque), who decided to hold the voting machine open for 67 hours last weekend after the bill fell one vote short of passage. "He's on all of his committees. I had him in my office yesterday. He's coming to caucus. I think you guys are reading too much into that."

Culver and Democratic legislative leaders are still holding out hope to pass the bill.

This weekly summary comes from IowaPolitics.com, an online government and politics news

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service. IowaPolitics.com staff contributed to this report.