

## Iowa Politics Roundup: Tax-Credit-Reform Legislation Unveiled

Written by Lynn Campbell  
Friday, 12 March 2010 14:19

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Democratic lawmakers on Thursday unveiled a long-awaited tax-credit-reform package that they said would reduce Iowa's tax-credit liability by \$115 million a year; Republicans and business leaders were quick to criticize the legislation and said it sends the wrong message.

"We have listened to the public's anger at abuses and we are responding with historic reforms," said Senator Joe Bolcom (D-Iowa City), chair of the Senate Ways & Means Committee. "We are ending some tax credits, cutting many remaining credits, and dramatically increasing accountability for all tax-credit spending."

The unveiling of House Study Bill 738 came two weeks before the targeted March 26 adjournment of the legislature.

The bill would reduce Iowa's tax-credit liability from \$525 million to \$410 million. It includes suspending the film-tax-credit program for two years, lowering the cap on business tax credits from \$185 million to \$120 million, cutting in half the supplemental-research-activities tax credit for large corporations, and cutting 10 percent from many other tax-credit programs.

"Every part of the budget is being cut, and that will now include tax credits," said Representative Paul Shomshor (D-Council Bluffs), chair of the House Ways & Means Committee.

House Minority Leader Kraig Paulsen (R-Hiawatha) said it's appropriate to review tax credits and make sure they're doing what they're supposed to. However, he said the bill proposed by Democrats is equivalent to raising taxes.

Business officials were bracing for the bill all session and said they were glad to finally see the legislation. But lawmakers can expect businesses to oppose the bill as it moves through the legislature.

"In this tough economy, when we want to put Iowans back to work, we would not recommend cutting these credits," said John Gilliland, senior vice president for government relations for the

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Iowa Association of Business & Industry. "You look at other states that are in a similar circumstance with their state budgets, some of those states are being aggressive and increasing the types of credits and incentives to bring jobs to their state. In reality, that's what we'd prefer, looking at being more aggressive rather than retreating."

### Judicial Branch and Justice System Could See 600 Job Cuts

Approximately 600 full-time state-government positions would be eliminated in the judicial branch and justice system -- which includes corrections and public safety -- under budgets approved on party-line votes by the House Appropriations Committee.

"There's going to be real cuts, definitely," said Representative Todd Taylor (D-Cedar Rapids), chair of the legislature's joint justice-system budget subcommittee. "These are essential government functions. People say one thing that you have to do is protect the public, and we will do that. We're going to do that by backfilling some of those positions with any dollars that we can find. That's what we did last year with new fees. I think the bottom line is: We are in this budget area taking a hit because of drastic declines in revenues. If that continues to decline, public safety will continue to suffer."

It's unclear how many of those positions reduced will translate to actual layoffs, although Taylor said most would occur in the judicial branch. "There are cutbacks in salaries and mandatory unpaid days that hopefully will prevent layoffs in some of the corrections area," he said. "The courts did have a lot more layoffs and they're not going to have the money to refill many of those positions. So that means more closure days."

A total of 188 people in the Department of Corrections had also applied for early retirement by the end of last week, and the deadline to apply isn't until April 15. Some of those who retire will be replaced with lower-paid employees.

The \$484.1-million justice-system budget spends \$31.3 million less than this year's budget after an across-the-board cut. It includes a reduction of 367 jobs in corrections, 184 in the judicial branch, and 54 in public safety. "That is a drastic hit," Taylor said. "At the end of the day, it's a lot less people and a lot less money."

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A proposal to once again increase court fees remains alive, but was not considered as part of the judicial budget.

Taylor said additional revenue generated by last year's fee increase was offset by the across-the-board budget cut. He said any new court-fee increases this year would probably be made in areas that weren't affected last year.

### **Branstad Agrees to Three Debates as Opponents Push for More**

Former Governor Terry Branstad has agreed to compete in three debates before the June 8 gubernatorial primary election, but the other two Republican candidates are pushing for more.

Republican gubernatorial candidate Bob Vander Plaats called the three debates "a good start" but said he hopes Branstad will agree to others as the campaign progresses.

"We proposed a minimum of four debates, and I do look forward to additional forums in which Terry Branstad, Representative Rod Roberts, and I will discuss the issues of importance to our state and our approaches to governing," Vander Plaats said. "When Representative Roberts accepted our proposal, he suggested adding a debate in Carroll and another in a similar-sized rural community in eastern Iowa. I agree wholeheartedly with his suggestion and will encourage Terry Branstad to join us."

Roberts said he would participate in three primary debates, but renewed his call for at least two additional debates to be held in rural Iowa.

"Rural Iowa is critical to our future as a state," said Roberts, a state representative from Carroll. "To ignore our smaller communities jeopardizes the future of all Iowans."

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The first debate will be held April 7 at KTIV in Sioux City; a time has not yet been set for the hour-long debate, and the broadcast will not be live. The second debate will be May 1 in Cedar Rapids and is sponsored by the Iowa Broadcast News Association. The third will be sponsored by *The Des Moines Register*, which has traditionally joined with KCCI.

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### IASB Director Placed on Leave Pending Investigation

Iowa Association of School Boards (IASB) Executive Director Maxine Kilcrease has been placed on administrative leave following allegations that she raised her salary from \$210,000 to \$367,000 without board approval last September, and that taxpayer money was used for former Chief Financial Officer Kevin Schick's vacation to Bora Bora.

IASB is a private, not-for-profit organization but is taxpayer-funded because school districts pay dues to the organization. Dues from each of Iowa's 361 school districts range from \$724 to \$10,366. Allegations of wrongdoing surfaced in whistle-blower complaints from four IASB employees.

In meetings Wednesday and Thursday in Des Moines, the IASB board of directors decided to retain Nolden Gentry as outside legal counsel to investigate all whistle-blower complaints and other allegations. Brooks Lodden is doing an annual audit expected to be completed in May.

Harry Heiligenthal, IASB's leadership-development director, was named interim director. New board member Roger Shaffer of Sumner, who is a certified public accountant, was added to the audit committee. The board also voted not to increase member dues for the 2010-11 school year.

Allegations of wrongdoing in the association include salaries raised without approval, staffers actively misleading board members about a multi-million-dollar business deal, and a for-profit company run by an IASB executive receiving \$5 million from the organization. There are also allegations of conflicts of interest, nepotism, lax financial controls, and inadequate board oversight.

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State lawmakers hope to get some of their questions about the scandal answered at a meeting of the Government Oversight Committee. They've asked IASB officials to appear before them at the Capitol.

### **Domestic Abusers Barred from Firearm Possession**

After a week of action that included a day-long, emotionally charged debate in the Iowa House, both houses of the legislature have passed a bill prohibiting domestic abusers from having firearms.

The passage comes despite Republicans arguing that the bill takes away a person's Second Amendment right to bear arms.

"It's been about 10 years that we've been trying to get something on this front done," said Senate Majority Leader Mike Gronstal (D-Council Bluffs). "I think that's really a major accomplishment in terms of protecting people from domestic violence and protecting people from ending up getting murdered."

During the House debate, several Democrats criticized an amendment by Representative Matt Windschitl (R-Missouri Valley) that would have struck the bill, made domestic abusers pay a \$500 domestic-abuse surcharge, and taught victims how to fight back with a self-defense training course.

"This is about empowering the victim," said Windschitl, who claimed his amendment offered a fresh way of approaching the problem.

But Representative Ray Zirkelbach (D-Monticello), a correctional counselor who teaches felons, said that's not a sound approach. "Sending somebody to a self-defense course, what are they going to teach them?" he asked. "Are we supposed to send these children to training? Are we supposed to give them a certificate that says, 'I can shoot Daddy if he hits me?'"

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Representative Deborah Berry (D-Waterloo) explained that while it's been federal law to prevent domestic abusers from having firearms since 1995, there are not enough federal agents for enforcement. She said 205 Iowans were killed in domestic-abuse murders since 1995, and 114 of the murders involved guns.

"The bill is about victims, and not firearms," Berry said. "The bill is about preventing the violence, terror, and death that occur when domestic abuse is mixed with easy access to guns."

But Representative Jodi Tymeson (R-Winterset) disagreed: "You're going to be taking away constitutional Second Amendment rights. We should take that very seriously."

The bill taking firearms from domestic abusers has long been a priority for Iowa Attorney General Tom Miller, who on Wednesday evening applauded House passage of the bill.

"I am elated that the House passed this bill, and passed it by a wide, bipartisan margin," Miller said. "This law will help prevent women, men, and children from being terrorized, maimed, and killed by violent domestic abusers using guns. It will only remove guns from domestic abusers. This is a big victory for public safety, and it will save lives."

### **Santorum Confirms He's Considering a Run for President**

During his second visit to Iowa in recent months, former U.S. Senator Rick Santorum (R-Pennsylvania) told IowaPolitics.com that while his primary concern is the 2010 election cycle, he is still considering a run for president in 2012 and will likely return to Iowa later this month.

"I am focused on 2010 and that's something I'm considering and will consider," he said.

Santorum keynoted the Iowa Christian Alliance's Spring Kick-Off at Walnut Creek Community

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Church in Windsor Heights before a crowd of about 250. He sought to energize Christian voters by addressing what he called "an attack on faith and the family."

"We see it here with marriage where anybody who stands up opposes the redefinition of marriage is considered a bigot," he said. "Someone who speaks from the pulpit, it's considered hate speech. This is what we face, really an attack on religious liberty."

Santorum also addressed a "robo-call" that attacked him and was received by some Iowa households starting Monday. The recorded call accused Santorum of being a "pro-life fraud" because of his past endorsement of Senator Arlen Specter, who switched his party affiliation to be a Democrat last year.

Santorum said his 2004 endorsement of the onetime chair of the U.S. Senate Judiciary Committee was "a mistake in retrospective" and added that he had endorsed Specter because he had promised to approve President George W. Bush's two U.S. Supreme Court nominations.

Santorum shared the story of his son, Gabriel Michael, who was born prematurely in 1996 and only survived for two hours after birth. He and his wife rejected one of the options presented to them: to abort the fetus.

Eldon Pals, a 78-year-old retiree from Newton, felt that Santorum's address was well received by the audience.

"I am impressed with the very personal delivery and actual parent-child relationship that he introduced. I think his message was delivered very well and very credibly," Pals said.

Pals added that Santorum has "little to prove" to pro-life voters.

*This weekly summary comes from [IowaPolitics.com](http://IowaPolitics.com), an online government and politics news service. Reporter Andrew Duffelmeyer and other correspondents contributed to this report.*