

## Iowa Politics Roundup: Branstad Budget Makes \$360 Million in Cuts, Increases Casino Tax

Written by Lynn Campbell  
Friday, 28 January 2011 13:56

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Governor Terry Branstad emphasized fiscal responsibility in his budget address Thursday to a joint session of the Iowa legislature, proposing a budget for the next two fiscal years that makes \$360 million in total budget cuts, reduces the corporate income tax and commercial property taxes, and increases the tax on state casinos.

“The rebounding agricultural economy gives us a unique opportunity to bind up Iowa’s budget wounds quickly,” Branstad said. “We must not squander that opportunity. It will not be easy. It will require difficult and painful choices. But the pain we endure by fixing our budget today will lead to great opportunities for Iowa in the future.”

Branstad’s proposed budget would spend nearly \$6.2 billion in Fiscal Year 2012 and nearly \$6.3 billion in Fiscal Year 2013. It includes \$194 million in reductions throughout the state budget in the general fund, would save \$89 million by not providing extra money to pay for state-worker salary increases, and would save \$75 million by not continuing some programs currently funded with one-time sources.

The small-business income-tax rate would be cut in half and made a flat 6 percent, at a cost to the state of \$200 million. To offset that cut, the casino tax would be increased from the current 22 percent for most casinos and 24 percent for racetrack casinos up to 36 percent.

Each state agency would face cuts of around 5 to 8 percent. Following through with promises he made on the campaign trail, Branstad’s budget would reduce money for state-funded

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preschool from \$71 million to \$43 million, and the Iowa Power Fund would be eliminated.

“Research shows preschool investments have the most long-lasting impact on children who come from homes with financial need,” Branstad said. “As such, our program will be targeted to those families and will give parents flexibility to choose the preschool environment that best meets their needs. But we cannot do this alone. All across this state, parents, private donors, and caring organizations have for years partnered with preschool providers to ensure access. I am happy to have the state of Iowa join them – as a partner, not as the sole provider.”

Democrats said Iowa corporations were the big winners in Branstad’s budget as they decried the plan for causing more painful cuts and layoffs than necessary.

“This sense of panic, this seems to be irresponsible,” said House Minority Leader Kevin McCarthy (D-Des Moines). “We have \$920 million in surplus right now between our ending balance and cash reserves. Our resources right now to the state in terms of receipts are 4.5 percent above last year at this same time. So the idea that the sky is falling and we need to wipe out hundreds of state workers and we need to cause teacher layoffs, it just does not comport with the reality of our current budget situation.”

Republicans said Branstad is taking a responsible position by saying Iowa can’t continue to live beyond its means.

“When the governor called for shared sacrifice, I think that is absolutely appropriate,” said Senate Minority Leader Paul McKinley (R-Chariton). “You cannot spend more money than you take in and expect to have a healthy government, happy taxpayers, or an environment where employers choose to come. You can’t do it. The governor recognizes that.”

### Marriage Amendment Clears First Hurdle

Hundreds of passionate people packed the old Iowa Supreme Court chamber at the Capitol to advocate for and against House Joint Resolution 6, which calls for a constitutional amendment banning same-sex marriage, civil unions, and domestic partnerships.

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The hearing came before members of the House Judiciary Committee decided in a 13-8 vote on January 24 to move the amendment to the House floor. A public hearing on the amendment is scheduled for Monday.

Kim Jones became emotional when she talked to a legislative subcommittee about her son being gay and how that's brought more uncertainty to his life.

"Please know that this is more than a law, and about more than just marriage," Jones said. "This changes lives. You're giving everyone an equal chance to believe in a part of the American dream that most of us take for granted. ... Please search your souls before you vote."

The Reverend Matt Mardis-LeCroy of Plymouth Congregational Church, who has married many same-sex couples, urged lawmakers not to write discrimination into the state constitution.

"I plead with you on behalf of the couples that I have married: Do not reduce them to the status of second-class citizens," he urged. "Our state is stronger when everyone has the right to make this commitment to marry the person they love."

Mardis-LeCroy said there is more than one religious perspective on marriage in Iowa, and the current arrangement respects the diversity in this state. He said the state should not be in the awkward position of adjudicating this theological dispute, which those in the religious community have debated for thousands of years.

"With all due respect, this one is above your pay grade," he told lawmakers.

Representative Beth Wessel-Kroeschell (D-Ames) questioned why Republicans pushing the marriage amendment would want to take away things such as hospital-visitation rights, which are only given to family members and couples who are married.

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“Marriage says ‘we’re a family’ like nothing else does,” she said.

But Danny Carroll, a former state lawmaker who’s now chair of the Iowa Family Policy Center, said all advocates of the resolution want to do is give the people a chance to vote.

“The people who framed our constitution probably knew what they were doing when they wrote into that constitution that all political power is inherent in the people, because they knew that was the ultimate check and balance for tyranny and for an elite few to force their will upon the bill,” Carroll said. “The people have been denied that opportunity, and they’ve been denied that opportunity for too long.”

Carroll said supporters of the marriage amendment have no malice in their hearts.

“In fact, many of those people would be quick to offer an apology to the homosexual community for the way they have been treated over the decades, for the ridicule and at least verbal if not physical abuse that they had been subject to,” Carroll said. “We reject that, Mr. Chair. Let me repeat: We reject that, just as much as we reject evangelical Christians being the brunt of name-calling, being called bigots because they simply want the chance to vote on what the definition of marriage is and has been for the last 2,000 years.”

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### **Santorum Sees No Rush to Declare Presidential Run**

Former Pennsylvania Senator Rick Santorum said he’ll decide between now and the Iowa Straw Poll in August whether he’ll run for president and categorized himself as currently “sitting toward the bottom of the pack” among potential candidates.

“The drop-dead date, if you will, is the straw poll,” he said Tuesday in an interview with IowaPolitics.com. “Sometime between now and the straw poll, we’ll make a decision and we’ll go forward. I don’t see anybody trying to push down the starting gate at this point, and I think there’s a lot of reasons for that. Right now, it’s an opportunity for me to get around, talk to folks,

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learn, listen and get feedback as to whether they think this is a good idea or not. Test the waters.”

Santorum is the most frequent potential presidential candidate to visit Iowa in the past two years. Tuesday marked his ninth visit to the first-in-the-nation-caucus state since 2009; he’s spent at least 15 days here.

Santorum told IowaPolitics.com and repeated to a sparse audience at the Iowa Renewable Fuel Association’s annual summit that he went from being a skeptic of renewable fuels such as ethanol to being a proponent after the September 11, 2001, terrorist attacks.

“I guess you could say I’ve had a mixed record on that,” he said in an interview. “Prior to 9/11, I was not a big fan of ethanol subsidies, but 2001 changed my mind on a lot of things, and one of them was trying to support domestic energy, and this is part of it.”

In his speech, Santorum later elaborated on how his position on the issue has evolved. He said the terrorist attacks would not have happened if it were not for oil.

“As Americans, we need to look at how we are going to blunt or thwart this threat to the security of our country,” he said. “And the obvious answer is to deprive it of the resources to be able to be a threat. And the way you do that is by reducing the demand for the product that they want to sell and that they can sell for their benefit. So post-9/11, I went from someone who was skeptical at best of developing domestic sources of energy to being a grand proponent of such things.”

### **Gingrich Urges Focus on American Energy Production**

Former U.S. House Speaker Newt Gingrich used a visit to Des Moines on Tuesday to tout his support for renewable energy and flex-fuel cars, to offer suggestions for President Barack Obama’s State of the Union address, and to confirm that he’ll make a decision in late February on whether he’ll run for president in 2012.

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“Callista and I will sit down at the very end of February,” Gingrich said. “We’re looking at a lot of things. We’re trying to work through a lot of different things because we run four small businesses. And we’ll make a decision probably by the end of February on whether or not to launch an exploratory committee, and when we do we’ll announce it probably by March 1 or so.”

In his speech at the Iowa Renewable Fuel Association’s annual summit in Des Moines, Gingrich touted his renewable-energy credentials. He said the United States must maximize the development of flex-fuel cars. He called for replacing the Environmental Protection Agency with an environmental-solutions agency that focuses more on incentives and new technology and less on regulation.

And he said if the United States kept \$400 billion a year at home that’s currently going out of the country to buy energy, we’d be dramatically better off.

“To be clear, I’m for all American energy,” Gingrich said. “I am for oil where appropriate, natural gas where appropriate, nuclear where appropriate, wind where appropriate, solar where appropriate, and I’m for renewable fuels and I’m for coal. We have more coal than Saudi Arabia has oil. So I’m for looking around and figuring out what’s the maximum way to get American energy to create American jobs to make Americans wealthier and strengthen American national security.”

But later in an interview with reporters, Gingrich acknowledged that he does not support federal ethanol subsidies.

“If they’re prepared to insist on a flex-fuel vehicle, and every car in America is capable of buying ethanol, I think the industry can stand on its own,” Gingrich said. “I’m not advocating the tax credit beyond this year; I’m advocating that we shift to a fully competitive ability for every gas station to be able to have ethanol and for every car that pulls up to be able to use ethanol. But they should also be able to use methane. It should be a genuine flex-fuel vehicle for national-security reasons.”

Before his speech, Gingrich also met with Branstad and Lieutenant Governor Kim Reynolds in

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their formal office at the Capitol. He also planned to meet with Tea Party members during his visit to Iowa.

“I just listen to ‘em,” Gingrich said. “We try to meet with leaders all across the country and listen to ‘em and see what their thinking is and what their concerns are. I’m deeply committed to constitutional government. I’m deeply committed to returning power from Washington to the states and the people thereof under the 10th Amendment. I find that as a general rule, we have a great deal in common with Tea Party leaders.”

### **Bachmann Says Issues, Not Election, Prompted Iowa Visit**

U.S. Representative Michele Bachmann did not give a straight answer about whether she will be running for president in 2012 during a visit to Des Moines but said she was there to “be a part of the conversation” about the big issues in the 2012 election.

“I didn’t come here for personal ambition,” said Bachmann, a Minnesota Republican. “I don’t feel pressure to make a decision [about running for president] any time soon.”

Speculation has been rising that the three-term congresswoman could seek the Republican bid for president in the 2012 election once she announced plans to travel to Iowa.

She spoke at an Iowans for Tax Relief fundraiser, predicting that the significant issues in the 2012 presidential election will be the U.S. health-care system and the country’s “overwhelming debt.”

Bachmann expressed fears about the possible collapse of the private insurance industry, which “would have a big impact in the Des Moines area. People are getting less and paying more.”

Bachmann criticized “Obamacare,” government ownership of mortgage companies and automobile producers, and growing government oversight over fields such as student loans. It is

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“stunning” what has occurred in the past two years, said Bachmann, who added that the “answer is not with political figures”, but with people.

Bachmann compared President Obama’s policies over the past two years to a form of slavery.

“It’s slavery of a different kind – a bondage to debt,” said Bachmann.

“If we want to kill Obamacare and socialized medicine, it must be done in 2012,” said Bachmann. “We need a bold, strong, constitutional candidate.”

She applauded Iowans for ousting three of the Supreme Court justices who signed on to a decision to legalize gay marriage and for electing a new Republican governor and lieutenant governor last year.

“You rock here in the state of Iowa!” said Bachmann, who was born in Waterloo.

*This weekly summary comes from [IowaPolitics.com](http://IowaPolitics.com), an online government and politics news service.*