Written by Lynn Campbell
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In a debate that spanned eight hours, the Iowa Senate voted 48-1 late Thursday afternoon for House File 45, a bill that once made $500 million in budget cuts over three years and would now make a $6-million cut in the current fiscal year.

The near-unanimous vote came only after a party-line 26-23 vote for the Democratic strike-after amendment that pared back the House bill. Senator Jeff Danielson (D-Cedar Falls) said the end result is a bill that increases efficiency; increases transparency by creating a searchable budget database with both tax-expenditure and -comparison information; and deappropriates $6 million this fiscal year.

But Senator Roby Smith (R-Davenport) compared a box of tissues to a tack of 10 office boxes on his desk to illustrate the $6 million of savings in this bill compared to the $500 million in savings over three years in the version approved by the Iowa House. "I just don't understand how we can justify such little savings," he said.

Danielson and Senate Appropriations Chair Bob Dvorsky (D-Coralville) defended the Senate's changes. "I appreciate their audacity; I question their judgment," Danielson said of House Republicans. "For those of you who think this is the final bite of the apple, you ain't seen nothing yet. This is not the final answer. This is the first step."

Senate Democrats turned back more than a dozen attempts by Republicans to make additional budget cuts and provide additional tax relief. Democrats rejected most amendments on a party-line vote.

The Senate did approve an amendment that would pave the way for the Iowa Communications Network to be sold or leased.

Senator Jerry Behn (R-Boone) argued that the time has come for sale or lease of the system. "It's wrong for the state of Iowa to be a phone company and compete with private providers," he said.

The amendment passed 25-24, with Democratic Senators Swati Dandekar of Marion and Matt McCoy of Des Moines voting in favor.

Push and Pull Over State Funding of Preschool Continues

The Democrat-controlled Iowa Senate took a stand Thursday in saving Iowa's $70-million-a-year state-funded preschool program, but it was only the third salvo in what appears to be a long battle over the issue.

The budget-cutting House File 45 as approved by the Iowa House would have wiped out the preschool program. But under the latest version of the bill approved Thursday by the Iowa Senate, the preschool program would be saved.

"Today, we're amending that bill; we're going to send it back to the House and we preserve preschool," said Senate Majority Leader Mike Gronstal (D-Council Bluffs).

"We think it's an important effort that was brought to us by the business community many, many years ago," Gronstal said. "If we're going to have the workers of the 21st Century, we need to be educating like we're in the 21st Century, and it's important to have preschool programs in the state."

The move came after Governor Terry Branstad on Monday proposed a new $43.6-million Iowa Preschool Program. Under Branstad's plan, the current program would be eliminated, but families up to 300 percent of the federal poverty level would qualify for $3,000 scholarships to public or private preschool programs that meet state requirements.

"With limited state dollars, it makes sense to invest in children who will benefit the most from high-quality preschool," Branstad said when he introduced the plan. "The new Iowa Preschool Program helps families who need a hand with the cost, while more affluent families pay full tuition."

"Clearly, that's a middle position," said House Speaker Kraig Paulsen (R-Hiawatha). "There is a whole lot of discussion that still needs to take place on that."

But Democrats don't see it that way. They say they will continue to fight for keeping Iowa's current state-funded "universal" preschool program that all Iowans qualify for, regardless of income.

"We do not believe the governor's effort is the middle ground," Gronstal said. "He may have negotiated with the House, he hasn't negotiated with us."

DHS to Cut More Than 230 Jobs

The Iowa Department of Human Services (DHS) will need to reduce its staff by 230 positions in the budget year that begins July 1, DHS Director Chuck Palmer told his staff and key state legislators. That number includes both layoffs and keeping positions vacant.

"Our latest projections show that our budget for Fiscal Year 2012 will support 4,777 positions," Palmer said in a letter to staff. "That's 5 percent fewer than the 5,029 funded positions today. Nearly half of the shortfall will be managed by keeping funded positions vacant, including positions that we expect will be vacated in the coming months. The remaining positions will be laid off, for a total reduction of about 230 funded positions. Our current hiring freeze will continue indefinitely, with only the most critical positions being considered for filling."

Palmer said the planned reductions assume that policymakers will not appropriate funds to cover the costs of negotiated salary increases, which for DHS is about $8.9 million. That alone will lead to the elimination of about 136 positions at the DHS. The remaining reductions are due to provisions of the governor's budget recommendations and budget-cutting legislation approved by the legislature last spring.

The most significant impact will be in DHS field operations. More than half of the total positions – an estimated 135 – will come from field workers. About 56 field positions will remain unfilled, and another 79 will be laid off. Caseloads for income-maintenance workers could exceed 800

per worker, compared to just under 700 now. Caseloads for social-work case managers will also rise.

Palmer said there will also be staff reductions in general administration, the child-support-recovery unit, the juvenile facilities at Toledo and Eldora, and the resource centers at Glenwood and Woodward.

Battle of the Abortion Bills Coming to a Head as Funnel Approaches

A decision will likely be made next week by House Republicans on whether they'll move forward with legislation that bans abortions completely or from 20 weeks of pregnancy – a key emotional issue that has divided the caucus – while House Democrats are gearing up for the fight.

"With two weeks to go to the funnel, we'll probably need to make a decision on something next week," House Speaker Kraig Paulsen (R-Hiawatha) said Thursday. "We're closer because the calendar has moved, but I don't think either Leader [Linda] Upmeyer or myself have interjected ourselves into that discussion yet."

Paulsen said a public hearing on the issue will be held on the issue, but it hasn't been set yet.

House Minority Leader Kevin McCarthy (D-Des Moines) said House File 5, a bill aimed at prohibiting abortions for women who are at least 20 weeks pregnant, appears to have stalled a bit. That legislation stems from Nebraska-based abortion practitioner LeRoy Carhart proposing to open a new clinic in Council Bluffs.

Meanwhile, House File 153, which would ban all abortions, appears to be gaining steam.

"The Nebraska bill seems to have stalled a bit, and ... 29 sponsors of the House Republican

caucus are pushing the 'banning contraception' bill that's moving forward," McCarthy said. "That seems to be gaining momentum. ... We're not going to let that just go quietly."

McCarthy said House File 153 would ban birth-control pills and has no exception for the life of the mother. Democrats have called for a public hearing, and McCarthy said their focus next week is to make sure the House chamber is packed full of people.

"It basically takes the 20-week bill and gets rid of the number 'two,'" McCarthy said. "Very, very extreme."

In an e-mail this week, Chuck Hurley and Danny Carroll of The Family Leader asked supporters to give lawmakers backing House File 153 encouragement and prayerful support. "The pro-abortion crowd will not be happy with passage of this legislation and will make a lot of noise in their efforts to oppose its passage," they said.

Representative Beth Wessel-Kroeschell (D-Ames) voted against the bill in subcommittee this week and said Democrats have many concerns about the bill, which she said has the potential to impact all Iowans' lives.

"It does not give a woman and her family the right to make decisions about her pregnancy, including if there is an ectopic pregnancy or for some other reason she may have her life endangered and her health endangered," Wessel-Kroeschell said. "It also takes away options for couples and families who are having problems conceiving and may want to pursue infertility treatments."

Paulsen called the criticism by Democrats "hyperbole."

Workforce Development to Close 39 Offices

Iowa Workforce Development (IWD) says it will offer a "reformed and enhanced" delivery

system for statewide workforce services when it closes 39 offices July 1.

Iowa's current system has 55 field offices. The new system will provide 16 regional, integrated one-stop offices and more than 500 locally enhanced access points through such facilities as public libraries, Iowa State University Extension offices, and Iowa Career Access Points.

IWD officials said the system will have greater availability to the public with evening and weekend hours, something not available in the current delivery model.

"Iowa's changing economy deserves an enhanced system that provides multiple access points for workforce services throughout the state while providing intensive, fully integrated services within the regional offices for those in need of additional services and training," said Iowa Workforce Development Director Teresa Wahlert. "Iowa workers and businesses deserve a system concentrated on delivering services in the most customer-oriented, efficient, and cost-effective manner."

But key Democrats who make spending decisions for state economic-development efforts and those in the Iowa House Rural Caucus decried the plan.

"Governor Branstad's plan is disastrous to more than 100,000 Iowans who want to rejoin the workforce," Senator Bill Dotzler (D-Waterloo), chair of the legislature's economic-development budget subcommittee, and Representative Kirsten Running-Marquardt, the subcommittee's ranking member, said in a joint statement. "The governor is pulling out the rug on Iowans by reducing their access to key services by closing 39 workforce-development offices, mostly in rural areas."

Dotzler and Running-Marquardt said instead of increasing access to employment services for workers and businesses, the plan puts up more barriers for Iowans looking for a job and businesses trying to hire new workers. They said the plan eliminates job-development and -placement assistance, interviewing-skills workshops, and claims assistance. "Democrats flatly reject this scheme because it targets Iowans in rural areas and small towns," they said. "We can do better."

Members of the Iowa House Rural Caucus said the plan unfairly targets rural Iowa.

"With a growing economy and $900-million budget surplus, there is no reason to end critical job-training and -placement services for Iowans in rural communities," said Representative Andrew Wenthe (D-Hawkeye), who chairs the House Democrats Rural Caucus. "Eliminating workforce offices in rural communities such as Oelwein, Estherville, New Hampton, and 36 others will make it even harder for Iowans looking for a good-paying job to secure 21st Century job skills and opportunities. This short-sighted and irresponsible decision is a slap in the face to rural Iowa."

Filmmaker Pleads Guilty in Film-Office Case

Minnesota filmmaker Wendy Runge pleaded guilty late Wednesday afternoon to first-degree fraudulent practice concerning the film projects *Run* and *Forever*.

Runge, who was charged in connection with the Iowa Film Office scandal, faces up to 10 years in prison and a fine of up to $10,000. She is expected to cooperate and testify in the film-office investigation, and other charges against her will be dropped.

That's far less than the 10 to 65 years Runge could have faced if convicted of five felony counts – one count of first-degree theft, three counts of first-degree fraudulent practice, and one count of ongoing criminal conduct.

Runge admitted in court that she made false statements to the state to procure state tax credits for both projects. She said she was directed to do so by then-Iowa Film Office Manager Tom Wheeler.

Prosecutors accused Runge, 45, of increasing the budget of the film *The Scientist* by $3.5 million to cash in on tax credits offered by the state. Runge, Chase Brandau, Matthias Saunders, and Zachary LeBeau own Polynation Pictures and produced the film *The Scientist*
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Brandau pleaded guilty to second-degree theft, and Saunders pleaded guilty to first-degree theft. Both agreed to continue to cooperate with the ongoing investigation of the Iowa Film Office case. Felony charges were dismissed against LeBeau in exchange for his cooperation.

University Officials Opposed to Selling Pollock Painting

University of Iowa officials were at the Iowa Capitol this week vigorously defending the value of the Jackson Pollock painting *Mural*, in the face of a bill that would require the Iowa Board of Regents to sell the painting and use the proceeds for scholarships for art students.

Sean O'Harrow, director of the University of Iowa Museum of Art and former director of the Figge Art Museum in Davenport – where *Mural* has been displayed – called the work the most famous painting in the state of Iowa and one of the most significant paintings in all of American art, adding that it has brought fame and credibility to the university and state. He said the sale would be an "act of vandalism" and would be "ripping out the heart of our teaching collection" and destroy the university's reputation at a time when it is kicking off its largest fundraising campaign ever.

O'Harrow said the painting would likely be bid on by the richest people from China, Russia, and the Middle East. He said selling the painting would cause the University of Iowa Museum of Art to be de-accredited, the university to be blacklisted by other educational and cultural institutions, and insurance premiums to go up.

A House subcommittee approved House Study Bill 84 on a 2-1 vote and will advance to the House Appropriations Committee, despite opposition from university officials. Representative Pat Murphy (D-Dubuque) said he's opposed to the bill, acknowledging that he doesn't know much about art but saying the legislation is an attempt at micromanagement.

Iowa Board of Regents President David Miles told lawmakers that the proposal is a "profoundly bad idea." He said the idea was examined by the Iowa Board of Regents in 2008 and determined to be not in the best interests of the University of Iowa or the state. He said a forced sale of the painting would break trust with those who have contributed to the arts at the U of I

over the years, would chill any future donations, and may lead to litigation with the family that donated *Mural* to the University of Iowa.

Representative Ralph Watts (R-Adel), the bill's floor manager, said he views potential sale of the Jackson Pollock painting as an opportunity to educate students and possibly provide tuition to a thousand art students. He questioned the current educational value of the painting that he said was appraised at $140 million.

"It's not destroying the university at all," Watts said.

Miles said the regents could certainly begin selling off assets. "However, short of that, and we are well short of that, we are under stress, we have lost appropriations from this body for the last decade or more, but we are still able to function, and it doesn't make sense to me to begin to dismantle world-class programs when we do not need to do that," Miles said.

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