



Keeping Our Promises

Passing legislation is a group activity and I need to thank all those who helped us this past legislative session. Democrats and Republicans in the House and Senate worked together to make this session a success and my thanks goes to Governor Culver and Lt. Governor Judge for their work as well. Special thanks to House Majority Leader Kevin McCarthy of Des Moines, who ran the House floor with patience and precision. While we were not able to gain consensus on every issue before us, we made significant strides to improve the state's infrastructure, strengthen our educational institutions, and grow the economy in the years ahead.

First and foremost, we kept our fiscal house in order by passing a balanced budget that filled Iowa's cash reserves to a record level of \$615 million. We repaid \$266 million of the \$300 million owed to the Senior Living Trust Fund. Next year's budget will be 4.5 percent above the current year, which is about the rate of inflation and well below the 10% rate that our state receipts are running over last year. We followed state law by spending only 99 percent of revenue, while at the same time reducing budget gimmicks used by previous legislatures.

During and after the 2006 general election, we talked about promoting a legislative "Plan for Prosperity" to focus on quality education at all levels, making Iowa a green state, and rewarding hard work. I've used that plan as a roadmap for the last two years and I'm proud we kept our promises to Iowans.

In education, we expanded access to quality preschool for four year olds, raised teacher salaries from 42nd to 25th in the nation, held tuition increases to the lowest level in a quarter century, and expanded work study for kids in college. We approved four percent growth for local school districts, or a \$222 increase per student, for the 2009-10 school year and equalized school infrastructure funding.

This year, we followed through on efforts to make Iowa a "green" state. We funded the second year of the *Iowa Power Fund* to make the state a leader in alternative and renewable energy production. We passed the surface water protection act to develop a coordinated effort to clean up our lakes, rivers and streams. We funded the Resource Enhancement and Protection (REAP) program at \$18 million, the highest level in 16 years. We established a commission on energy efficiency and took the first step in creating a new natural resources and outdoor recreation trust fund.



One of my goals as Speaker of the Iowa House of Representatives is to keep community leaders and organizations informed about the issues facing the Iowa Legislature.

Legis.News is my way of giving you a brief insider's look at what is happening at the State Capitol. I hope you will find it interesting and informative.

Pat Murphy

Economic Growth and Tax Relief

We took proactive steps to promote economic growth and reward hard work. Our job creation efforts and focus on renewable energy programs have helped Iowa's economy remain strong, despite national trends. Iowa's jobless rate remains steady at 3.5 percent and Iowans' personal income growth surged six percent last year to \$35,000, which is ninth highest in the nation and second highest in the Midwest. After declining federal support threatened to close 33 workforce development centers across the state, we provided state funds to keep those offices open, which supports employers as well as employees. Small businesses will save \$1 million this year with an increase in the first year deduction for equipment purchases and we expanded services at our Small Business Development Centers. In an effort to attract and retain more workers, we established a new River Enhancement Community Attraction and Tourism ("RECAT") program to improve our quality of life with more recreational projects along rivers and lakes.

On a bi-partisan vote, we helped property tax payers with a \$207 million property tax relief and school infrastructure initiative. In addition, a separate property tax buy-down measure will provide \$18 million in property tax relief next year. The Legislature also exempted the federal rebates from state taxes, which will save Iowans \$67 million. Iowa seniors will also get \$44 million in pension and social security tax relief next year.

Thanks to everyone who wrote to me during the session. Your comments, while sometimes pretty pointed and severe, were helpful in deciding how to vote on issues. I especially want to say thanks to all the Dubuque residents who allow me to serve in the Legislature.

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