

# Iowa state government preparing mid-year budget cuts

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**20 February 2018**

For the second year in a row, the legislature in the US Midwestern state of Iowa is proposing substantial mid-year budget cuts primarily targeting public education and vital social services. The Republican-controlled state House and Senate are in the midst of negotiating the terms of the final package of cuts, with the former most recently proposing \$34 million and the latter \$44 million.

The loss of funds will have a particularly disruptive impact on the affected agencies, since they will have only until June 30, the end of the state's current fiscal year, to enact the cuts.

Under the proposals, Iowa's three public universities face the deepest cuts—\$8 million to \$14.6 million—while the community college system, which predominantly serves working class and lower-income students, could lose up to \$1.8 million.

The Department of Human Services—which administers Iowa's Medicaid system and a variety of social assistance programs for the state's poorest children and families—is next in line, facing cuts from \$4.3 million to \$6.2 million.

The need to fund these crucial elements of society cannot be overstated. Deprived of adequate funding from the state, Iowa's universities and community colleges will be forced to raise tuitions, eliminate staff, and reduce student financial assistance. Last summer, University of Iowa and Iowa State University presidents said that if lawmakers did not provide any increases in funds, they would have to increase resident undergraduate tuition by 7 percent annually for five years.

Community colleges have traditionally offered a cheaper option for students and working class families, but ongoing budget cuts are increasingly placing them out of reach as well. "We've been operating at reduced

budgets for almost five years now," said Eastern Iowa Community College Chancellor Don Doucette. "This is getting to a critical point where reductions make it really hard to do the job we know we can do exceedingly well."

Along with tuition increases, layoffs and attacks on university and college staff's working conditions, the state budget cuts threaten to reduce financial assistance still further, leaving many students to take out massive student loans, with tens of thousands of dollars or more in debt by the time they graduate. Many bright young adults opt to forego higher education because of this dreary prospect. Still others drop out midway.

In addition, K-12 public schools, which state politicians claim to have protected from budget cuts, have in reality suffered for several years from minuscule increases in funding that are well below inflation. This translates to hundreds of thousands less in funding for many school districts, resulting in less money for classroom materials and educational programs, fewer student opportunities, and attacks on teachers' jobs.

Beyond public education, the proposed funding cuts to social services will have devastating effects on society's most vulnerable citizens. The elderly, children, developmentally disabled and their caregivers will all suffer.

Last year, Milestones Area Agency on Aging, which provides meals for seniors in 17 eastern Iowa counties, had to close eight meal centers due to insufficient state funding. Now the agency faces the possibility of losing \$90,000 more, the equivalent of about 10,000 meals for the elderly, according organization CEO, Becky Passman. "Everyone is working hard so very few services as possible are cut, but we're getting to the point where we are running out of options," Passman said.

The cuts to social programs at the state level mirror and will exacerbate attacks on social programs carried out at the federal level. In his proposed budget for 2019, President Trump included a 30 percent cut to food stamp funding, which would heavily impact food banks and food pantries across Iowa and the US.

Proposed budget cuts to Iowa's judicial system, which is already operating with a shortage of judges and other personnel, could lead to layoffs of judges, clerks of court and others. Delayed trials result in individuals languishing behind bars for extra weeks and months. Some court operations could even be closed, with those in rural Iowa being first in line due to their lower caseloads.

"Without judges, clerks and court reporters available, it takes a long time to get things litigated," Michael Walton, president of the Iowa County Attorneys Association, told the *Gazette*. "Criminal cases and major cases that used to last probably on average about six months are right around a year now. That's a long time for a victim to wait for some sort of a resolution to a case."

Lastly, the Department of Corrections, which oversees the prison system, could lose up to \$3.4 million, and the Department of Public Health and the Department of Revenue each could lose over half a million dollars.

While the proposed budget reductions are not as large as 2017's mid-year cuts of \$118 million, they are nonetheless devastating for agencies that have been slashed to the bone year after year by the state's political establishment.

The proposal for mid-year cuts was made by Republican Governor Kim Reynolds, who claimed they are necessary in order to plug a \$35 million budget shortfall. The budget gap, however, is merely the pretext to extend the frontal assault on public education and social services.

Because of a provision in Iowa's tax code known as federal deductibility, the pro-corporate federal tax cuts recently enacted will result in an influx of roughly \$33 million in tax collections to the state's Department of Revenue—approximately the size of the supposed budget gap. Beyond that, the state is sitting on cash reserves of nearly \$600 million.

Despite this, the governor continues to insist on the necessity for the cuts.

As has played out countless times before, the refrain that there is "no money" to fund public education and social services is belied by the huge sums which have been made available to corporate interests. The state's decline in revenue is in no small part the result of pro-business tax cuts enacted in 2013 by former Republican Governor Terry Branstad, who has since been appointed US ambassador to China by President Trump. Notably, that tax cut bill passed both chambers of the legislature with bipartisan support.

Democratic State Senator Jack Hatch frankly admitted in 2016: "Three years ago, the Democratic Iowa Senate passed and then campaigned on historic levels of tax relief for corporations. Since 2011, they have partnered with Branstad to give away a staggering \$400,000,000 in new tax breaks to Iowa corporations benefitting mostly the largest 100. This represents more tax breaks to corporations than any Legislature has provided in any consecutive six-year period since Iowa became a state in 1846. That's enough business generosity to make Donald Trump blush."

Currently, Republicans control both chambers of the state legislature. This enables the Democrats greater room to "oppose" the bill, knowing that it can safely pass without their support. However, their hypocritical posture of concern over the fate of Iowa's most vulnerable residents is exposed by their role in previously enacting massive budget cuts when they controlled the state government. In 2009, Democratic Governor Chet Culver and a Democratic legislature slashed spending by 10 percent across the board.

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[20 February 2017]



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