



GOVERNMENT RELATIONS |
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Legislative Update

The 2018 Iowa Legislative Session

Week of March 5, 2018

Last week in the Iowa Legislature

The next funnel deadline loomed large over the Legislature last week as the chambers worked quickly to move bills to the other chamber in time to meet this week's funnel deadline—when bills passed by one chamber must pass a committee in the other. Budget and tax reform discussions were collectively pushed aside (for now) while policy bills again became most legislators' focus.

Budget

Overall, Friday may have been the most important day in bringing this session to a close because the Revenue Estimating Conference met. The three-member panel, whose estimates set the overall budget limit, revealed the state general fund will experience an influx of \$33 million over what they estimated at their last meeting in December. If all of the new revenue is used to plug the state's FY 18 budget shortfall, the Legislature will need to find around \$10 million in budget cuts. As we've reported previously, legislative Republicans were waiting until Friday's meeting to resolve the budget impasse they found themselves in after House and Senate Republicans revealed different plans to tackle the shortfall. In December, the REC estimated the shortfall to be around \$40 million.

While the REC delivered good news for state coffers in FY 18, its projections for FY 19 are great: revenue is projected to grow 6.4 percent, almost exclusively because of federal tax reform. With Iowans paying lower income taxes to the federal government, Iowa's arcane federal deductibility law is making more income subject to taxation—and raising state revenues in the process.

With the much-anticipated Revenue Estimating Conference behind us, expect the deappropriation and school aid to become finalized soon—perhaps within the next couple of weeks. Then the budget process for FY 2019 should begin in earnest as budget subcommittees receive their budget targets from leadership. Expect those targets to be jointly agreed to between the chambers' Republican caucuses.

Looking Ahead

This week is the second funnel week, when bills that have passed one chamber must pass through the committee of first referral in the opposite chamber. Bills in Ways & Means, Appropriations, or Government Oversight Committees are exempt from the deadline. Very little floor debate will occur this week, as legislators focus on their final week of policy committee

work. Thereafter, those committees will become idle the rest of session as legislators transition to finalizing the budget and adjourning.

Key Initiatives

A Senate subcommittee unanimously advanced HF 2254 (911 Changes). The Senate has taken the House version of this bill and appears poised to advance it through the Appropriations Committee and full Senate relatively quickly but likely not this week.

The Senate passed SF 2364 (School Security Plans) with an amendment that, among other things, exempts the plans from the state's open records law. It also includes non-public schools in the bill. It now goes to the House, where no Senate companion exists. It will need to pass committee this week to remain viable.

A Senate subcommittee reluctantly advanced HF 571 (911 Confidentiality) with a 2-1 vote. The bill drew critiques for being too widely crafted and stakeholders and Senators agreed the bill "needs work" before advancing further. Sen. Dawson, the subcommittee chair, said he will continue to work with stakeholders to craft the bill more narrowly to keep law enforcement accountable while trying to shield 911 callers' confidentiality for medical information, in particular.

The AS team has reached out to representatives of the IPERS Benefits Advisory Committee. The BAC meeting is on March 26, but it appears you can select another date to present to the BAC on protected status. Here is a link to the future meetings: <https://www.ipers.org/about-us/benefits-advisory-committee/meeting-agendas-and-minutes>

Please let us know the date you'd like to present to the committee. It will likely be the most important meeting of this process, so please choose a date when your presentation and presenters can be fully prepared.

Bills of Interest

Like sessions past, Advocacy Strategies will be tracking all bills pertaining to you. Along with this document, please find an attached excel spreadsheet with the bills you have registered for or we are waiting for a declaration. Please review this and confirm your declarations are correct. Please let us know if there are any changes that need to be made. We will have an update tracking document to you next week with all the bills that survived the second funnel deadline.

Housekeeping

Our ability to best represent you is based on quick and open communication. Once the legislative session progresses further, our requests for bill declarations will increase substantially. **We would ask that you let us know your organization's position on each bill within 24 hours of our notification to you so we can respond accordingly.** Each bill we send your organization automatically generates a registration of "undecided" on that bill. This allows us to lobby on the bill or to attend a subcommittee on your behalf. But whatever your organization's stance may be, please communicate it to us (even if the stance is "undecided") so we can register properly and most effectively represent your interests.

Dates to Note

- March 16: Second funnel deadline (10th week)
- April 17th: 100th calendar day of the session; legislators' per diem expires.

Please feel free to contact the Advocacy Strategies Team with any questions, comments, or concerns. We are pleased to be representing your interests during the 2018 legislative session and throughout the year. Contact information for your lobbying team follows. We look forward to a successful session and working with you in the days ahead.

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