

Legislative Update

The 2018 Iowa Legislative Session

Week of January 8, 2018

This week in the Iowa Legislature

The first week of the 2018 legislative session was made up of formalities and ceremonies with limited floor action. The chambers' committees met, but they mostly introduced members and made remarks. Joint Sessions of the House and Senate met on Tuesday and Wednesday for Governor Reynold's Condition of the State speech and Chief Justice Cady's Condition of the Judiciary, respectively. Following the day's work, numerous evening legislative receptions were held to welcome legislators back to Des Moines and provide an opportunity for lobbyists and legislators to mingle informally. The Advocacy Strategies team attended these events to catch up with legislators and discuss the issues on your legislative agenda.

Condition of the State and Inaugural Celebration

Governor Reynolds delivered her first Condition of the State Address on Tuesday. She highlighted her priorities for the session, which tax reform legislation that would eliminate Iowa's federal deductibility, \$54 million increase in K-12 school funding, a revamped 529 plan that would include K-12 education choice, and a skilled worker initiative called Future Ready Iowa to help expand Iowa's skilled workforce and link them with employers. The new governor also conceded mistakes have been made in implementing Iowa's managed care system for Medicaid, but she pledged to continue its implementation with the new personnel she has hired to implement it.

Reynolds' Budget

After the governor's speech on Tuesday, she released her recommendation for the current fiscal year's deappropriation her FY 2019 budget recommendations. Only the legislature can appropriate funds, so this is the first phase in budget negotiations and represents a starting point for legislators to begin crafting their changes.

The deappropriation for this fiscal year, which ends June 30, would cut spending by \$27 million and rely upon an \$11 million projected revenue infusion to the state caused by the federal tax reform legislation. The cuts would come mostly from the state's public universities and community colleges along with the Department of Corrections and the Department of Human Services.

The governor's FY 19 budget proposal represents roughly a 2.7 percent increase over the FY 18 budget after the deappropriation. The FY 19 budget is proposed to spend \$7.441 billion. To

place the state's revenue issues into perspective, Governor Branstad proposed a \$7.407 billion budget at the beginning of the 2016 session, which was later cut to \$7.258 billion.

K-12 education and Medicaid receive most of the increase, but the governor also proposes transferring \$55 million to the state's cash reserve fund to repay what the Legislature used to fund the FY 2018 budget last April. For specific items in the budget relating to your organization, please see the "Key Initiatives" section below.

Medicaid Update

In the Governor's Condition of the State, she touched on the topic of Medicaid, saying "I still believe managed care is the right decision for Iowa, but it has become very clear that mistakes were made in how it was done." She will look to Jerry Foxhoven, the new Director of the Department of Human Services, and to Mike Randol, the new Medicaid Director, to get "things turned around." Both Democratic leaders, Senator Petersen & Rep. Mark Smith, addressed Medicaid in both of their opening remarks and requested that the Legislature fix the mess. In the meantime, several more Republican legislators have grown weary of the complaints and have expressed a desire to see things change. Leaders have said they will make suggested improvements to the Governor and her DHS team, but they don't feel as though they can force anything.

Looking Ahead

Next week will be shortened for legislators because of the Martin Luther King Jr. holiday on Monday. Members will be back on Tuesday morning, but most of the attention will be on the Special election in House District 6 left empty by Jim Carlin when he was elected to the Senate filling the vacated Anderson seat in December. Although registered Republicans far outnumber registered Democrats, the district leaned Democrat in the special election for the Senate seat. We will provide an update on the election outcome and an update to the legislative contacts database following the election.

Members have introduced bills and Committee Chairs have already begun making assignments, so subcommittees will begin action as early as next week. With the ceremony and welcome-back receptions over, legislators will begin to focus more on moving legislation this week.

Key Initiatives

As we informed you in an email last week, the governor's budget recommends using \$1,351,666 from the Rebuild Iowa Infrastructure Fund and \$3,054,172 from the Primary Road Fund to make the FY 2019 installment payment for the ISICS.

The AS team also sent you a draft of the E911 legislation that HSEMD is proposing this session. That draft should drop as a bill this week.

The AS team met with Rep. Ken Rizer, the House State Government Committee chair, to discuss protected status legislation for dispatchers. He is considering introducing a bill in his committee after seeing draft language we supplied him and an explanation of the issue.

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.

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 will send your organization automatically generates a registration of "undecided" on that bill. This allows us to lobby on the bill or 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 your properly and most effectively represent your interests.

Dates to Note

- January 19: Final day for individual bill requests (2nd Week)
- February 16: First funnel deadline (6th week)
- 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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