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Budget process discussed at Breda forum

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State Rep. Rod Roberts



State Sen. Steve Kettering

BREDA - Talk of the 2009-10 budget again dominated the Carroll Chamber of Commerce legislative forum on Saturday.

State Sen. Steve Kettering, R-Lake View, and State Rep. Rod Roberts, R-Carroll, spent much of the hour-long program at the Breda park shelterhouse explaining the budget-building process.

Four weeks into session, bills are moving through committees, and the most significant piece of legislation passed was \$56 million in disaster relief, mostly for flood-ravaged eastern Iowa, Roberts said.

"I think most legislators fully expected that the governor might recommend using all \$155 million in the Economic Emergency Fund for that appropriation, and I think there would've been broad support for that," he told an audience of about 50 at the Breda park shelterhouse.

With lawmakers facing a shortfall of nearly \$800 million, the fact Gov. Chet Culver left nearly \$100 million in the emergency fund indicates he intends to put the remainder toward the budget, Roberts said.

General fund obligations have skyrocketed nearly \$1.5 billion in the last three years, leaving the spending gap for the 2009-10 budget at \$779 million. Roberts said Culver proposes filling the gap by making a 1.5 percent cut in the current budget, reducing fiscal-year '10 spending by 6.5 percent and removing \$200 million from cash reserves.

"No one knows how long the economic situation we're currently in is going to last," he said. "But it's a time when we all need to be extremely cautious and prudent. The irony in all this is, if you actually take the number the governor's proposing for next year, it's an increase of 2.5 percent over the current year's budget. It will be the largest budget in state history."

During his summation, Kettering described budgeting as the government process that's most misunderstood by the public and most disliked by legislators but has the greatest impact on the people of Iowa.

House and Senate budget subcommittees are taking a fine-toothed comb to the FY'10 budget.

"They're making each agency justify in total line by line what that budget is for. They're digging deeper into schedules than they ever have before," Kettering explained.

He ended with a caveat that this year's process might be further delayed if the Legislature decides to wait for the March report by the Revenue Estimating Conference.

Culver and lawmakers will also be waiting on the federal economic stimulus package before finalizing the state budget.

"We have our own work cut out for us," Roberts commented. "We shouldn't just constantly think that somebody else is going to come and bail us out. We've got to do some difficult hard work ourselves. That's what we're engaged in right now."

When the lawmakers were asked what they'd eliminate from the budget to reduce spending, Kettering said he'd sell the Iowa Communications Network (statewide fiber-optic network), make area education agencies competitively bid for services they provide to school districts and do away with the new Rebuild Iowa office.

"If you're going to sell something," he said, referring to the recently considered sale of the Iowa Lottery, "I would say sell an asset that's a money loser, not a money gainer."

As for the AEAs, which receive state money funneled through local schools, Kettering said, "There are efficiencies that can be driven into government that ought to be looked at."

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