

## Scott Tornquist

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**Sent:** Thursday, July 02, 2009 11:38 AM  
**To:** Scott  
**Subject:** Overspending and Salary Increases

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**REP. KRAIG PAULSEN**  
HOUSE REPUBLICAN LEADER

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## The Paulsen Perspective

### **Overspending and Salary Increases**

Although the 2009 Legislative Session came to an end a few months ago, there is still much that is happening which will affect Iowa taxpayers.

Unless a bill states otherwise all new laws passed this year went into effect on July 1. Some Iowa labor law changes, a few tax provision changes and the implementation of the new sex offender law all took effect on July 1. (For a complete list of the new laws, visit the House Republicans website at [www.iowahouserepublicans.com](http://www.iowahouserepublicans.com))

June 30<sup>th</sup> marked the end of the 2009 fiscal year. As I've stated in the past, Democrats passed, and Gov. Culver signed, the most spending in the history of our state. So when the books closed on the year yesterday, we shouldn't have been surprised to find out what a fiscal mess we are in.

The nonpartisan Legislative Services Agency announced that net state revenue came in \$161 million below the Revenue Estimating Conference's (REC) estimate. This news coupled with the historic spending means the 2009 and 2010 budgets are now BOTH out of balance. The 2011 budget (which is the one the Legislature will work on next

spring) now has a gap exceeding \$1 billion.

My expectation is the Governor will try to transfer what he can and scoop money from where he is allowed, but in the end he will likely be \$43 million short. This could result in a special legislative session where legislators are called back to make changes to the budgets.

Be assured, if and when we return to a special session, House Republicans will work to solve this self imposed problem within the money we already have. We will not support raising taxes.

Be further assured that House Republicans will continue to look for ways to rebuild Iowa's economy through hard-working Iowans not big government as Gov. Culver suggests. It is through Iowans' efforts not government's that this economy will rebound.

It was also reported this week by the Des Moines Register that despite taking a pay "freeze," some state employees will actually see up to a 9 percent increase in salary and benefits.

<http://www.desmoinesregister.com/article/20090701/NEWS10/907010357>)

In addition to the step raises that state employees will see this new fiscal year, they will also receive an increase in deferred compensation benefits (aka 401K plan) as well as insurance premiums. These benefits add up to an \$886,000 and \$474,000 increase respectively.

In total these increases will cost \$121 million. Only in government does a pay freeze cost the taxpayers over \$121 million. House Republicans believe state government should reflect what's going on in the private sector and this isn't it.

I will continue to keep you updated on things happening even while we are not in session. While my newsletters will be less frequent during the interim, please check

the House Republicans' website at [www.iowahouserepublicans.com](http://www.iowahouserepublicans.com) or our twitter page @iahouerepubs for constant, daily updates. Also, feel free to contact me at [kraig.paulsen@legis.state.ia.us](mailto:kraig.paulsen@legis.state.ia.us) with your questions or concerns.

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