

Funding a Responsible Budget

Work on the budget continued this week as the legislature nears the final days of the 2017 session. Budget subcommittees were hard at work setting priorities and determining individual line items in each of their budget areas. The agreed upon budget plan spends \$7.245 billion, which is about \$18 million less than the FY17 state budget. This represents a real reduction in government spending not a smaller increase. This budget takes a responsible and thoughtful approach to spending in recognition that revenue may continue to come in less than anticipated. This approach to managing the state budget is just like the way families and businesses manage theirs. There have been difficult reductions to make, but they are necessary to ensure a balanced budget. Some of the priorities we have been able to protect are outlined below:

Increase for K-12 Schools - This budget plan fully funds the additional \$40 million promised to K-12 schools earlier this session. K-12 education will be receiving the largest funding increase compared to all areas of government. Many areas will see budget reductions.

Supporting Iowa's Workforce and Community Colleges - This budget plan increases spending in Iowa's community college system of \$1.6 million. Local community colleges play a vital role in educating Iowa's workforce all across the state. Schools work with community colleges to offer students college-level coursework, young people attend community colleges for affordable education, and businesses rely on community colleges for job and skills training.

Protecting Public Safety - The budget plan provides an additional \$1 million to the Iowa State Patrol to hold an academy and hire more troopers. More troopers on Iowa's highways will improve emergency times and providing a higher level of safety for motorists and passengers.

Ensuring Access to Justice - Iowa's Judicial Branch will see no reductions in next year's budgets. Ensuring that Iowans have access to the courts is one of the key functions of government.

Protecting and Enjoying Natural Resources – This budget plan increases the funding for soil conservation and water quality improvement

efforts and puts more resources towards state park operations and maintenance expenses.

This budget plan makes an initial down payment of \$20 million to repay the Cash Reserve account. The House will be looking for ways to increase the down payment this year and make additional payments in FY 19. We will pass a plan to fully repay the Cash Reserve before this session is over.

Bills Passed by the House

Election Integrity Bill – This bill came back to the House because it was amended by the Senate. Everything concerning this bill reported in my previous newsletters remains the same except early voting will begin at 29 days before Election Day instead of current law in which the window is 40 days, one of the longest in the country.

Texting and Driving – This bill strengthens our texting while driving law by making it a primary offense. Under current law, texting and driving is a secondary offense so law enforcement is unable to pull drivers over. This will allow law enforcement to pull over drivers who are texting, using email, browsing social media apps, surfing the internet, playing games, or doing other distracting activities on their electronic devices. However, the bill does allow drivers to use their phone to make calls, use voice-to-text functions, or use GPS. 46 other states already have bans on texting while driving.

“Right to Try” Bill – This bill allows patients, who have a terminal illness and who have tried and failed to respond to all other treatment options approved by the FDA, upon recommendation from their doctor to try a treatment, drug or device, that has completed Phase I of the FDA process, in the hopes of improving their condition or prolonging their life. 33 other states have adopted this law.

Medical Malpractice/Tort Reform – We are hopeful this bill will accomplish the intended goals of reducing medical liability insurance premiums, reducing spending on health care due to the practice of “defensive” medicine, and improve the recruitment of physicians to our state. In this bill we worked to ensure patients in egregious cases could still

recover the appropriate damages while at the same time weeding out cases that have no merit early in the process. We listened to many opposing concerns presented and therefore included a provision where the jury in severe cases or death could waive the \$250,000 non-economic damages cap established in the bill and award an amount above that. There were no caps put on economic or punitive damages. Expert witnesses are now required to be licensed in the field in which they are providing testimony. A certificate of merit will be required to identify claims that don't have merit.

Motor Vehicle Insurance Verification – Currently, the DOT is unable to verify that registered vehicles are insured. This bill allows DOT to contract with a 3rd party vendor to perform this verification. Uninsured vehicles can have their vehicle registration suspended. The program will be paid for by fees collected from owners to pay for the reinstatement of their vehicle's registration.

Civil Asset Forfeiture – This bill prohibits civil asset forfeiture for property valued less than \$5000 if there is no criminal conviction related to the forfeiture.

Insurance Companies Leaving ACA Exchange

About 10 days ago, Wellmark announced it would no longer be offering individual insurance plans through the ACA exchange for 2018 coverage. Just a few days later, Aetna followed suit, and also announced it would no longer offer individual plans. All of this is coming on the heels of the ACA repeal and replace discussions underway at the federal level.

In addition to the uncertainty, Wellmark has cited a \$90 million loss through the individual market in Iowa; Aetna mentioned financial risk as a reason for leaving, as well. Insurance companies all-around are facing the problems that not enough young and healthy people are choosing to enroll in plans to help in spreading out costs. The older, sicker individuals are purchasing these plans, making for a higher concentration of expenses in the individual market. Additionally, insurance rates for consumers averaged around a 43% increase last year.

“We are very concerned about this development, but Iowa is not alone as ACA markets around the country are being left with few to no options available to consumers,” Iowa Insurance Commissioner Doug Ommen said. “It’s concerning given that Iowa has now had two carriers leave the ACA’s individual health insurance market. We will continue looking for ways to protect Iowa consumers.” Further, the Commissioner noted this was a federal problem that must be fixed by Congress.

Consumers impacted by this decision will receive notice from the carrier and must switch to another insurer to continue their coverage for 2018 when the next open enrollment period begins November 1, 2017.

Feel free to contact me with ideas, thoughts, and concerns. My phone is 319-987-3021 or you can email me at sandy.salmon@legis.iowa.gov . I want to hear what you are thinking and will listen to your input. Together we will work to make a difference for the future of Iowa. Thank you very much for the honor of representing you!

Sincerely,

Sandy