

# Iowa News Takes

I have missed communicating with all of you over the past few months. My husband and I have taken an anniversary trip and then a couple trips to see family. And then there have been the meetings and other work to get ready for the next legislative session. So now I have a chance to write a newsletter!

**Charlie Kirk Assassination:** So tragic and heartbreaking to hear of the willful and intentional murder of Charlie Kirk! He was a strong conservative Christian voice who helped so many young people understand the truth about Christ and the Christian faith and about politics and current issues.

May God raise up 10,000 more Charlie Kirk's to act in grace and truth and bring the life, the light and the truth of Christ to our young people just as Charlie did! "Unless a grain of wheat falls to the ground and dies, It remains alone, but if it dies it produces much fruit." John 12:24 We honored Charlie Kirk's life at a candlelight vigil in Charles City. We sang "Stand Up, Stand Up for Jesus" - What Charlie calls us to do!

Unfortunately, we had some teachers in our state that actually celebrated the murder of this man! That is totally unconscionable, reprehensible, and wicked. It doesn't matter what political party you are from. You should not be doing that. Especially a teacher who has a position of authority and trust and who is to be expected to set an example for students of excellent character, integrity, trustworthiness, and modeling good, right, and true behavior. Not to mention a great argument can be made that teachers who exhibited such bad behavior violated the Iowa Teaching Standards and Code of Ethics set forth in Iowa law that all teachers are required to abide by. I believe those teachers should be fired and have their teaching license revoked.

**Des Moines School Superintendent:** This has been an extremely disappointing situation and it should never have happened. We had a superintendent of the largest school district in the state who turned out to be in the country illegally, without a work authorization, who had a final order of removal by a judge during the Biden administration, with a criminal record including past charges of drug possession, intent to sell,

and illegal firearms possession, who had registered to vote in Maryland, who ran from federal law enforcement, who had illegal possession of firearms, who lied on his employment paperwork about these pertinent facts, who lied about having a doctorate and other academic credentials, who still allowed people to call him “Dr.”, who had a side business offering “training” to school officials presenting a conflict of interest.

Investigations are now underway to see why he was still issued an administrator license at the state Board of Educational Examiners and why the Des Moines School Board hired him despite what appear to be numerous red flags. Very likely there will be changes made next session to plug any loopholes in the system that could have allowed this to happen. The rest of the changes rest with the citizens of the Des Moines School District to make the necessary changes to their school board.

The governor has taken the step of issuing an executive order requiring state agencies use E-verify and the federal SAVE system to ensure a potential employee is a U.S. citizen. (Des Moines schools did not use E-verify in hiring this superintendent.) I have been a co-sponsor of E-verify legislation, which has passed the Senate, but not the House. This bill required all employers to use the E-verify system. Hopefully we can get that done next session.

**State Auditor Law:** Confusion has surfaced regarding a law passed a couple years ago about what records the state auditor could look at to conduct an audit. The state auditor is complaining that the legislature greatly reduced his ability to conduct a good audit. He is greatly mistaken.

The new law requires that the auditor follow professional auditing standards prescribed by the U.S. Government Accountability Office. The records the legislature restricted him from viewing are health care and hospital records, academic records, criminal and investigation records. However, if it becomes necessary for the state auditor to see these records, there is a process to appeal. No restriction is placed on the auditor in viewing the records he normally would be viewing to conduct an audit: financial records and transactions, bank statements, business ledgers, invoices, receipts, accounts payable, accounts receivable, payroll records, tax documents, budgets, revenue and expenditures, legal documents, etc.

**Trump's Compact for Excellence in Higher Education:** President Trump is making an offer to state universities called the Compact for Excellence in Higher Education. To be eligible for federal funding the universities must agree to the compact, which requires them to freeze tuition for 5 years, to ensure student free speech and viewpoint protection, and to end DEI admission, hiring, programming, training, and initiatives as well as end advocating and promoting CRT (critical race theory). The state's Board of Regents is considering adopting the compact now. Our House and Senate Education chairs have urged the Board of Regents to adopt the compact and I would agree with that.

Complaints have been made that this compact violates academic freedom and free speech enjoyed by state university faculty in the classroom. But it's one thing to discuss the ideas of CRT and DEI from an outside vantage point, which is allowed by law and which preserves free speech and academic freedom for faculty. But it's quite another to promote, train, and advocate for those ideas, which is what is being done in a number of instances.

**Nuclear Energy:** NextEra Energy is working on plans to re-commission Iowa's Duane Arnold Energy Plant near Palo, which is Iowa's only nuclear power plant, and have it fully operational by 2029. It was shut down in 2020. The company is planning on supplying power to Google. The governor and a number of us legislators have encouraged the development of nuclear power, knowing the need for electricity is expected to greatly increase, especially with the establishment of Big Tech companies like Google and Apple with locations here in Iowa.

**Trump and Argentine beef:** There are concerns from our cattle farmers with President Trump's plan to import Argentine beef. They are worried it will depress the prices for cattle at the market, which hurts farmers and ranchers. President Trump is concerned about the high price of beef in the grocery stores, which hurts consumers. The Texas Agriculture Commissioner says Argentine beef is very low quality and can only be used for hamburger meat. He is proposing to reverse the Biden administration's closure of federal lands to grazing and to open more federal lands to grazing, thus being able to support larger herds and increase the beef supply. He also proposes allowing landowners to let their cattle graze their CRP ground. In addition, he is proposing a tax incentive for farmers to keep

their heifers, thus expanding their herds and increasing beef supply. These actions, I believe, would benefit both our own farmers and also our consumers.

**CO<sub>2</sub> Pipeline:** Two Iowa counties, Shelby and Story, are appealing to the U.S. Supreme Court against Summit Carbon to answer the question: Can counties decide where CO<sub>2</sub> pipelines can be located and can they set zoning regulations based on safety considerations? The counties are saying they should have the right to decide where CO<sub>2</sub> pipelines go, even if safety is one of their considerations. They say the federal government has authority over how the pipelines are built and operated but zoning decisions have always belonged to local governments. The appeals court ruled for Summit, saying that because safety was the counties' main consideration the federal government would have control because federal law authorizes federal agencies to make safety decisions. It's unclear when the Supreme Court would decide whether to take the case up.

Summit has taken the unprecedented step in district court asking to go back to the Iowa Utilities Commission to amend (make changes to) their permit. This doesn't happen under normal circumstances. Nobody goes back to the administrative agency once their case comes before the courts. Nobody gets to do this. It appears they are fishing around to see where they can get a more favorable ruling for them. They need to just start over if they still want to continue.

We will be continuing to work on legislation to protect property rights in the upcoming session.

**SNAP Benefits:** Due to the government shutdown, we are hearing from the U.S. Dept. of Agriculture and Iowa HHS that SNAP benefits will likely end Nov. 1<sup>st</sup>. The governor is in the process of working with our food banks and pantries now to help fill that gap for families that depend on SNAP. Iowa serves 131,000 households through SNAP. Iowa HHS says those on SNAP should keep their cards and they will work diligently to process benefits onto the cards once the shutdown ends. Please visit <https://hhs.iowa.gov/assistance-programs/food-assistance/snap> to sign up for updates.

Beginning Jan. 1<sup>st</sup>, SNAP benefits can no longer be used to purchase soda, sugary drinks, candy, and some in-store prepared foods. This is a state-

initiated change from the governor and Iowa HHS and has been approved by the federal government.

**Government Shutdown:** As the second-longest government shutdown enters its 29<sup>th</sup> day, there still appears to be no end in sight. President Trump and Congressional Republicans have put forward a bill to fund the government but, while the House has passed it, the Senate has not. In the Senate 60 votes are needed to break the filibuster and allow the bill to come for a vote. There are enough votes to pass it by a simple majority but Democrats are not cooperating enough to get to the 60 votes needed.

Many federal workers are going without pay but still on the job, including military service members, air traffic controllers, ICE and border patrol officers, and law enforcement.

The main issue for Democrats is wanting to allow funding for illegals to receive health care under Medicaid, but President Trump and Republicans are adamant that should not be funded. I would agree it should not be funded by the government. If health care providers want to provide healthcare on their own dime for free to illegals, they are welcome to do that. But the government certainly does not owe that care as they are in the country illegally. Both state and federal governments already stagger under the weight of providing health care to a burgeoning number of our own citizens that need it.

## **State Budget**

The Revenue Estimating Conference (REC) met to give their October estimate of the state's revenue:

### **Fiscal Year 2025 (Ended June 30<sup>th</sup>)**

For FY 25, revenues decreased by 8.4% compared to FY 24, primarily driven by the phase in of the 3.8% flat tax rate. Revenue and expenditures were very closely matched, about \$8.9 billion each. Estimated Ending Balance: \$1.9 billion to carryforward.

### **Fiscal Year 2026 (Current Budget Year)**

Projected Revenue: \$8.1 billion

Projected Ending Balance: \$1.3 billion

For FY 26, the REC revised their estimate down by \$358 million compared to their March adjusted estimate. This is a projected \$805.1 million less than actual revenues collected in FY 25. This is primarily due to this being the first fiscal year with full implementation of the 3.8% Flat Tax and significant revenue impacts with the One Big Beautiful Bill Act (OBBB). Iowa's economy is steady as reflected in an increase in Iowa's GDP from Q1 to Q2 of 2025. Key economic factors of concern are trade barriers, tariffs impact on manufacturing and agriculture, a struggling agricultural economy, and a softening of consumer spending.

FY 26 budget also includes a Taxpayer Relief Fund (TRF) transfer. Following Session, we projected a transfer of \$475.1 million. Following the October REC, the projected transfer from the TRF increases to \$641.8 million. Additional spending factors that need to be addressed in FY 26 include an increase in the Medicaid capitation rate, an increase in spending from the OBBB related to SNAP administration and compliance due to shifting more costs to the states, and monitoring Education Savings Account (ESA) enrollment, since this is the first school year with no income limitations on eligibility.

FY 26 still meets statutory requirements related to spending limitations. Our ending balance is solid, our Cash Reserves and Economic Emergency Funds are filled to the statutory cap, and the Taxpayer Relief Fund (TRF) will have \$3.5 billion at the end of the fiscal year (next June 30<sup>th</sup>). While we do have the resources available at this time, any further downturn in the economy could lead to additional pressures we have to consider.

### **Fiscal Year 2027 (preliminary revenue projections for July 1, 2026-June 30, 2027)**

Projected Revenue: \$8.4 billion

This is revenue growth of 3.2% over FY 26 revenue. For FY 27, this gives us early indication of budgetary spending limits heading into session in January. We won't have official spending parameters until the December REC projections.

**Concluding Thoughts on the State Budget:** Some are raising alarm about "budget mismanagement" and "large surpluses". When a state wants to implement tax cuts, it must plan a number of years out. We've been working on tax cuts since 2018. You have to start setting money aside in the

budget so you're able to continue funding the priority services citizens expect and even increases each year. That's why there are large amounts in the Taxpayer Relief Fund (TRF). When you implement tax cuts, the initial effect is a reduction in revenue. We use the TRF to supplement the budget so we can continue to fund the budget in those initial years. Historically, whenever we have implemented tax cuts, people have more money to spend and invest, and eventually that boosts the economy and with it, state revenues increase. Barring nothing unusual happening, we expect state revenues to rebound.

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](mailto: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***