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IFP Statement: Session avoided — keep eye on the ball *Three months after a fiscal year ends, the course should have been clear*

IOWA CITY, Iowa (Sept. 20, 2017) — The Iowa Fiscal Partnership issued the following statement with Governor Kim Reynolds' announcement that no special session would be needed to deal with the budget shortfall for fiscal year 2017, which ended June 30.

"A special session is never desirable to deal with the regular business of the Iowa Legislature, so today's announcement by Governor Reynolds is welcome in that respect.

"It should not have taken us to the final days of September to know whether estimates were so far off as to require a special session to resolve the shortfall for a budget year completed three months ago. This level of uncertainty was avoidable. Iowa's budget process courts instability because of reckless, rampant tax expenditures for corporations — the routine diversion of tens of millions of dollars away from critical public purposes such as education and water protection. It welcomes uncertainty by leaving tax loopholes unplugged [at a cost of \\$60 million to \\$100 million](#) a year.

"A significant example was the special break to manufacturers — approved in 2016 with an expected cost to the state of about \$21 million — [only to be determined later](#) to be a much greater hit to the state budget, in the budget year just completed.

"We also need to be aware of the challenges ahead. Three months into FY2018 and about a month out from the next revenue forecast, we should be aware of the danger of giving away so much revenue — especially when we see proposals for even greater tax giveaways that will not grow our economy.

"Finally, it is fair to challenge the political spin in comments, like that of the Governor today, that distract from very real cuts to education we have seen this year — and the prospect of cuts in Medicaid and access to health care from ongoing efforts at both the state and national levels.

"Iowans need to keep their eye on the ball, and not through rose-colored glasses."

The Iowa Fiscal Partnership is a joint budget and policy analysis initiative of two Iowa-based, nonprofit, nonpartisan organizations — the Iowa Policy Project in Iowa City and the Child & Family Policy Center in Des Moines. For more information, see www.iowafiscal.org.

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The Iowa Policy Project
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