

Gov. Branstad vetoes \$34 million in spending

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DES MOINES (AP) — Gov. Terry Branstad, saying "the Legislature just went overboard," has vetoed \$34.1 million in spending.

Branstad rejected \$12.6 million in lottery profits earmarked for environmental programs and another \$14.7 million in general spending. Nearly \$7 million in surplus lottery profits also was frozen.

In the areas of education and welfare, state spending will grow sharply next year.

"I believe we have to draw the line against higher taxes," the governor said. "I don't want Iowa to get into the same budget mess that many other states and the federal government are in, debating whether to go deeper in debt or raise taxes."

With his vetoes, the state's budget for next year stands at just over \$3.1 billion and will have an ending balance of \$60.2 million.

Aides said the ending balance will allow "indexing" of income tax rates to hold down higher income tax rates caused by inflation. That doesn't kick in unless officials determine the state has a \$60 million ending balance.



Branstad

Democrats were bitter, particularly over the vetoes of environmental efforts.

"He's been portraying himself as an environmental giant," said House Majority Leader Bob Arnould, D-Davenport. "He's proving himself to be an environmental midget."

The Legislature had approved a \$40 million shift in lottery profits to pay for environmental programs rather than economic development.

Branstad approved \$27.4 million of that spending, most of it for the Resource Enhancement and Protection program to improve parks and pay for soil and water conservation programs.

"While I continue to place a high priority on activities to protect the environment in Iowa, I also have a constitutional responsibility to assure the state budget is balanced," Branstad said.

Items vetoed included:

- \$4.2 million to pay for recycling and to reduce waste dumped into landfills and \$500,000 for toxic waste cleanup days.
- \$500,000 for surface water monitoring.

- \$504,000 for regional disposal centers.

- \$250,000 for rural water testing.

- \$350,000 for air quality monitoring.

- Part of the funding for an energy efficiency law the governor signed earlier in the day was also vetoed. He rejected \$1 million for alternative fuel demonstration projects and \$1 million for grants to local communities. He also vetoed \$300,000 for an ethanol development office at the University of Iowa and vetoed \$813,000 to pay for weatherizing homes of low-income Iowans.

- \$500,000 for research into global warming.

- \$400,000 for research into health effects of air quality.

- \$700,000 in lake construction funding.

Branstad allowed a 4 percent increase in the state's basic welfare program and the Department of Human Services will get a \$47 million increase for the fiscal year beginning in July.

Branstad said the welfare increases will "enable families to receive adequate assistance to meet their basic needs." The governor also pointed to extra spending in child care and job training programs and noted that families providing foster care would get increases ranging up to 9 percent.

The governor twice vetoed the entire welfare bill enacted by the Democratic-controlled Legislature, telling legislators to start over. The final law falls about \$5 million above the spending level he recommended

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but \$5 million less than legislators approved.

Branstad rejected:

- \$350,000 for counties that cut the number of residents in state mental health institutions.

- \$400,000 to develop therapeutic foster care programs for troubled youngsters.

- Expansion of assistance programs for the elderly and disabled living at home.

- Additional payments to nursing home operators if the state's budget balance exceeded \$100 million.

- Requiring the governor to seek a minimum amount of funding for certain welfare programs.

- Expansion of community-based programs for the mentally ill.

Education spending will increase by \$140 million next year.

The formula earmarking state aid to elementary and secondary schools pushed state spending up by \$94 million. The state's community colleges got another \$13 million increase.

Branstad cited new student aid programs, including a \$1.9 million need-based grant program and another \$1.1 million for minority student recruitment. In addition, there's an extra \$1.8 million for students attending independent colleges and an increase of \$580,000 for vocational-technical grants.

The governor approved \$500,000 to pay for tuition of displaced workers, a move prompted by the closing of the Farmstead Foods plant in

Cedar Rapids.

The 15 community colleges will get \$2.1 million to increase faculty pay, and there is \$1 million to pay for improving educational programs at the state's prisons.

Branstad rejected \$450,000 for professional improvement programs for community college teachers, \$475,000 for a University of Northern Iowa program to enhance teacher education, and \$200,000 for a design program at Iowa State University.

He also vetoed a \$150,000 item designed to help local schools having trouble because of the state's open enrollment law.

In addition, Branstad also:

- Approved \$2.3 million for new spending to crack down on drug dealers while rejecting a \$125,000 pilot project aimed at dealing with "cocaine babies."

- Rejected \$1.7 million to put a child-care center at the Statehouse complex.

- Rejected a program to allow state officials to borrow money to loan to local governments to pay for sewer, water and other basic services.

- Rejected a \$250,000 program for retraining displaced workers, saying that federal money is available to pay for those programs.

- Extended the state's open meetings law to cover non-profit groups which operate riverboat gambling operations and three of the four pari-mutuel tracks.