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here is this one. i didn't have any big questions. thanks.

## **IOWA BRIEFING**

### **STATE ISSUES**

#### **GOVERNOR TOM VILSACK**

In a February poll, Governor Tom Vilsack's (D) overall job approval rating was 49 percent. The poll also showed 62 percent disapproved of his handling of the state budget, 51 percent disapproved of his proposals on education, and 50 percent said the state was headed in the wrong direction. Forty-one percent felt good about the direction the state was headed.

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### **STATE BUDGET**

The Iowa State Legislature adjourned on April 20 after a longer than expected session due to disagreements over education funding and casino taxes. Debate centered on Governor Vilsack's proposal to raise taxes to generate \$238 million for education and health care funding. Vilsack's plan called for an expansion of the state's sales tax to include 17 additional services and an increase in the cigarette tax by 60 cents per pack. Republicans resisted pressure to increase taxes, insisting education needs can be met without a tax increase.

The Senate version of the budget bill, which passed on March 30, totaled more than five billion dollars and allows for a \$109 million increase in basic school aid, about \$28 million less than Vilsack's plan. On April 12, the House passed the budget bill, voting overwhelmingly against Vilsack's proposed tax increases.

On April 20, the closing day of the session, the Legislature agreed to a four percent increase per-pupil school funding for the 2005-06 school year, as requested by Governor Vilsack, but only increased per-pupil funding two percent for the 2004-05 school year. Democrats vowed to campaign this fall on the shortcomings of the two percent increase, however, and on April 26, Governor Vilsack declared there would not

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be a special Spring legislative session even though he is displeased with next year's budget.

A dispute being fought in the Iowa courts over taxing the state's three racetrack casinos and ten riverboats also affected budget negotiations. The Iowa Supreme Court has ruled that a state law requiring racetrack casinos to pay a much higher state tax rate than riverboat casinos violates the State Constitution and that the state owes the racetracks a refund totaling more than \$112 million. On April 14, legislators reached a long-awaited agreement with casino and racetrack interests. As part of the agreement, racetracks would forgive the \$112 million refund with the commitment from Senate leadership that in the future, there would not be more than a two percent disparity in tax rates for racetrack casinos and riverboat casinos.

### **MEDICARE**

About 460,000 Iowans (17 percent) are eligible for Medicare. The Medicare Prescription Drug, Improvement and Modernization Act you signed in December 2003 helps remedy the historically low Medicare reimbursement rates for Iowa health care providers, especially rural health care providers. At least fourteen hospitals, most often rural facilities, have closed in Iowa since 1985, and because of the state's low reimbursement ratio, expanded services have not been available.

As a result of the Medicare overhaul, over the next ten years Iowa hospitals and health care providers will receive an additional \$438 million dollars from Medicare, and Iowa hospitals will receive an additional \$141 million from Medicaid.

The new law also gives Medicare recipients the option of purchasing prescription drug coverage, which will reduce the typical beneficiaries' drug costs by about half. Senator Grassley (R), as Chairman of the Senate Finance Committee, was crucial to the formulation and passage of the landmark legislation. Senator Harkin (D) and Congressman Boswell (D, IA-03) were the only members of the Iowa delegation to vote against the legislation.

### **DRUG REIMPORTATION**

On April 8, Senator Chuck Grassley (R, IA) introduced legislation which would immediately legalize the importation of prescription drugs from Canada while a new importation system is developed and implemented by the Food and Drug

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Administration (FDA). The bill is much broader than legislation previously introduced by Senator Byron Dorgan (D, ND) because it allows for the importation of non-FDA approved drugs. After two years, the bill would allow the importation of prescription drugs from other countries, including Australia, Japan, and other members of the European Union. Drug manufacturers that take any action to limit supply to Canada would lose their tax deduction for advertising expenses. Drug manufacturers that continue to sell drugs to Canada would see a 20 percent increase in their research and development tax credit. Senator Grassley is the only sponsor of the bill.

On April 21, a bipartisan Senate group unveiled a different plan that would allow drug imports from Canada immediately and allows imports from the European Union and other countries within a year.

### **SAME-SEX MARRIAGE PROPOSAL**

On February 25, a State Senate committee narrowly approved a pair of proposals calling for changes to the U.S. and Iowa Constitutions defining marriage as between a man and a woman. Governor Vilsack has said there is no need to change the State Constitution, as Iowa already defines marriage as between a man and a woman. On March 23, the full State Senate struck down the resolution to amend the State Constitution.

### **UNBORN VICTIMS LEGISLATION**

On April 6, the Iowa House voted 63 to 36 to approve a bill providing criminal penalties for the murder of a fetus at any stage of development. Similar legislation was approved in the Senate on March 24 by a 30 to 19 vote. On April 7, the Senate approved the legislation and sent the bill to the governor.

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### STATISTICS

#### 2000 General Election Results (Presidential):

	<b>Total Votes</b>	<b>% Won</b>
<b>Gore</b>	638,517	49%
<b>Bush</b>	634,373	48%
<b>Nader</b>	29,374	2%
<b>Others</b>	13,299	1%

#### 1996 General Election Results (Presidential):

	<b>Total Votes</b>	<b>% Won</b>
<b>Clinton</b>	620,258	50%
<b>Dole</b>	492,644	40%
<b>Perot</b>	105,159	9%
<b>Others</b>	16,014	1%

### CONGRESSIONAL DELEGATION

#### U.S. SENATE:

- Chuck Grassley (R), 4<sup>th</sup> term, re-elected in 1998 with 68%
- Tom Harkin (D), 4<sup>th</sup> term, re-elected in 2002 with 54%

#### U.S. HOUSE: 5 Total (4R, 1D)

- Jim Nussle (R-01), 6<sup>th</sup> term, re-elected with 57%
- Jim Leach (R-02), 14<sup>th</sup> term, elected with 52%
- Leonard Boswell (D-03), 4<sup>th</sup> term, re-elected with 53%
- Tom Latham (R-04), 5<sup>th</sup> term, re-elected with 55%
- Steve King (R-05), 1<sup>st</sup> term, elected with 62%

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### STATE GOVERNMENT

Governor Thomas Vilsack (D), 2<sup>nd</sup> term, re-elected in 2002 with 53%  
Lieutenant Governor Sally J. Pederson (D), 2<sup>nd</sup> term, elected in 2002 with Governor Vilsack  
Attorney General Tom Miller (D), 5<sup>th</sup> term, re-elected in 2002 with 65%  
Auditor Dave Vautt (R), 1<sup>st</sup> term, elected in 2002 with 48%  
Secretary of State Chet Culver (D), 1<sup>st</sup> term, elected in 2002 with 50%  
Treasurer Mike Fitzgerald (D), 5<sup>th</sup> term, re-elected in 2002 with 55%  
Secretary of Agriculture Patty Judge (D), 1<sup>st</sup> term, elected in 2002 with 50%

**State House:** 100 (54R, 46D)  
Speaker: Christopher Rants (R)  
Majority Leader: Chuck Gipp (R)  
Minority Leader: Pat Murphy (D)

**State Senate:** 50 (29R, 21D)  
President: Jeff Lamberti (R)  
Majority Leader: Stewart Iverson (R)  
Minority Leader: Mike Gronstal (D)

### STATE PARTY

Chairman: State Senator Chuck Larson  
**Note:** Although he remains Chairman, Senator Larson was called to active duty with his Army Reserve unit on November 12, and is serving in Iraq.  
National Committeeman: Steve Roberts  
National Committeewoman: Phyllis Kelly

### STATE DEMOGRAPHIC PROFILE

#### **Estimated Population 2000:**

Iowa: 2,926,324, an increase of 5.4% since 1990  
National: 281,421,906, an increase of 13.1% since 1990

#### **Race/Ethnicity:**

Iowa: 92.6% White; 2.8% Hispanic; 2.1% African American; 1.3% Asian  
National: 69.1% White; 12.5% Hispanic; 12.3% African-American; 3.6% Asian; 0.9% Native American

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### **Median Age:**

Iowa: 36.6 years (14.9% are 65 years and older)

National: 35.3 years (12.4% are 65 years and older)

### **College Educated:**

Iowa: 21.2%

National: 24.4%

### **Median Income:**

Iowa: \$39,469

National Average: \$41,994

### **Households:**

Iowa: 67.0% family households; 55.1% married couple families

National: 68.1% family households; 51.7% married couple families

*(Source: 2000 U.S. Census Bureau)*

## YOUR PREVIOUS TRAVEL

Remarks on the Economy	Des Moines	April 15, 2004
Remarks at U.S. Cellular Center	Cedar Rapids	November 4, 2002
Remarks at Sears Manufacturing; Fundraiser for Jim Nussle	Davenport	September 16, 2002
Remarks at the Iowa State Fair; Fundraiser for Doug Gross	Des Moines	August 14, 2002
World Pork Expo	Des Moines	June 7, 2002
Tour and remarks at General Mills; Fundraiser for Greg Ganske	Cedar Rapids	April 15, 2002
Roundtable and Remarks at The Printer, Inc.; Fundraiser for Tom Latham	Des Moines	March 1, 2002
Tour and remarks at John Deere Harvester Works	Moline, Illinois (Davenport, IA)	January 14, 2002
Tax Cut signing celebration	Dallas Center	June 8, 2001
Iowa Energy Center remarks on energy bill	Nevada	May 17, 2001
Roundtable on the budget and lowering debt	Council Bluffs	February 28, 2001

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### THE VICE PRESIDENT'S PREVIOUS TRAVEL

Fundraiser for Stan Thompson	Des Moines	March 8, 2004
Reception for Congressman Jim Leach	Cedar Rapids	October 20, 2003
Bush-Cheney 2004 Event	Des Moines	October 3, 2003
Welcome Event	Sioux City	October 31, 2002
Fundraiser for Stan Thompson	Des Moines	July 30, 2002
Fundraiser for Congressman Leach	Cedar Rapids	July 29, 2002

<sup>1</sup> The Iowa Poll; conducted February 7-11 for the Des Moines Register by Selzer & Co.; surveyed 800 adults; margin of error 3.5 percent.