



JIM SLOSIAREK, THE GAZETTE, FILE

Iowa Family Planning Council Executive Director Allison Smith (left) speaks during a news conference as part of a national campaign to protect the right to contraception at Greene Square in southeast Cedar Rapids, Iowa, on Aug. 5, 2024. Also pictured in the background from left: State Representative Sami Scheetz, and State Senators Liz Bennett and Zach Wahls. A 20-foot, inflatable IUD was the background for the conference.

Trump funding freeze puts Iowa birth control in jeopardy

TOM BARTON
Gazette Des Moines Bureau

Access to free or low-cost birth control for thousands of Iowans may be in jeopardy due to federal funding of Title X family services being withheld by President Donald Trump's administration, Iowa clinics warn.

The U.S. Department of Health and Human Services announced at the end of March that it was withholding 16 family planning grants across 23 states, affecting 870 health facilities serving more than 840,000 patients across the country. It includes funding to networks of clinics that include health departments, federally qualified health centers, school-based providers and Planned Parenthood clinics.

Enacted in 1970, the Title X Family Planning Program is the only federally funded program dedicated solely to providing comprehensive family planning and related preventive health services, including cancer screenings and testing for sexually transmitted infections, in addition to education, counseling and access to a wide variety of contraception methods.

Federal officials said the funds were being withheld "pending an evaluation of possible violations" of federal civil rights laws — language the administration has used to target programs promoting racial and gender-based equality. Additionally, undocumented immigrants were barred "from obtaining taxpayer-funded benefits" under a Trump executive order.

Politico reported grantees were given 10 days to submit detailed records showing they don't discriminate in hiring or in patient care, but those who did so by the deadline said they still have not received a response.

The National Family Planning and Reproductive Health Association and the American Civil Liberties Union filed a lawsuit Thursday in the U.S. District Court for the District of Columbia. The 35-page filing alleges the Department of Health and Human Services "unlawfully withheld" the tens of millions in Title X funds approved by Congress over disagreements about organizations' "opposition to racism" and "providing care to undocumented immigrants."

The Family Planning Council of Iowa is one of two organizations in the state that receive funding through Title X. The other is the Iowa Department of Health and Human Services. Both organizations have received only partial funding to provide contraception and other reproductive health services to low-income patients.

Allison Smith, executive director of the Family Planning Council of Iowa, said it has received about \$1 million, less than half its expected funding for this grant year. Smith said the council typically receives \$2.2 million annually.

"And there's been no explanation as to why that is, and we don't know if there's going to be any additional funding or when that might be available," Smith said.

A spokesperson for Iowa Health and Human Services said the department applied for more than \$1.5 million in Title X grant funds and received a partial award of about \$1.2 million for the April 1 project period via a continuing resolution, with the remainder being approved upon passage of a budget reconciliation bill by Congress.

The state's Title X program supports 15 clinic sites across Iowa, providing more than 11,100 services in calendar year 2024.

While partial awards are not common, they have occurred in the past due to federal budget disputes. Congress in March approved a temporary measure to fund the government through the rest of the federal fiscal year that ends Sept. 30, successfully averting a government shutdown.

Smith said a similar issue occurred last year, under former President Joe Biden's administration, where the council was awarded 40 percent of its grant funds in March 2024.

"However, it was made clear to us that the remaining grant funding would be available later that year," once Congress approved a budget deal, she said. "That communication has not occurred currently. And so that's, I think, the most concerning part for us."

The Family Planning Council of Iowa supports 15 clinics that provided health care services to more than 21,500 unique clients during the 2024 budget year. They include those run by county public health departments, hospital-based clinics, federally qualified health centers, independent clinics, Planned Parenthood and community action organizations.

Smith said she's unsure how they'll be able to keep clinics afloat without full funding, and worries it may lead to Iowans not having places to go to get care. She said the council is trying to operate as usual as best it can, but has had to offer six-month contracts instead of 12-month contracts due to the uncertainty.

She said the funding pause "further limits access to care" at time when Title X already has been underfunded for years. Congress has appropriated \$286 million for Title X, a level of funding that has not increased for the past 10 years.

"I think the bottom line is this is an attack on access to birth control," Smith said. "The Title X program has been crucial for more than 50 years. ... I think it's important that we reach out to our federal Congress members to let them know how important protecting Title X is to Iowans."

Because many Title X-backed health centers are operated by Planned Parenthood, the program has become a target for abortion rights opponents, even though the program itself does not provide funding to support abortion care or services. While Title X clinics are not allowed to use their funds for abortion services, they can provide non-directive pregnancy counseling, including information about abortion, and referrals for abortion services.

Heather Montgomery is executive director of Women's Health & Family Services in Clinton, which has been a Title X family planning clinic for nearly all of its 50 years of operation. The clinic sees over 1,400 unique patients every year.

Montgomery, like Smith, worries Iowa clinics like hers will no longer be able to provide free and discounted services, including contraception, to woman to help them plan for the family size that they want and can afford. She noted Title X funds help cover care for people who don't qualify for Medicaid or state programs, as well as low-income people.

"There's a lot of insurance companies that have extremely high deductibles or co-pays, which can affect their birth control option and how much that's going to cost them," Montgomery said.

She said a long-acting reversible contraceptive implant inserted under the skin of the upper arm can cost \$550. And other long-acting reversible contraceptives, like an intrauterine device, can cost \$100 up to \$400. Additionally, some employers do not cover birth control in their health plans.

If the federal dollars don't come through, she said it's unlikely clinics will be able to replace them, and clinics could close.

"We run with pretty much a skeleton crew, because we're a not-for-profit clinic," Montgomery said. "Losing that funding affects us greatly. It's half what it was last year, and last year wasn't even enough. It gets to be more and more difficulty to keep our doors open."

She said she recently eliminated a nurse practitioner due to reduced funding, dropping from 2.5 to 1.5 providers.

"Which is a huge cost savings to us, but that's less patients that we can see," Montgomery said.

"It's a beneficial program that keeps a lot of women off state aid when you can have the number of kids that you can afford," she said. "It would be, I think, a loss to our community. ... There's a lot of clinics that won't be able to sustain without that family planning funding. That's going to make it a lot harder for women to access that family planning care. ... I unfortunately think you're going to have a lot of not wonderful repercussions coming back from that."

Nebraska's tax cuts helped create a budget shortfall

State will have to figure out who picks up the tab

ANDREW WEGLEY
Lincoln Journal Star

Nebraska lawmakers in recent years have slashed the state's income tax rate while pouring hundreds of millions of dollars into property tax relief efforts and tax credit programs meant to lure businesses to invest in the state.

The tax cuts and tax breaks have helped create a projected budget shortfall that ballooned from \$289 million to \$314 million Friday when state forecasters, facing lower-than-projected March revenues and a worsening U.S. economic outlook spurred by President Donald Trump's tariffs, projected Nebraska would bring in \$190 million less in the next two years than previously estimated.

That means that in the two-year budget cycle beginning July 1, the state is set to spend \$314 million more than it brings in. And the forecasters projected \$190 million less revenue for the state's current fiscal year ending June 30, further complicating the state's fiscal picture with two months left on the fiscal calendar.

State lawmakers, who must pass a balanced two-year budget before their legislative session ends in June, have already moved to claw back \$55 million worth of tax credit programs and tax exemptions, reduce the state's school retirement contributions by \$80 million, raise taxes on nicotine pouches and hike fees restaurants pay for operating permits.

The Legislature's budget-writing Appropriations Committee, meanwhile, has proposed pulling \$145 million from various state cash funds and taking \$19 million of investments earnings from others to help fill the budget shortfall.

And the committee's preliminary budget calls for cutting tens of millions in spending over the next two years, including \$41.4 million from broadband and agricultural grant programs.

But those moves were made or proposed before Friday's forecast deepened the hole lawmakers must climb out of — a hole that Democrats in the formally nonpartisan Legislature argue is the result of "unequitable and unsustainable" tax cuts.

Facing this budget cycle's \$314 million deficit and up to \$1.5 billion in tax credits that businesses are poised to cash in on over the next four years, lawmakers will begin a contentious debate early next month over how the state should spend its money the next two years — and who should pay for the deficit.

How did we get here?

Nebraska's budget shortfall is, at least in part, thanks to tax cuts lawmakers have passed in recent years that have become a frequent target of Democratic lawmakers who have repeatedly cast the budget deficit as the result of mismanagement at the hands of Republicans.

In 2022, the state income tax rate was 6.84% for top earners and 7.5% for corporations. By 2027, when the tax cuts are scheduled to take full effect, both rates will be 3.99%.

Income tax revenues are projected to dip from \$4.2 billion last year to \$3.46 billion next year — enough to account for the deficit lawmakers are grappling with now.

"Throughout the whole debate (on income tax cuts), I kept asking, 'How are we gonna backfill that loss of revenue? How are we going to be able to increase our tax base to be able to sustain a significant income tax reduction that nobody was clamoring for?'" Sen. Jane Raybould of Lincoln said



KENNETH FERRIERA, JOURNAL STAR FILE PHOTO

Sen. R. Brad von Gillern (bottom) speaks during a floor debate at the Capitol on Tuesday. This week, lawmakers are expected to begin a contentious debate over how the state should spend its money the next two years — and who should pay for the deficit.

amid debate on the legislative floor last week.

"If we're not looking at new revenue generators for our state of Nebraska, we're gonna still be digging ourselves out of a deficit not only this year, but next year, and the next biennium and the next biennium after that," she added.

But Nebraska's budget shortfall is not solely the result of the income tax cuts.

Before Friday's forecast, the state was still projected to bring in \$6.95 billion in net revenue next year — more than it has brought in in any single year in its history, except for the 2023-24 fiscal year, when state revenues totaled \$7.15 billion.

One factor contributing to the deficit is a \$90.3 million cut in Medicaid funding from the federal government next year.

But a much more significant factor is how much the state is putting toward property tax relief — the top priority for Republican Gov. Jim Pillen, a pork producer whose family owns at least \$190 million worth of land in Nebraska.

Next year, the state will pour more than \$1.7 billion — nearly a quarter of the state's revenue — into cash funds that cut property taxes, either through direct tax relief programs or by partially directing the money to schools or community colleges as a means of reducing the local tax burden.

That figure has loomed over the legislative floor for weeks as lawmakers have debated various spending and revenue bills.

"We refuse to touch that money — that precious, precious money," Sen. Machaela Cavanaugh of Omaha said amid debate earlier this month.

"Education is going to suffer," she added. "The economy is going to suffer. The universities are going to suffer. The state colleges are going to suffer. Health care is going to suffer. We're going to have a workforce shortage. But, by golly, we will have property tax relief from the state — even though the state doesn't tax us on property."

Sen. Rob Clements of Elmwood, the Republican chairman of the Appropriations Committee, defended the sustainability of the state's tax cuts and the spending cuts his committee has proposed to help fund them.

"When we had a lot of money, we increased spending," he said. "It's reasonable that when the revenue is lower that we should decrease spending. ... Like an individual's home budget, when the income is a little bit less, you have to find ways to spend less."

Who will pick up the tab?

Before Friday's forecast, the Appropriations Committee sent a proposed budget to the floor with a \$124 million deficit, though lawmakers expected to fill most of that hole by scaling back some tax credit programs and pausing the state's teacher retirement contributions through proposals already on their way to becoming law.

But following Friday's forecast, lawmakers now

must cut spending or raise revenue to make up another \$190 million.

The Legislature's Revenue Committee has sent two so-called luxury tax proposals from Sen. Tom Brandt of Plymouth to the first of three rounds of debate — but both are likely to face filibusters from Democrats who have killed similar measures in recent years.

One bill the committee backed (LB169) would raise Nebraska's cigarette tax from 64 cents to \$1.36 per pack while eliminating sales tax exemptions for chartered flights, dating services, interior design services, lobbying services, massages, telemarketing, limousines, nail or skin care, pool cleaning, dance, golf or tennis lessons, tattoos, floral deliveries, travel agencies and weight loss programs.

Each service would be newly subject to Nebraska's 5.5% sales tax if lawmakers pass the bill, which would generate more than \$100 million in new revenue over the two-year budget cycle.

Brandt's other proposal, LB170, would similarly implement the state's sales tax on pop and candy, while raising the tax on alcohol or spirits made by large, out-of-state manufacturers. Nebraskans would pay more than \$67 million through the proposed tax on pop and candy alone in the next two fiscal years.

Similar sales tax-based measures have proven unpopular in the Legislature in recent years, and already, a shadowy group called the Taxpayer Advocate Fund targeted LB169 through wraparound ads in the state's largest newspapers last week that warned the Legislature is "coming to rob" residents' checkbooks.

"They want to characterize that as a tax increase, but the reality is ... it's not the same," said Sen. Brad von Gillern of Elkhorn, the chairman of the Revenue Committee who also said he doesn't know whether Brandt's proposals have enough support to become law.

"It's frustrating to a degree," he said. "There are some that have stated that they're worried about voting for a tax increase because they say they'll never get reelected. Well, the one thing that will make sure you don't get reelected is if you don't pass a balanced budget."

Lawmakers in recent weeks have called for the state to pull from cash set aside to fund pricey projects, including the state's new prison that will cost at least \$350 million and the \$628 million Perkins County Canal.

Nebraska's executive branch, meanwhile, has signaled support for reexamining tax incentive programs that could drain as much as \$1.5 billion from state coffers in the next four years, the auditor warned earlier this month, prompting Pillen to call for a "more people-focused" tax approach.

And Brandt, a Republican farmer from Jefferson County, also introduced a measure to pause the state's income tax cuts and tax top earners and corporations at a 4.99% rate in a move that would generate nearly \$500 million.