



REPRESENTATIVE ANDREW WENTHE

STATEHOUSE NEWS

Capitol Comments

This week the Iowa House unanimously passed the first bill of the 2009 session. HF 64, the Rebuild Iowa bill, appropriates \$56 million of emergency disaster relief and will be signed into law on Monday by Governor Culver. The \$56 million comes from the state's Economic Emergency Fund, one of our savings accounts created to help in times of crisis. The emergency fund is currently full at \$155 million and our other savings account, the Cash Reserve Fund, is also full at \$465 million.

This appropriation will provide additional assistance to those individuals and communities continuing to recover from the devastating floods and tornadoes of this summer.

The bill has three major components -- \$24 million for housing assistance, \$10 million for individual disaster grants, and \$22 million for community disaster grants. The housing assistance funds will be available through Jumpstart Iowa, which was created by the Governor last fall to help storm victims with down payment assistance, housing repair or rehabilitation, and interim mortgage assistance.

In addition to the \$24 million for housing assistance, the bill also expands eligibility to more Iowans by raising the county median family income threshold for assistance from 100% to 150%. Preference will first be given to Iowans who



FFA students from Oelwein and Wapsie Valley

have received no Jumpstart aid. The individual disaster grants can be used for personal needs and mental health expenses. More Iowans qualify for assistance because the eligibility requirement is raised from 200% to 300% of the federal poverty level, which means a family of four making under \$63,600 would qualify.

The grants are administered by the Department of Human Services. The \$22 million for Community Disaster Grants will be given to cities and counties based on their share of the total statewide damage costs associated with the natural disasters. The grants can be used for things like buyout programs, small business assistance, non-profit assistance, incentives for replacing or rehabilitating housing stock lost in disaster, and repair or replacement of public infrastructure.

January 29, 2009

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Bill Bennett of Elgin

Please join me for a public forum to be held this Saturday, January 31st at the Elgin Public Library at 9:30am.

Iowans who still need assistance or would like more information on relief efforts can log on to www.rio.iowa.gov or call 515-242-5004.

I had several visitors from back home this week at the Capitol. Students from the FFA chapters of Oelwein and Wapsie Valley were at the Capitol for a Legislative Symposium and students from Hawkeye Community College and Northeast Iowa Community College came to Des Moines to represent the Iowa Association of Community

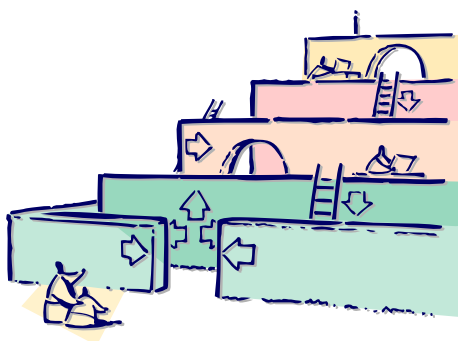
College Trustees. Cindy Ramer of Denver advocated for Iowa's caregivers and Bill Bennett of Elgin, Chair of Fayette Soil & Water Conservation District, visited to express support for conservation practices. Michael Allen of Readlyn also took a trip to the Capitol to advocate for issues important to workers. Finally, I failed to mention in last week's newsletter that Richard McBurney of Iowa Telecommunications and Sharon Huck of Readlyn Telephone Company visited to discuss telecommunication issues.



Cindy Ramer of Denver

Governor Proposes \$700 Million Infrastructure Initiative

The Governor is recommending a \$700 million Rebuild Iowa Infrastructure Investment program to



stimulate the economy, create jobs, build and rebuild much needed infrastructure throughout the State, and continue to provide re-

lief to those areas hit by the 2008 natural disasters.

The program would be financed through the issuance of 20-year tax-exempt bonds, secured by \$56 million in gaming tax receipts.

The Governor said this proposal takes advantage of an all-time low interest-rate environment. He also said this is being done at a time when Iowa enjoys its highest bond rating and has one of the lowest amounts of public debt of any state in the nation.

This program is to provide funding for the construction of ready-to-go projects such as housing, trails, highways, roads and bridges, mass transit, railways, airports, water

quality and wastewater treatment improvements, flood control improvements, flood rebuilding, energy infrastructure, disaster-relief infrastructure, public education facilities, university facilities affected by the natural disasters, public buildings, and other public infrastructure projects.

Governor Culver recommends the creation of a Rebuild Iowa Infrastructure Authority to administer the program. It would include five members: State Treasurer, Director of the Iowa Finance Authority, Director of the Department of Management, and two public members.

Iowa to Join Education Compact for Military Children

The Iowa House Democrats announced this week that they plan to join the Interstate Compact on Educational Opportunity for Military Children.

The average military student faces transition challenges more than twice during high school, and most military children will have six to nine different school systems in their lives from kindergarten to 12th grade. With more than half of all military personnel supporting families, the impacts of reassignment and long deployments are key considerations when making long-term life choices.

The purpose of the compact is to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents.

Specific impacts on military children include:

- Transfer of Records
- Course Sequencing
- Graduation Requirements
- Exclusion from Extra-Curricular Activities
- Redundant or Missed Entrance/Exit Testing

- Kindergarten and First Grade Entrance Age Variations
- Power of Custodial Parents While Parents are Deployed

Representative Ray Zirkelbach (D-Monticello) and Representative McKinley Bailey (D-Webster City), both Iraq war veterans, introduced House File 29 to add Iowa to this compact.

House File 29 will be voted out of the House Veterans Affairs Committee this week. If adopted by the Legislature this year, Iowa would be the 12th state to join the compact.

Mental Health Parity Bill Moves Forward

The House Human Resources Committee moved to expand health care coverage to include mental health conditions, including alcohol and substance abuse treatment.

House Study Bill 6 passed the committee 12-9. The bill, commonly referred to as mental health parity, requires insurance companies to cover mental health conditions just like other medical conditions.

The bill only covers third-party payment plans that are regulated by the Iowa Insurance Division, and would be applicable to plans issued or renewed on or after January 1, 2010.

In 2005, Iowa's current law was adopted, which requires certain employer-based group health insurance policies to provide limited coverage for seven biologically based list of mental illnesses.

Proponents of House Study Bill 6 feel this bill will increase the number of people entering treatment and ease pressure on state budgets by cutting health, correctional, and welfare costs. Opponents feel this bill will increase insurance rates 5-10% and that there are already existing options that businesses and individuals may purchase.

The bill now moves to the House floor.

Disaster Areas Get Expedited Revenue Tool

Under current Iowa law, cities and counties can ask voters for permission to impose a local option sales tax. If passed, the law goes into effect on January 1 or July 1, depending on when the election is held.

In order to get revenue faster to disaster-affected communities, the full Iowa Senate and the House Rebuild Committee have passed legislation to speed up this process. The bill also passed the House Ways and Means Committee and will now go to the full House for debate.

Voter Approval Required

Voters must still approve the measure to add a local option sales tax. The additional one-cent sale tax cannot be imposed unless a majority of those voting support it.

The advantage to this temporary law is that if elections are held in March, the community or communities can begin collecting the revenue in April. If the vote is taken in May, the community or communities can receive this new revenue starting July 1.

This expedited process will only

be in place through May 5. After that, cities and counties must go back to the slower process in current law.

The goal is to help speed disaster recovery throughout Iowa. It will be a local decision on whether to ask voters to approve the additional sales tax. Moreover, in the end, it will be the voters' decision on whether to approve the increase in sales tax.

Sustainable Funding Constitutional Amendment Advances

On a unanimous vote, the House Natural Resources Committee adopted a resolution to add an amendment to Iowa's constitution to protect natural resources and outdoor recreation funding. House Joint Resolution 1 now goes to the full House for consideration. The Senate Natural Resources Committee adopted a similar resolution last week.

The resolution is the same as what passed the Legislature in 2008. To add an amendment to Iowa's constitution, it has to pass two consecutive general assemblies before it can be placed on the ballot. If adopted by both the



House and Senate this year or next year, House Joint Resolution 1 would be on the November 2010 ballot for a vote of the people.

House Joint Resolution 1 creates a natural resources and outdoor recreation trust fund for pro-

tecting and enhancing Iowa's waters, parks, trails, fish and wildlife habitat, and agricultural soils. No revenue will be credited to the fund until the Legislature increases the sales tax in the future, after the general public votes on the amendment.

The intent is to credit 3/8th of 1¢ of a future sales tax increase to this fund, which would generate approximately \$150 million. The Legislature would establish the parameters for distribution of the funds, but they can only go for protecting and enhancing water quality and natural areas in Iowa.

Governor Releases Budget Recommendations for 2010

Governor Culver released his budget recommendations for fiscal year 2010 on Wednesday. The Governor is proposing a scaled back budget that spends \$6.2 billion.

The Governor proposes closing a potential budget gap of \$680 million without raising taxes. The troubled national economy is causing budget problems for Iowa and many other states across the country. Iowa is fortunate to have set aside \$620 million in reserves to help weather this economic downturn.

The proposed budget closes the

projected gap by continuing \$180 million in reductions that were made in fiscal year 2009; implementing 6.5% reductions to most of the budget for fiscal year 2010, saving approximately \$400 million; and using \$200 million from the state's cash reserve fund.

The Governor protects certain key areas of the budget from the effects of the 6.5% reductions. These include such areas as disaster relief funding, public safety, workforce development, human services, the teacher quality program, and pre-

school funding.

The Legislature's Budget Subcommittees will continue to meet over the next couple of months to review the Governor's budget and craft their own recommendations for fiscal year 2010. The committees will analyze the impact of the proposals on communities and listen to the concerns of constituents. The Legislature will finalize a budget before it adjourns in April that maintains the priorities of most Iowans, while responsibly balancing the whole state budget.

Iowa's Meth Law Working to Prevent Incarcerations

A new report shows Iowa's Meth Law is helping to reduce admissions to Iowa's prisons and saving taxpayer dollars.

The Division of Criminal and Juvenile Justice Planning released a report estimating the population forecast for Iowa's prisons for fiscal years 2008 - 2018. This report states that new admissions for drug related crimes has continued to decrease since 2004. The Division's report cites Iowa's methamphetamine law, which was passed in 2005, as the key player for that trend.

In 2005, the Iowa Legislature passed a law which reclassified pseudoephedrine as a pharmacy-

only (Schedule V) controlled substance. Moving the pseudoephedrine products behind the counters, requiring purchasers to furnish names and addresses, and limiting the quantity of pseudoephedrine that can be purchased at one time, has significantly deterred meth cookers from stealing it, or traveling from store to store to purchase this vital ingredient needed to make methamphetamine.

Since the meth cookers are not able to get the vital pseudoephedrine ingredient, there are not nearly as many meth labs for law enforcement across the state to locate and clean up. Gary Kendell, Director of the Governor's Office of Drug Con-

trol Policy, stated that a preliminary report shows that 174 meth labs were discovered in Iowa last year, compared with about 1,500 discovered in 2004, one year before the passage of Iowa's meth law.

The prison population report shows that in Fiscal Year 2004, 1,110 of the new admissions to Iowa's prisons were for drug related crimes, and in Fiscal Year 2008, that same population dropped to 795. This is a direct cost savings to the Department of Corrections since state records show that each inmate costs the state \$28,000 per year.

Innovated Companies Present to Legislators

Rockwell Collins, Global Vet-link, and Grasshorse Technologies were among the companies that presented to the House Economic Growth committee this week. Companies were either supportive



of the Innovation and Commercialization Fund or actually received assistance from the fund.

Supporters told the committee that without this assistance they

would not be in business today. Many of the companies could still fail, but they are on the cutting edge of technology and could have a high growth rate as well. Since November 2007, over \$4.4 million has been used to assist companies out of the Innovation and Commercialization Fund. The fund was created in the 2007 Legislative session.

Internships Help Keep Kids in Iowa

The Committee also heard from the Principle of East Marshall High School in Marshall County and one of their students. The student participated in the Iowa Student Internship Program as part of the Innovation and Commercialization Fund.

There have been 106 companies so far that have been provided \$694,400 for internships. The Iowa Student Internship Program links

students from Iowa schools to internship opportunities in the bio-sciences, advanced manufacturing and information technology industries with the goal of transitioning the interns to full-time employment in the state upon graduation.

So far the goal of the program seems to have worked. According to a Workforce Development survey, overall 47% of the Iowa high school graduates said yes, they plan to stay in Iowa while 27% said no. Of those participating in the Iowa Student Internship Program, 58% planned to stay in Iowa, while only 9% said no.

During the 2009 Legislative session, Legislators will consider a bill that allows more flexibility in the Innovation and Commercialization Fund, which will free up more dollars for scholarships.

DOT Ready If Federal Stimulus Money Comes Through

Last week, the Iowa Department of Transportation (DOT) identified \$257 million in road construction projects on state-owned highways that are ready to go if the federal government comes through with an economic stimulus package. The identified projects are ones that are “shovel ready,” or ones where designs and environmental impact studies are already completed.

While the Department has identified over 50 projects that are

ready, their list will be constantly changing as the rules and requirements for projects continue to be changed at the federal level. While The Department is aware that there is no guarantee that there will be funding for all listed projects, but they want to make sure that they can use all available funds.

The Iowa DOT will not be able to use all of the money appropriated by the federal government. Approximately one-third of the money

available to Iowa will go to Iowa’s Regional Planning Organizations, and Metropolitan Planning Organizations which collaborate with local governments on the expenditure of federal funds for road construction.

A major benefit, if a stimulus package is approved, will be the job retention and possible growth to the road construction industry.

Secretary of State Gives Report on Elections

The House State Government Committee heard a report from Iowa Secretary of State Michael Mauro on the activities and accomplishments of the Secretary of State’s office.

The report highlighted the legislation passed by the General Assembly that provided Iowans with greater opportunities to exercise their right to vote and provided information about the 2008 General Election.

The integrity of Iowa’s elections was ensured with passage of legislation requiring all counties to have a paper ballot system. With passage of this legislation, direct recording electronic voting machines, also known as

“touchscreens,” are no longer allowed in Iowa.

Iowa became the eighth state to adopt Election Day Registration in 2007. Iowans can now register to vote and vote at the polls on Election Day.

Iowa had the 5th highest voter turnout in the nation in the 2008

General Election. Nearly 46,000 Iowans participated in the election using Election Day registration. Of the nearly 46,000 voters, 22,000 were first time registrants and 24,000 were previously registered in another county.

The turnout for the 2008 General Election was the highest in

Iowa’s history. There are 2.1 million registered voters in Iowa and 72.1 percent, or 1.54 million voters cast a ballot in this election. Thirty-six percent of Iowans who voted did so by absentee ballot at a county auditors’ office, through the mail, or at satellite voting stations.

Director Jeffrey Speaks on Condition of Education in Iowa

Judy Jeffrey, Director of the Department of Education, spoke to the House Education Committee on the Condition of Education in Iowa 2008.

She provided each committee member with a pamphlet highlighting the statistics of the report.

Interesting facts about education in Iowa include:

- There are 364 school districts in Iowa. In 1950, there were 19,452.
- Fifty-three districts are serving less than 300 students and five are serving less than 100 students. Ten districts are serving 7,500 or more students.
- 98.1 percent of school districts offer full-day kindergarten.
- 76.6 percent offer preschool.
- Current K-12 enrollment is 472,628 students. In 1972 there were 711,000 students.
- Of the 472,628 currently enrolled, 85.2 percent are white; 5.6

percent are African American; 6.5 percent are Hispanic; 0.6 percent are American Indian; and 2.1 percent are Asian.

- There are 34,823 full-time teachers in Iowa.
- 100 percent of Iowa teachers are certified.
- The average age of Iowa teachers is 42; 74 percent are female and 1.9 percent are minority.
- 27.9 percent of Iowa’s teachers hold an advanced degree and the average years of total experience is 14.7.
- The average regular salary is \$45,463.

Highlights at the 4th, 8th and 11th grade levels

Each year the state produces a report card listing achievement results, teacher quality indicators, and schools or districts that did not meet achievement goals for two consecutive years.



The assessment shows that at the 4th grade level, the state average scale reading score is 225; the national score is 220. The state average scale score for math is 243; the national average is 239.

At the 8th grade level, the state average scale reading score is 267; the national is 261. The state average scale math score is 285; the national average is 280.

Progress has been made; however, there are still challenges ahead.

Air Quality Monitors Now Show Attainment

The air quality monitors in Muscatine and Scott county in Eastern Iowa that violated National Ambient Air Quality Standards for fine particulates now meet the standard set from 2006-2008.

The 24 hour fine particulate standard is 35 micrograms per cubic meter. The levels monitored at Garfield School in Muscatine dropped from 36 to 35 micrograms per cubic meter and the monitored

levels at the Black Hawk Foundry in Davenport dropped from 37 to 34 micrograms per cubic meter. Particulate levels at other monitors in Davenport dropped by 3 micrograms per cubic meter.

Particulate matter has been linked to cardiovascular and respiratory problems including heart attacks, asthma exacerbation, and acute bronchitis.

“I am encouraged that fine particle levels in Davenport and Muscatine have dropped slightly, but we’re not out of the woods yet. I am hopeful that with aggressive voluntary efforts at the local level and continued work to reduce statewide background levels, we can continue to meet this important health benchmark in Iowa,” said Catharine Fitzsimmons, chief of the DNR’s Air Quality Bureau.

Federal Air Quality Deadline “Misunderstood”

The Iowa Department of Natural Resources said that a federal deadline to report air releases from large livestock and poultry operations was misunderstood. The new federal deadline is actually the start of a new exemption for smaller livestock operators.

Large livestock producers that emit more than 100 pounds of hydrogen sulfide or ammonia during 24 hours are still required to report those releases. Large producers, including large concentrated

animal feeding operations (CAFOs), are required to report air releases under the federal Emergency Planning and Community Right-to-Know Act.

Generally, operations with more than 2,500 finishing hogs, 700 mature dairy cows or 1,000 cattle, over 500 horses, farrowing operations of more than 10,000 hogs under 55 pounds, poultry operations with 125,000 broilers or 82,000 layers on dry litter, 30,000 broilers on wet litter, or 55,000 turkeys are affected.

“Those producers who called the DNR recently will need to follow up within the next 30 days,” said Wayne Gieselman, administrator of the DNR’s environmental services.

The reporting form can be found at <http://www.extension.iastate.edu/airquality/>. Instructions for the form can be found at <http://www.epa.gov/superfund/policy/release/faciliti.htm>

IPERS Pensions Safe but Contributions are Lagging

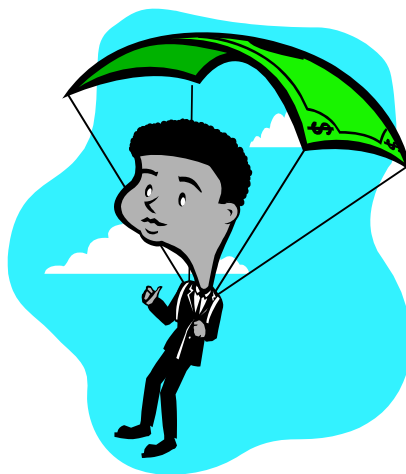
Donna Mueller, Chief Executive Officer of the Iowa Public Employees Retirement System (IPERS) joined by Karl Koch, Chief Investment Office of IPERS, spoke to the House State Government Committee regarding the funding status of the \$18 billion dollar fund as of December 31, 2008.

CEO Mueller provided background information about the fund stating that it is a defined benefit plan with benefits based on a formula in statute; it has a large membership pool of 319,637 members, 27 percent of which are retired and receiving benefits.

An IPERS retirement benefit is not intended to be the sole source of retirement income. The intent is that it will be used along with social security benefits and personal savings. Benefits of those currently receiving benefits are secure and the benefits earned to date of those members currently working (167,850) are secure.

The fund provides lifetime benefits for those earning a pension. On June 30, 2008, 149 employees were at least 100 years old, the oldest person to draw benefits

was 107 years old and one retiree had been drawing benefits for 43



years. The average monthly benefit for someone who retired in 2008 is \$1,489. The average number of years of service as a public employee is 22.29 years.

The actuarial valuation for fiscal year 2008 (ended June 30, 2008) shows assets (contributions plus investments) are less than the liabilities (benefits and expenses). This valuation shows assets at \$21.857 billion and liabilities standing at \$24.522 billion resulting in a

\$2.665 billion unfunded actuarial liability. Even with this valuation, IPERS is considered to have a healthy funded ratio of 89.1 percent.

Karl Koch noted that IPERS has a diversified portfolio of domestic and international stocks, bonds, real estate and private stocks. IPERS is a long-term investor with long-term obligations. He noted that the investment strategy is to be patient and not over-react to the market. IPERS does not have a liquidity problem due to \$300 million in cash available to pay benefits to retirees for many years. He said the plan will continue to be diversified and wait out the crisis.

CEO Mueller noted that the increase in contribution rates enacted by the Legislature in 2006 is insufficient to keep up with the issues being faced by the fund due to the economic downturn at this time. The long-term outlook is worsening. Legislators asked CEO Mueller to provide them with some options to address the issues facing the system.

Arts and Cultural Meetings to be Held

Cultural leaders, workers and supporters of arts and cultural will gather at regional CHAT (Culture, History, Arts Teams) meetings and elect delegates to next month's Cultural Caucus in Des Moines. CHAT is a networking program for Iowa's cultural organizations and a reporting tool that helps document their activities and generate more data about the economic impact they have on the state.

During the regional CHAT meetings, Iowans will elect delegates to the Cultural Caucus, which will be 1-4:30 p.m., Wednesday, Feb. 18, 2009, at the Wallace

Building, 502 E. 9th Street in Des Moines.

At the Cultural Caucus, held every four years, delegates will review and assess the state's current cultural landscape and collaborate with the Department of Cultural Affairs to formulate a plan to move culture, history and arts in Iowa forward.

The following is the schedule for the CHAT meetings statewide:

January 28

Sullivan Brothers Museum
Corner of Park Avenue and Washington Street
Waterloo, Iowa
1:30 p.m.

Corning Center for the Fine Arts
706 Davis Avenue
Corning, Iowa
6:30 p.m.

February 3

Voodoo Lounge
924 Main Street
Grinnell, Iowa
4:30 p.m.

February 5

Redman's Restaurant
123 S. Main
Osceola, Iowa
7 p.m.

February 7

Revelations Bookstore and Café
112 N. Main
Fairfield, Iowa
1 p.m.

February 9

Sioux City Art Center
225 Nebraska St.
Sioux City, Iowa



Film Training Seminars Offered

A film Production Assistant Training Seminar (PATS) will be offered for entry-level production assistants through a one day, in depth orientation and certification program. The program will be sponsored by Iowa's local and state film groups such as the Iowa Motion



Picture Association, and the Green River Film Initiative.

Completion of this program allows individuals to become interns or paid Production Assistants in all types of film and video productions. PATS teaches participants the skills and knowledge required to launch a career in this demanding industry. The cost of the seminar is \$125.

Seminar Dates

- Saturday, February 14, Fairfield
- Sunday, February 15, Cedar Rapids

Seminars start at 9:00 AM and conclude at 4:30 PM.

Seminars include an overview of production jobs, script breakdown, and the paperwork involved for scheduling and production. Also included is set protocol, safety awareness and how to work with actors and background performers. To register for either of the seminars or for a more in-depth look at PATS, please go to their website at www.patraingseminar.com or by calling, 1-800-579-1570.