



Representative Andrew Wenthe Statehouse News

February 8, 2007

Inside this Issue

- 1** Legislature Picks Up the Pace
- 2** Safe Schools Bill
- 2** Additional Funding for Veterans
- 2** Bill Conforms Iowa Law with Federal Tax Changes
- 3** Statewide Public Safety Communications System
- 4** Pneumococcal Vaccination Bill Passes Committee
- 4** MyEntreNet Seeks to Assist Rural Entrepreneurs
- 4** ISU Talks about Corn and Bioeconomy

For additional information, check our web site at: www.iowahouse.org or www.andrewwenthe.org

Contact Andrew at:
State Capitol Building
Des Moines, IA 50319
515-281-7478

PO Box 123
Hawkeye, IA 52147
563-427-4831

Legislature Picks Up the Pace

It has been an exciting and busy week as I end my first month in session. We have been taking votes more frequently in both committee and on the floor, and I am beginning to adapt to the “start and stop” pace of the legislature. Last Thursday, the House debated into the evening before voting to limit interest rates on car title loans to a maximum of 21%. I was a co-sponsor of this legislation, House File 5, which will protect consumers from predatory lending practices. Iowans who already struggled to make ends meet were being gouged by interest rates that sometimes reached as high as 264%. Consumers who missed even just one payment were at the risk of losing their car, and therefore in many cases, their ability to earn an income. This legislation will help to protect consumers. While this legislation is a step in the right direction, I hope that the legislature will also take a look at pay-day loan operations and even some pawn shops that take advantage of individuals who are at their most vulnerable to a high-interest loan.

On Wednesday, February 7, I had the honor of voting for an important bill that will ensure a safer learning environment for all children in the state. Senate File 61 (previously House File 149) states that schools will no longer tolerate the bullying of any students. Currently, Iowa does not have a statewide non-discrimination policy to protect kids within our schools. SF 61 outlines minimum guidelines schools must adopt by September 1, 2007.

I feel very strongly about providing a safe environment for our young people in our schools. I do not believe that an atmosphere where bullying of any kind is toler-



Andrew with Janet Buls and Linette Bernard at the Statehouse on Feb. 7 for Early Childhood Advocacy Day at the Capitol.

ated is conducive to learning. We need to ensure that teachers have the ability to control their classroom, enabling children who want to learn to do just that. The guidelines will make clear to all students, teachers and staff what types of conduct is prohibited at school. They will also outline the consequences of violations. The bill gives teachers and staff the tools they need to protect kids and ensure our schools are safe.

Another exciting piece of legislation to pass is Senate File 95, which provides \$4 million to re-open the Injured Veterans Grant Program and the Veterans Homeowner Assistance Program. The House approved the additional funding with a unanimous vote on Thursday, February 08. The homeownership program has been extremely successful at getting veterans into their own homes and even bringing some military families to Iowa. The funds approved today will re-open the program and make a difference for hundreds of veterans and their families.

Lastly, this week provided me with my first opportunity to Chair a bill and run it through committee. The bill has to do with increasing the funding for historic preservation and cultural and entertainment district tax credits available in Iowa. The program as currently funded

has been very popular, and successful implementation of the tax credit program results in vibrant communities and new attractions. I also support the historical tax credits because they spur investment in communities both rural and urban, create jobs, and

since 2000 have resulted in \$7.4 million in property tax revenue. The bill passed out of the House Economic Growth Committee unanimously, and now will likely move to the Ways & Means or Appropriations Committee.

House Passes Safe School Bills

This week, the House passed Senate File 61, which gives our teachers the tools they need to enforce discipline in our schools, and ensure a safe, civil learning environment for every Iowa child. Currently, Iowa does not have a statewide, non-discrimination policy to protect kids within our schools.

The bill specifically says a safe and civil school environment is necessary for students to learn and achieve at high academic levels. Harassing and bullying behavior can seriously disrupt the ability of school employees to maintain a safe and civil environment, and the ability of students to learn and

succeed. Therefore, it is the policy of the State of Iowa that school employees, volunteers, and students in Iowa schools shall not engage in harassing or bullying behavior.

The bill requires that by September 1, 2007, public school districts and the authorities in charge of accredited nonpublic schools must adopt a policy declaring harassment and bullying in schools, on school property, and at any school function, or school-sponsored activity regardless of its location, as against state and school policy. A copy of the policy, and the responsibilities set forth in the policy, must be made available to

all school employees, volunteers, students, and parents or guardians.

The guidelines make clear to all students, teachers, and staff what types of conduct are prohibited at school and the consequences for such behavior. Teachers will also have the tools necessary to enforce discipline and personal conduct in their classrooms.

Since 2001, 30 states have enacted safe schools legislation.

The House amended the bill and sent it back to the Senate. The Senate has to agree to the changes before the bill goes to the Governor for his signature.

Additional Funding for Veterans

The House Veterans Affairs Committee and the House Appropriation Committees took action this week to appropriate \$4 million more for two programs to assist Iowa's veterans. The Senate approved Senate File 95 earlier in the week with unanimous support and the House will debate the bill on Thursday.

The bill provides a \$2 million increase in funding for the Injured Veterans Grant Program, which was created last year. The program provides grants up to \$10,000 to

veterans injured while in a combat zone. The grants are provided in increments of \$2,500 every 30 days until reaching \$10,000 while the injured veteran is hospitalized or receiving medical care or rehabilitation services authorized by the military. The Legislature provided \$1 million for this program last year, and the funds are exhausted.

The bill also provides \$2 million for the Veterans Homeowner Assistance Program. This program is in the third year of

funding, which provides grants up to \$5,000 to veterans to be used as matching grants for down payments and closing costs to home purchases. The grants are eligible to veterans who have served at least 90 days of active duty in the armed forces, beginning September 11, 2001, and ending June 30, 2008. The grants are also eligible to the surviving spouse of a deceased veteran. The Legislature provided \$2 million for this program last year, and the funds are exhausted.

Bill Conforms Iowa Law With Federal Tax Changes

The House Ways and Means Committee passed legislation to conform Iowa's tax laws to recent

changes in federal tax laws. Due to a delay at the federal level, businesses, teachers, homeowners,

and students are waiting for state action before they file their 2006 taxes in order to claim deductions

renewed by the federal government last December.

Iowa generally conforms to federal definitions of income, deductions, expenses, etc., but not tax credits. Tax credit amounts are not directly convertible to lower revenue state income tax systems.

Some states adopt federal tax changes automatically, but not Iowa, so each year the Legislature must pass an Internal Revenue Code (IRC) update bill.

100% Conformance

House Study Bill 107 conforms to all IRC changes. This is important, since failure to do so would complicate the tax system, by requiring different calculations for state and federal tax returns. This last occurred in 2003. Major provisions of this year's bill include:

Business Costs: Extends the section 179 higher expensing provision for small businesses.

Education Costs: Permanently extends incentives for Section 529 plans – such as the State Treasurer's highly successful College Savings Iowa plan. Also, extends college tuition and fee deductions.

Mortgages: Allows deduction of the cost of mortgage insurance.

Teachers: Extends the \$250 teacher deduction for out-of-pocket classroom expenses.

Research Activities: Iowa's research credit is based on the same activities that are eligible for the federal research credit. The bill adopts changes in federal definitions of research activities.

Retirement: Adopts higher IRA and 401K contribution limits;

indexes IRA income eligibility limits; and eliminates income limits on conversion of assets from deductible IRAs to Roth IRAs.

Sales Tax Deduction: Extends the option of itemizing a deduction of either state income or state sales taxes from federal taxes.

Fiscal Impact

Some items increase and some decrease state revenue, but it's generally a wash over time. There will be a \$5.3 million loss in fiscal year 2007, easily absorbed by the large FY 07 ending balance, a \$1.2 million loss in FY 08, and a \$1.7 million increase in FY 09.

House Study Bill 107 now goes before the full House for consideration.

Statewide Public Safety Communications System

How does the state give local and state first responders the capability to communicate with each other, in multi-jurisdictions, to provide immediate help to those in need where seconds can save lives? Is there a way to have a shared communications system so that police departments, fire, emergency medical services, sheriff's office, and others can immediately communicate with one another?

Experts believe these problems can be solved when Iowa establishes a statewide integrated interoperable communication system for voice, data, video, and 911 systems. The House Public Safety Committee started the process to achieving this system by passing House File 33 this week, which establishes a governance

board to develop and implement the statewide interoperable communications plan.

The 15-member governance board is made up of both state agencies and local personnel. It includes the state departments of public safety, transportation, homeland security, corrections, public health, and natural resources. It also includes local fire departments, police departments, and sheriff's offices.

The bill defines interoperability as the ability of public safety and public services personnel to communicate and to share data on an immediate basis, on demand, when needed, and when authorized.



Of course, a statewide system like this will be costly. The federal government is preparing to grant about \$3.3 billion over the next several years specifically targeting communications interoperability. For the state to receive these federal dollars, we need a formalized communications plan. This bill requires the board to establish such an interoperability plan.

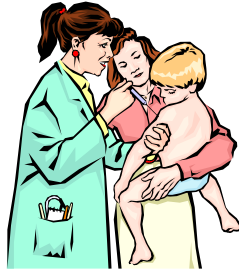
The bill also requires the board to develop and evaluate potential legislative solutions to address the funding and resource challenges of implementing statewide communications interoperability initiatives.

Pneumococcal Vaccination Bill Passes Committee

The House Human Resources Committee unanimously approved House Study Bill 6, a bill to require children obtain the invasive pneumococcal disease vaccination before they are enrolled in a licensed care center. This vaccination is aimed at children aged less than two years old due to their high risk of ear infections and bacterial meningitis. These diseases are easily passed among children through sneezing or hand-to-mouth contact, especially for children in group day care centers.

By requiring this vaccination, the bill will help protect children

from bacterial meningitis, which can cause hearing and vision loss,



paralysis brain damage or death and on a lesser scale, pneumonia and ear infections. This requirement is supported by multiple health related organizations.

Normally, the vaccination consists of four doses which are administered during well baby

check ups. However, previously unvaccinated children up to the age of nine may receive one dose. The vaccination is currently covered by insurance, and it is covered under the Vaccine for Children program, Medicaid, and *hawk-i* programs.

Exemptions to this immunization are currently in place for a child's enrollment in a child care center due to health risk and religious belief.

The bill is now eligible for debate by the full House.

MyEntreNet Seeks to Assist Rural Entrepreneurs

The MyEntreNet program, under the University of Northern Iowa, provided a presentation to the Economic Development Budget Subcommittee this past week. The program provides comprehensive assistance and mentoring to entrepreneurs. Some of you may have become familiar with MyEntreNet when Upper Iowa University hosted a ten-week seminar explaining the program.

According to the Center for the Study of Rural America, small, locally owned firms diversify a community's economic base; insulate the region from economic flux. Policymakers throughout the United States have identified principles to encourage

entrepreneurial activity. These include building and strengthening a community culture for entrepreneurs, improving the skill set of individual entrepreneurs, and creating entrepreneur networks.

The Regional Business Center has simultaneously developed all three of these skills by packaging them in an innovative program called MyEntreNet.



MyEntreNet is a rural based business accelerator program which creates community-based support networks for entrepreneurship, provides startup and existing companies with advanced technical assistance and training, and connects entrepreneurs and resources in rural regions nationwide through technology. The program claims that 49 new and expanding businesses have been assisted through the program.

The program is seeking assistance from the Legislature to gradually expand the program to other areas of the state, which will assist rural areas in business development.

ISU Talks about Corn and Bioeconomy

The House Agriculture Committee, of which I am a member, heard presentations from Iowa State University President Gregory Geoffrey, and Dr. Robert Wisner, an ag economist with Iowa

State University. Information was presented on the demand and production of corn as well as pushing Iowa into the future of the bioeconomy.

Currently, Iowa is the top ethanol producing state with corn having the second highest yields in the nation. There is an increased demand for corn due to the new

construction and current production of ethanol plants in the state.

President Geoffrey showed that Iowa can be a leader in renewable fuels and in the bioeconomy. He emphasized that the opportunities are in the state to establish this initiative.

Dr. Wisner presented information on corn production versus demand as a result of ethanol production and projected production. Iowa is in the second year of shortfall in corn production due to the increase in demand for processing.

He also stated that more corn acres will be needed in addition to storage and handling capacity. The

increase in demand for corn may push land prices higher and create a need to look at alternative ways to feed livestock.

President Geoffrey reiterated the outcomes of an event last fall "A Call to Action Summit: Ensuring Iowa's Leadership in the Bioeconomy". The summit developed key ideas and recommendations for renewable fuels that include:

- Developing a comprehensive, statewide energy policy.
- Invest state funds as leverage to attract federal and industrial research contracts.

- Institute policies that encourage greater consumer acceptance and policies to attract private investment.

- Develop a state plan for infrastructure and state plan for agriculture.

Both reports can be found on Iowa State University's website. Dr Wisner's report is www.econ.iastate.edu/faculty/wisner. The information President Geoffrey presented on A Call to Action Summit is at www.iastate.edu/~biorenew/06/summit/report.doc.