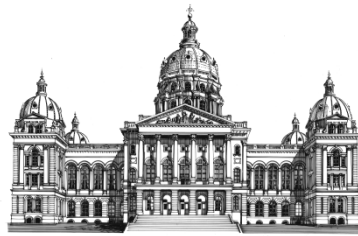


Dwayne Alons
STATE REPRESENTATIVE
Fourth District
Statehouse: (515) 281-3221
e-mail - dwayne.alons@legis.state.ia.us



House of Representatives
State of Iowa
Eighty-Fourth General Assembly
STATEHOUSE
Des Moines, Iowa 50319

COMMITTEES
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HOME ADDRESS
1314 7th Street
Hull, Iowa 51239
Home: (712) 439-2479

National Guard Educational Assistance Program

The House passed SF 2007 this week. It's a supplemental appropriations bill providing an additional \$1.3 million to the National Guard Educational Assistance Program (NGEAP, pronounced Nee'GAP) for FY12. This will be in addition to the \$3.186 million appropriated last year, totaling \$4.486 million.

The reason for the sudden increase was an underestimation in the amount of soldiers who would apply for the funds. With Iowa's largest deployment in the history of the National Guard ending recently and the ending of the war in Iraq, deployments are down and returning soldiers are up. 2010 and 2011 deployment numbers were around 3,000, while 2012's numbers are less than 250. In the 2010/11 school year, there were just under 900 unduplicated students who were given awards, while that number is estimated now to be at 1,440 for 2011/12.

The College Student Aid Commission (CSAC), which administers the program, expended \$2,366,134 of the FY12 appropriation, leaving \$820,099 for second semester.

The men and women of the Iowa National Guard serve our state bravely and heroically. House Republicans are happy to have acted swiftly to fulfill our commitments to them.

Department of Transportation Finds \$50 Million in Efficiencies

In a report issued this week, Department of Transportation Director Paul Trombino identified 13 efficiencies with total savings projected at \$50 million. The money-saving efforts and subsequent report came at the request of Governor Branstad. He directed the department to find efficiencies in order to free up more money in the Road Use Tax Fund for the improvement of the public roadway system.

According to the DOT, the fund has a \$220 million critical needs shortfall. The report separates the efficiencies into two categories: Program Efficiencies and Partnership Efficiencies.

Some of the program efficiencies include an assessment of rest area and weigh station investments (\$1.5 million annually), a reduction in roadside vegetation improvements (\$1 million annually), and the selling of unnecessary right of way parcels (\$1 million in one-time). Another savings worth a one-time \$11 million is the implementation of an asset management tool. This would help the DOT make better decisions on how and when to upgrade and maintain their physical assets. Similar, the department found \$10 million in savings annually that envisions the implementation of new budgetary management policies focused on post-letting project costs. The goal would be to deliver projects ahead of schedule and under budget.

The other category of savings is partnership efficiencies. The major savings found in this category comes from a surface transportation program (\$5 million annually) and the integration of the motor vehicle enforcement division (commonly known as "blue coats") into the Department of Public Safety (\$5 million annually).

Some of these efficiencies will require legislative action or action by the Transportation Commission. Some will simply require cooperation at the county or local level. A full copy of the report released this week—which includes details on the efficiencies, and whether or not the efficiency requires legislative action—can be found here: <https://governor.iowa.gov/wp-content/uploads/2012/01/Road-Use-Tax-Fund-Efficiency-Report-FINAL1.pdf>

House Republicans Continue to Work for a Compromise on Property Taxes

During the first two weeks of the session, the House Ways and Means Committee has held three subcommittee hearings on the House bill, and a separate subcommittee on the Governor’s proposal.

The House Republicans and the Governor have made concessions that are reflected in both plans. The House listened to concerns from local governments and by using an exemption model, implemented over 14 years, gives businesses certainty, while allowing local governments the flexibility to plan ahead. Meanwhile, the Governor has extended his phase in from five years to eight. The Senate Democrats have dug in their heels and not moved off their proposal from last year.

Despite the lack of cooperation from Senate Democrats, House Republicans have moved towards the Senate in good faith. The House plan:

- Provides relief to all classes of property
- Prevents or mitigates the upcoming shift to residential property taxpayers. The House plan will help prevent a shift to residential (by increasing the school aid foundation to 100 %.)
- Provides commercial property tax relief to 100% of businesses – we need job creators of all sizes to invest and hire.
- Aligns local government expenditures with the rate of inflation – but allowing local governments to spend more by putting it to a vote of the people.
- Provides the most certainty to all taxpayers for businesses (job creators need certainty.)
- Creates action. If we do nothing a huge residential tax increase is on the horizon.

Governor Objects to Rule Requiring Electrical Inspections on Farms

Earlier this week Governor Branstad formally filed his objection to a 2008 rule that requires farmers to have an inspection done on most electrical work. In his letter to Department of Public Safety Commissioner Larry Noble the governor stated that the rule was a “power-grab” by the Electrical Examining Board (board) and that it was “unreasonable, arbitrary, and capricious.” Branstad objected to Iowa Administrative Code r. 661-551.2 and 661-552.1 noting that he felt the board went beyond their statutory authority because Iowa Code Chapter 103 does not give the board permission to regulate electrical installations on farms by requiring an inspection or permit. Branstad stated that he felt such a requirement increased the regulatory burden on farmers, was excessively costly, and clearly violated the intent of legislature by circumventing the common-sense exemption for farmers. He said that a \$500 inspection is not needed because farmers generally hire licensed electricians to do the work. The governor could not veto the rule (put in place by former Governor Culver) because it is more than 70 days old. However, his formal objection to the rule does mean that it will be easier for farmers to challenge the rule in court. The full text of Governor Branstad’s rule objection can be found here: <https://governor.iowa.gov/wp-content/uploads/2012/01/ElectricalExamBoardObjection.pdf>

Forums with Senator Feenstra

- Jan. 28 – Sat., 8:00 a.m., Rock Rapids, “Eggs and Issues,” Forster Comm. Bldg.
- Feb. 3 – Friday, 12:00 Noon, Sioux Center, Pizza Ranch.
- February 10, Friday, 12:00 noon, Rock Valley, Cedar Rock Grill
- February 11, Sheldon TEA Party forum, NCC
- February 11, Saturday, 1:00 p.m., Hawarden City Office
- February 11, Saturday, 2:30 p.m., Orange City, City Office

