



“Be sure you put your feet in the right place, then stand firm.” - Abraham Lincoln

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[www.IowaHouseRepublicans.com](http://www.IowaHouseRepublicans.com)

Appropriations

(Contact Brad Trow at 1-3471)

Inside this issue:

Budget News Beyond Iowa — A Whole Lot of Trouble Out there

As Fiscal Year 2018 reaches the quarter pole, it’s important to take a view beyond Iowa and see what is happening in surrounding states and across the country. And while some try to portray Iowa’s situation as problematic, a review of other states’ financial conditions and issues shows that it is actually pretty calm here in Iowa.

Minnesota

The battle over the Legislature’s budget in Minnesota has taken a caustic turn in the Twin Cities. During its 2017 session, the Republican-controlled legislature passed a two-year budget for its operation costing \$150 million. Unlike Iowa, Minnesota’s constitution does not provide a standing appropriation for the Legislature. After the session ended, Democrat governor Mark Dayton vetoed the legislative appropriation in an effort to force legislators to renegotiate items in the budget that Dayton approved. Legislators challenged Dayton’s actions and prevailed in district court this summer.

Dayton appealed the lower court’s decision and in September, the Minnesota Supreme Court stated that it believed Dayton did have the power to line-item veto the appropriation for the state’s legislature. But instead of issuing a ruling, the Court instead ordered the two sides to enter into mediation. This took place over two days in late September, ending with Governor Dayton storming out of the mediation session.

In the aftermath of the failed talks and the subsequent temper tantrum, the Minnesota Supreme Court ordered both sides to provide the court with an accounting of the funding available to the Legislature without the state appropriation. Even this process has been contentious, with the

legislative and executive branches disagreeing on what accounts are available to be used to fund legislative operations.

Kansas

While the Minnesota Supreme Court looks for a solution that keeps it out of an appropriation feud, the Kansas Supreme Court is the main player in that state’s battle over school funding. On October 2, the Court ruled that the latest version of the Sunflower State’s school finance formula – enacted this spring – was unconstitutional because it did not provide an adequate education for Kansas school children. This ruling was the latest in a 7 year long court battle over the level of school funding.

Since the 1970’s, Kansas’s top court has made itself the arbiter of what is an adequate education in the state. In 1992, the court threw out the existing funding mechanism. Litigation continued until 2007, when Democrat governor Kathleen Sebelius agreed to a three-year, \$750 million increase. Then the Great Recession hit, and Sebelius and her lieutenant governor – Mark Parkinson – instead implemented hundreds of millions in cuts to schools. Advocates once again sued the state over the reductions and the unwillingness of Republican governor Sam Brownback to restore the funding and implement the earlier agreement.

In March, the Kansas Supreme Court threw out the existing formula and ordered the Legislature to come up with a new one that included additional funding, or the Court would shut down the state’s public

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school system. Legislators enacted a new plan, over the objections of Brownback, which increased funding by nearly \$200 million this year and an additional \$100 in the subsequent year. This was not enough for the court, who threw the new plan out but chose to keep the state's schools open. School officials are claiming that the state needs to provide \$600 million above the level they just passed in order to meet their needs. This situation will be the first big test for Lieutenant Governor Jeff Colyer, who will take over as Governor once Brownback is confirmed by the Senate for a position in the State Department.

### Illinois

Across the Mississippi River, the Land of Lincoln thought it had "solved" its budget woes when a group of Republican legislators agreed to override Governor Bruce Rauner's veto, thus ending a two year period of governing without a budget plan. Part of the enacted plan included the state raising taxes and issuing more bonds to pay off a mountain of bills still owed by the state. But as the fiscal year has begun, Rauner and his budget staff have discovered that the enacted budget is still \$1.7 billion short of balancing. This had led to discussions of the state pulling its financial support for the construction of Barack Obama's presidential library in Chicago.

The situation in Illinois got worse this week, as Democrat state comptroller Susan Mendoza (the elected official responsible for paying the bills) announced that her office had over \$9 billion of bills that needed to be paid but there was not funds to do so. Mendoza also said that executive departments were withholding other bills, leading her to believe that Illinois may have up to \$16 bil-

lion in unpaid bills. This would be on top of the pension funding shortfall, estimated to be at least \$130 billion.

### Wisconsin

To the north, Wisconsin legislators face a much different problem. The first Monday in October always brings the start of the next term of the United States Supreme Court, and the first major case of the term involves a challenge to Wisconsin legislative and congressional redistricting maps. The case, Gill v. Whitford, challenges the validity of the map on the grounds that it was drawn in such a manner to impermissibly benefit one party.

Unlike Iowa's non-partisan approach to redistricting, Wisconsin's political map is drawn by the Legislature. In 2011, Republicans controlled both chambers of the state's legislature and the governorship. They drew a redistricting map that Democrats claimed went overboard in trying to help maintain the Republican majorities. The legal challenge is being supported by liberal and alt-left groups seeking to assist Democrats to take over legislatures and secretary of state offices across the country to draw redistricting maps after the 2020 census in their favor.

### Connecticut

And then there is the ongoing saga of Connecticut, the only state in the Union that has failed to implement a budget for this fiscal year. In September, several Democrats chose to side with Republicans and pass a GOP-sponsored state budget. This action sent shockwaves throughout the Nutmeg State, exemplified by the President of the University of Connecticut predicting if the GOP budget were to become law the school would have to shut down its domi-

nant women's basketball team and the rest of the athletic department.

Democrat governor Dan Malloy, who has announced he is not seeking re-election, vetoed the budget and called for new negotiations to find a bipartisan budget. Central to these talks is the way in which state employee salaries, benefits, and pensions are established. Unlike most states, all of these items are set by contract negotiations between the Governor and unions representing state workers. This year, Malloy negotiated a new contract that provides some concessions from state workers. But the agreement is for 10 years, precluding any other changes during this time. Republicans have insisted that any budget agreement receiving their support will include changes to this process and additional concessions which would not go into effect until at least 2027.

Connecticut's budget quagmire shows no sign of resolution and is further complicated by a wedding. A Democrat senator and Republican representative will be getting married this Saturday, and they are scheduled to depart afterwards on a two-week honeymoon in South Africa. This would be problematic for the Connecticut Senate, which evenly divided 18-18. The Democrat Speaker of the House said the best wedding present would be a budget agreement. Neither the bride nor the groom are counting on that, as both have said their first priority is to serve their constituents.

## Sound Familiar? Minnesota Closes Budget Gap After the End of FY 2017

Minnesota Management and Budget, that state's fiscal policy agency, released its quarterly *Revenue and Economic Update* on Tuesday. In addition to reporting on revenue collections for the first quarter of Fiscal Year 2018, Democrat governor Mark Dayton's budget agency also updated how Fiscal Year 2017 ended. The report stated:

**Net general fund revenues for the fiscal year that ended June 30, 2017, are now \$1 million (0.0 percent) less**

**than forecast in February, nearly wiping out the negative \$104 million variance we originally reported in the July 2017 Revenue and Economic Update. Higher than expected tax and non-tax payments received and lower than expected refunds paid out between the end of the fiscal year and the offi-**

**cial close explain the improved revenue position.**

Higher than expected tax and non-tax payments received between the end of the fiscal year and the official close of the books – that is an explanation familiar to Iowans. As is the report of a state experiencing lower than expected refunds paid out between the end of the fiscal year and the official close of the books.

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It would appear that having higher revenue figures as the fiscal year closes is not a budget gimmick as some Iowa Democrats

and their comrades in the media have portrayed.

As the budget update was released on Tuesday, there is yet to be any media re-

ports of legislative Democrats in Minnesota (who are in the minority) demanding special audits of that state's books.

## State Revenue Grows in September

September revenue figures show the state of Iowa is continuing to experience revenue growth through the first quarter of the fiscal year. According to the Legislative Services Agency's Monthly Revenue Memo, the state saw revenue increase by 11 percent over September 2016. While this is a large figure, there is an explanation for the larger than usual growth level.

September 2017 was one of the months in Fiscal Year 2018 when there were three Fridays that were paydays for many Iowans. This occurrence provided the state with personal income tax growth of 9.8 percent for September. The bigger bump will likely be somewhat offset in October, as the pay periods even out. For the first three

months of the year, personal income tax collections were up 4.6 percent. That's a healthy increase, but is below the March 2017 Revenue Estimating Conference estimate of 6.1 percent growth for FY 18.

Sales tax revenue also grew in September, coming in 3.3 percent higher than the collections in September 2016. For the first quarter, sales tax revenue had grown 4.1 percent over FY 2017 levels. While this is an improvement over what the state experienced in FY 2017, it is below the REC estimate of 6.1 percent growth.

One area that has out-performed expectations this fiscal year is corporate income tax collections. In September, collections were

37.4 percent higher than the previous year for that month. For the first quarter, corporate tax payments are 43.0 percent higher, which is well above the 0.1 percent decrease forecasted by the REC last March.

All of the figures have to be taken with the understanding that they do include the accrued revenue that came in for FY 2017. So while state revenue has grown in the new fiscal year, that growth is not as large as the figures project. The state will have a better picture on how FY 2018 is trending next Thursday, when the Revenue Estimating Conference convenes for its October meeting.

## Agriculture

(Contact Lew Olson at 1-3096)

### IDALS Requests Applications for Urban Water Quality Projects

On Friday, October 6, 2017, the Iowa Department of Agriculture and Land Stewardship (IDALS) issued a press release in which it encouraged submission of pre-applications for projects located in urban areas that are focused on improving water quality. IDALS notes that the projects should focus on conservation measures that reduce a property's contribution to water quality degradation, runoff and flooding by incorporating practices such as bioretention cells, wetlands, native landscaping and other approved nutrient reduction practice technologies.

Soil and Water Conservation Districts (SWCDs), counties, county conservation boards, cities or other units of government, not-for-profit non-governmental organizations (NGOs), public water supply utilities or watershed management organizations are eligible to submit applications. In addition to demonstrating urban conservation practices, projects should include strong outreach/education components to distribute information on these practices to promote increased awareness and adoption of available practices and technologies for achieving reductions in nutrient loads to surface waters. Successful projects will serve as local and regional hubs for demonstrating practices and providing practice information to homeowners, municipalities, businesses,

and local communities. The maximum three-page pre-application must be submitted by 4:30 p.m. on Friday, December 8, 2017. Pre-applications selected to submit a full application will be notified by January 12, 2018 and the full applications will be due on February 9, 2018. Projects selected to receive funding will be announced in early March. Project pre-application guidance can be found on the Department's website at [www.iowaagriculture.gov](http://www.iowaagriculture.gov).

Currently, 34 Urban Conservation Water Quality Initiative Demonstration Projects have been funded, nine in 2015, thirteen in 2016 and twelve in 2017. The state has awarded over \$2.45 million in funding and partners and landowners participating in the projects will provide over \$6.22 million to support urban conservation efforts. Iowa Secretary of Agriculture Bill Northey created the Urban Conservation program in 2008 and has urban conservationists that work to educate communities, businesses, developers and homeowners about practices that can be used in urban areas to reduce runoff and improve water quality.

#### Background on Iowa Water Quality Initiative

The Iowa Water Quality Initiative was established in 2013 to help implement the Nutrient Reduction Strategy, which is a science

and technology based approach to achieving a 45 percent reduction in nitrogen and phosphorus losses to our waters. The strategy brings together both point sources, such as municipal wastewater treatment plants and industrial facilities, and nonpoint sources, including farm fields and urban stormwater runoff, to address these issues. The initiative seeks to harness the collective ability of both private and public resources and organizations to deliver a clear and consistent message to stakeholders to reduce nutrient loss and improve water quality. State assistance is generally limited to 50 percent on most practices and must be matched by the farmer, landowner or other source. Earlier this year Iowa Ag Secretary Northey announced that record number of Iowa farmers signed up to install nutrient reduction practices on their farm through IDALS' statewide water quality cost share program. More than 2,600 farmers signed up to try cover crops, no-till/strip-till or nitrification inhibitor on more than 270,000 acres in 98 counties. The state will provide nearly \$4.8 million in cost share funds to match the \$8.7 million investment by Iowa farmers.

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In addition to the statewide cost share, there are also currently 56 existing demonstration projects located across the state to help implement and demonstrate water quality practices through the initiative. This includes 15 targeted watershed projects, 7 projects focused on expanding the use and

innovative delivery of water quality practices and 34 urban water quality demonstration projects. More than 220 organizations are participating in these projects. These partners will provide \$32.3 million dollars to go with over \$21.7 million in state funding going to these projects. More than \$340 million in state and federal funds have been directed to programs with water quality benefits in Iowa last year. This total does not

include the cost share amount that farmers pay to match state and federal programs and funds spent to build practices built without government assistance. More information about the initiative can be found at [www.CleanWaterIowa.org](http://www.CleanWaterIowa.org).

## Private Sector Group to Help Conservation Planning

On Monday, October 2, 2017, the Iowa Department of Agriculture and Land Stewardship (IDALS) issued a press release in which it announced a new public-private partnership to deliver conservation planning and outreach services to expand conservation and water quality efforts in three targeted watersheds. North Iowa Agronomy Partners in Waverly and LT Leon Associates Inc. in Des Moines, IA will assist farmers and landowners in the conservation planning process and help them access federal programs focused on installing additional conservation practices. The project is merging traditional approaches to deliver conservation through scaling up conservation planning and conservation practices with a non-traditional approach utilizing private agronomic, conservation and engineering service providers. Augmenting current, traditional efforts, this project will provide 240 new or updated conservation

plans covering an estimated 46,000 acres.

This effort is directly in support of the \$47 million Midwest Agriculture Water Quality Partnership Regional Conservation Partnership Program (RCPP) through the USDA-Natural Resources Conservation Service (NRCS), co-led by IDALS and the Iowa Agriculture Water Alliance (IAWA). IAWA will contribute \$100,000 to IDALS to help support this innovative partnership. Due to the large scale of funding awarded through this RCPP, IDALS and IAWA have worked with NRCS to develop a process to facilitate private companies assisting in the conservation planning process. This additional capacity is intended to ease the workload on local field office staff already working hard to deliver the current level of funding their offices receive. With an updated conservation plan, landowner and farmers will have more streamlined access to federal

programs to install a variety of conservation practices including, but not limited to: cover crops, buffers, bioreactors, saturated buffers, improved nutrient management, wetlands, no-till and strip-till. The two companies that are providing the conservation planning and outreach services for this effort and their contact information are:

The Conservation Infrastructure Initiative is a designed to foster greater private sector engagement and investment in implementing the Iowa Nutrient Reduction Strategy, while also creating jobs and economic development opportunities.

The initiative will be focused in targeted watersheds within the North Raccoon, South Skunk, Lake Red Rock, Middle Cedar and Upper Cedar watersheds.

## Commerce

(Contact Brittany Telk at 1-3452)

### The Basics of Direct Sales Companies

It is almost impossible to log onto any type social media platform and not see a friend or follower promoting some sort of independently distributed product. Off the top of my head, and referencing my own connections on social media, I immediately think of companies like: LulaRoe, Advocare, It-Works, Monat, Beach Body...this not being an all-inclusive list. But how do these companies get started? And aren't they all pyramid schemes, making them illegal?

Knowing what to reference these companies as the first part of the battle of understanding; these are called "multi-level marketing" companies. Multi-level marketing (or MLM) is a strategy used by direct sales companies to encourage their existing distributors to recruit new distributors by paying them a percentage of their recruits' sales, which are known as a distributor's "downline." All distributors also make money through direct sales of products to cus-

tomers. It is a legitimate business strategy, but does come with controversy as these MLM strategies can be tied to pyramid schemes.

Illegal pyramid schemes are based on a hierarchical setup. New recruits make up the base of the pyramid to provide the funding the earlier recruits receive. A pyramid scheme does not involve selling anything, it merely relies on the constant money flowing in from additional investors that works up to the top of the pyramid. These type of schemes begin when someone recruits investors with a guaranteed high return offer, which typically does happen with the earliest investors, but these gains are paid for by new recruits and are not a return on any actual, real investment. Upon inception, the pyramid scheme's liabilities exceed its assets, and the only way to generate any sort of financial return is by promising inflated returns to new recruits; the only way

these returns receive payment is by getting additional investors, until the pyramid implodes.

The biggest difference between an MLM and a pyramid scheme is pyramid schemes have only one purpose, and that is to get a person's money and use it to recruit other distributors -there is no real product. An MLM's entire purpose is to move product, the theory being the larger the distributor network, the more product the business will sell. And circling back to the aforementioned businesses, these are not illegal, but being a savvy entrepreneur is important to ensure you are not losing money and participating in a legitimate business model.

Sources: Investopedia, The Balance



## Economic Growth

(Contact Brittany Telk at 1-3452)

### IEDA Tax Incentive Series: Small Business Innovation and Small Business Technology Transfer Outreach Program

Continuing on our sub-series describing the different IEDA business incentive series for small business and start-ups, we are going to focus on the Small Business Innovation Research and Small Business Technology Transfer Outreach Program (SBIR/STTR). This program is designed to increase the rate of successful grant applications for Iowa's innovative businesses seeking federal grants through the Small Business Administration's program. These programs have \$2.6 billion to invest in novel technologies. Each small business is eligible for up to \$1.7 million in assistance to develop their innovative concept. SBIR/STTR grants span several segments of the funding spectrum. A business can receive this type of funding for the first three phases of development (Investigation, Feasibility and Development). If your innovative idea falls into one of these categories, it could qualify: energy, technology, human and animal health, agriculture, transportation, education, defense, rural development, materials, advanced manufacturing or electronics/robotics. While the IEDA has ceded its authority in making these federally-backed awards to the Iowa Innovation Corporation, it is an economic development tool for smaller businesses in Iowa. And with the news being dominated by larger companies and their awards, it is important to highlight all of the available opportunities for all companies in Iowa.

The [Iowa Innovation Corporation](#) focuses on building Iowa's economy by fostering public/private collaboration to grow Iowa's innovation economy so businesses have the necessary tools to succeed in Iowa. The Corporation refers to its members as facilitators: committed to carrying on the tradition of Iowa innovation as it is a necessary part of economic development. Much of their work is devoted to partnering businesses and entrepreneurs with private funding sources throughout a [business's "life cycle."](#) The SBIR/STTR programs are coordinated

by the Corporation, which helps companies apply for federal small business funding. This program assists Iowa companies reviewing SBIR/STTR grant proposal applications and providing commitments to matching grant funds for Phase 1 of the awards. The program has three components:

1. **Proposal Idea Review:** the Iowa Innovation Corporation has contracted with Grow Emerging Companies to provide 1 hour reviews of potential Phase 1 SBIR ideas
2. **Third-party-proposal Assistance:** this component provides technical assistance funds for third-party proposal assistance for SBIR/STTR Phase I and II proposals from an Innovation Corporation approved third-party vendor. The Program provides technical assistance contracted by the Iowa Innovation Corporation. Assistance is 100% paid for by the innovation corporation. The applicant must submit \$1,000 deposit for full proposal assistance and a \$500 deposit for proposal review or similar partial assistance; these deposits are refundable upon receipt of proof of SBIR proposal submission. In order to be eligible:
  - a. Be an innovative business with no more than 500 employees
  - b. Have a reasonable likelihood of receiving SBIR or STTR grant funds
  - c. Be likely to stimulate subsequent investment by industry, venture capital and other sources
  - d. Be likely to commercialize some promising technology

**Matching Financial Assistance:** This component of the program provides commitment to match grants for SBIR/STTR Phase I proposals. Phase I awards will be

matched at 50% up to \$50,000. Total financial assistance is limited to \$50,000 per applicant across all components of the SBIR/STTR Outreach program. The type of benefit comes in the form of a grant. If the applicant is awarded, there will be a technical assistance agreement with the Innovation Corporation. In order to receive the funds, the applicant must submit to the Iowa Innovation Corporation verification of SBIR/STTR Phase I award. This funding is only available for SBIR/STTR proposals not yet submitted; it does not provide commitment to match funds for proposals submitted prior to application approval. In order to be eligible:

- a. Be an innovative business with 500 or fewer employees.
- b. Have a reasonable likelihood of receiving SBIR or STTR grant funds.
- c. Be likely to stimulate subsequent investment by industry, venture capital and other sources.
- d. Be likely to commercialize some promising technology.

Continuing to focus on the Iowa Innovation Corporation, its [Iowa Innovation Council](#) will be meeting on October 25, 2017 at the IEDA. The council is created of Iowa business leaders, regents university and community college officials who develop strategies to encourage and support innovation in Iowa. It is aimed at creating the high-paying jobs of the future and ensuring Iowa remains globally competitive. Created in the 2010 legislative session, there are 29 members on the council and 20 must be actively involved in managing a bioscience, IT or advanced manufacturing-focused company. Please contact me if you would like a copy of the agenda.

Source: IEDA, Iowa Innovation Corporation

## Education

Contact Jason Chapman at 1-3015)

### New Assessment Chosen, Immediately Appealed

The Iowa Department of Education announced a couple of weeks ago that a new test vendor was chosen to begin providing new tests to Iowa students in the 2018/19 school year that will replace the currently administered Iowa Assessments. The vendor, chosen through an RFP process, is American Institutes for Research (AIR). AIR's proposal is to deliver an assessment called the Independent College and Career Readiness Solution beginning next school year to students in grades 3 through 8 and once in high school for the subjects of English language arts, mathematics, and science.

But it's not a done deal yet. One of the other bidding companies, Pearson, has filed an appeal.

The RFP, issued per Senate File 240 (enacted in 2017), received eight proposals from six vendors. A review team made up of Iowa school administrators and educators, as well as staff from the Iowa Department of Education, stacked the bids up against the requirements from the bill:

- Measure individual student growth
- Be aligned to the Iowa Core academic standards
- Be given in grades 3 through 8 and at least once in high school
- Be capable of measuring performance in English language arts, math, and

science

- Be available in both paper and pencil and computer based formats

The Department had to consider:

- The feasibility of implementation by districts
- The cost to districts and the state
- The technical support necessary
- The costs of acquiring the infrastructure necessary
- The degree to which it aligns with standards
- The ability to measure student growth and proficiency
- The ability to meet federal requirements
- And the time required to conduct the assessment.

Other vendors that applied were ACT Inc., Data Recognition Corporation, Pearson, Questar, and the University of Kansas.

The appeal filed by Pearson (called a "[motion to stay](#)") contends the scoring of bids conferred "preferential treatment and bias" in favor AIR. The appeal has been filed with the Department of Administrative Services (DAS) which is the state entity that received the RFP bids. Until the appeal is ruled on, no further action on the assessment front can occur.

Appeals are not uncommon in the in assessment world. In fact these two companies, AIR and Pearson, have engaged in battles in previous years with both companies previously filing against each other.

AIR is based on Washington, DC, and has been operating since 1946. On their website (<http://www.air.org/about-us>) they note that they are a not-for-profit organization that "is one of the world's largest behavioral and social science research and evaluation organizations." The organization says it is a testing contractor or subcontractor on state-level tests in about 25 states.

Pearson put in a bid to be the vendor for the Next Generation Iowa Assessments, a test developed by Iowa Testing Services (ITS), a part of the University of Iowa. With a location in Iowa, employing Iowans, Pearson argued that using local employees to deliver a locally developed test was a better deal to Iowans than what AIR could provide.

Pearson is one of the giants in educational services and products. Originally created in London in the 1800s as a construction company, Pearson began its work in student assessments in the early 1920s. It has been a partner with Iowa since the 1950s when it helped score the Iowa Test of Basic Skills and the Iowa Test of Educational Development.

### Regents Delay Decision on 2018/19

The Regents put out a statement this week that their original plan to do a "first reading" of the tuition rates for the 2018/19 school year at the October 18-19 meeting is postponed. Board president Michael Richards' statement noted the Board "need[s] additional time to consider what tuition levels be for the next academic year."

In early August the three universities issued their proposed rates for the next 4 to 5 years. The University of Northern Iowa began the conversation by proposing increases of 3.9%, 2.7%, 1.75%, and 1.75% for the next 4 years. Both Iowa State and Iowa followed with a proposed 7% increase every year for the next 5 years.

***"The proposed increases were met with obvious concern from legislators"***

and the Governor's office. Governor Reynolds stated she felt it was too much of an increase and asked the regents to continue looking at "what's manageable".

The meeting notice and agenda, including information on the 30-minute public comment period, can be found on the Regent's site: <http://www.iowaregents.edu/meetings/>

[upcoming-meetings-and-agendas/](#)

The next meetings scheduled at this point are October 23<sup>rd</sup> and December 6<sup>th</sup>.

## Environmental Protection

(Contact Lew Olson at 1-3096)

### EPC to Hold October Meeting in Altoona

On Thursday, October 5, 2017, the Iowa Department of Natural Resources (DNR) published its electronic newsletter 'EcoNewsWire' which announced that the Environmental Protection Commission (EPC) will meet October 17, 2017, in Altoona to consider a contract and an air quality rule. Commissioners will be asked to approve a contract amendment to update

an online hazardous chemical inventory required by federal laws. Called Tier II, information on hazardous chemicals is provided to county managers to protect their community's safety during emergencies. Also up for approval is a rule change that incorporates recommendations from industry and other stakeholders for streamlining the air quality permitting process.

The meeting begins at 10 a.m. at the Terrace Hills Golf Course, 8700 NE 46th Avenue in Altoona. The meeting is open to the public, with an opportunity for public comments following the monthly reports. The EPC will tour conservation practices at the golf course after lunch. The tour is open to the public.

## Human Resources

(Contact Carrie Malone at 5-2063)

### Iowa Judge Upholds 72 Hour Waiting Requirement for Abortions

On October 2, Judge Jeffrey Farrell ruled against Planned Parenthood of the Heartland in a suit they filed against the state as a result of the passage of Senate File 471.

Senate File 471 was signed into law by Governor Branstad on May 5, 2017. The bill implemented a 72 hour waiting period before a physician performs an abortion. The bill requires physicians to certify that before the abortion happened, the woman had an ultrasound that displays the age of the child, the woman was given the opportunity to see the ultrasound image of the child, the woman was given the option of hearing a description of the unborn child, the woman had a chance to hear the child's heartbeat, and the woman was provided information on abortion from the Department of Public Health. In addition to the 72 hour waiting period, the bill also prohibits abortions from happening after 20 weeks post-fertilization. The bill requires physicians that perform or attempt to perform an abortion to report information related to the abortion to the Department of Public Health. If a physician fails to comply with the bill, they are subject to discipline by the Board

of Medicine.

In May, Planned Parenthood (PP) filed a petition for declaratory judgment and injunctive relief. Planned Parenthood claims the bill violates the due process and equal protection clauses of the Iowa Constitution. During the case, Planned Parenthood argued that the 72 hour waiting period creates an undue burden for women seeking an abortion. Planned Parenthood argued that the waiting period would require women to make two trips to a planned parenthood center. One to get an ultrasound and the other to proceed with the abortion. This would create an undue burden by extending the time before an abortion, increasing the financial costs, and causing other obstacles.

Planned Parenthood argued that the case should be decided based on a stricter legal standard than the Undue Burden test found in *Planned Parenthood vs. Casey*. PP argued that the Iowa Constitution has a stricter standard that should be applied. Judge Farrell disagreed, citing cases from other states that all applied the federal Supreme

Court *Planned Parenthood v. Casey* undue burden test to determine whether a mandatory waiting period was constitutional or not.

The judge ruled that PP was not able to show that extending the time before an abortion, increasing financial costs, and causing other obstacles created an undue burden on a woman seeking an abortion under the constitution. The judge ruled that there is some additional burden on a woman seeking an abortion under the new Iowa law, but that does not mean that there is a substantial obstacle in the way of women getting an abortion. The judge also ruled that Planned Parenthood's equal protection claim must be denied. Therefore, the requirements for abortions in Senate File 471 have been upheld.

However, Planned Parenthood and the American Civil Liberties Union filed a notice they plan to appeal the case to the Iowa Supreme Court. Therefore, the 72 hour waiting period will remain on hold until the appeal is considered. For the full opinion, click [here](#).

## Judiciary

(Contact Amanda Wille at 1-5230)

### Texting 911 FTW

Iowans will soon have the ability to text 911 for emergency assistance no matter where they are in the state. The Iowa Homeland Security and Emergency Management Department (HSMED) has announced that by the end of the year

**"all 113 emergency call centers in Iowa will be able to accept texts"**

from cell phone carriers. Currently 94 emergency call centers can accept text messages, leaving 16 counties without this program.

In 2009, Black Hawk County began a pilot

program for Text-To-911. The program was designed to help those with hearing or speech impairments, but it is proving to be helpful in a variety of circumstances. According to HSMED, Text-To-911 should only be used if you are hard of hearing, have a speech disability or if making a voice call to 911 might be dangerous or not possible. Voice calls to 911 are encouraged when they can safely be made.

When texting 911 keep your message short and be sure to provide your location along with the nature of the emergency. Operators cannot access the cell phone location through a text message so providing accurate information is key. The message should

not include any emoji's, slang, or abbreviations to avoid any miscommunication. Until the entire state has coverage, a person sending a 911 text may receive a bounce back message if the service isn't available in their area.

The following counties do not have text-to-911 service available yet; Franklin, Hancock, Henry, Jefferson, Johnson, Lee, Marion, Monona, Plymouth, Pottawattamie, Ringgold, Scott, Van Buren, Washington, Webster and Winnebago.

For additional information on the Text-To-911 program, visit the HSMED website [http://www.homelandsecurity.iowa.gov/programs/E\\_911.html](http://www.homelandsecurity.iowa.gov/programs/E_911.html)

## Labor

(Contact Mackenzie Nading at 1-3626)

### Workforce Development Changes Department Approved Training

Beginning the first week of October, Iowa Workforce Development will no longer be issuing a Department Approved Training (DAT) decision on unemployment insurance claims for union classes or training. Employers who have paid insured wages to individuals that are filing for benefits may potentially be charged for those weeks paid when the individual is attending union training classes. The charges for unemployment insurance benefits paid will no longer be waived and transferred to the Unemployment Compensation Trust Fund. Claimants can still file unemployment claims for those weeks they are in school. When a new claim is filed, all employers in the base period including the last employer will receive a notice of claim.

Employers will be sent a notice when a claim has been filed. It is imperative that the notice of claim be completed and returned to IWD. Depending on the employer, the notice of claim that is sent may be by mail or through the electronic system, State Information Data Exchange System (SIDES). Both options are shown below that will explain the expectation of the employer when responding to notice of claims when their employees are attending training.

The following is derived from a handout sent to all affected individuals by IWD regarding the changes:

**When will this change take effect?**  
October 1, 2017

**How will this affect me?**  
Employees may still attend union apprentice training courses. IWD will no longer be waiving the charges for those weeks paid to employees while attending training. Employers may be charged for benefits for the weeks the employee is filing for unemployment insurance benefits.

#### What is the reason for the change?

In 2012, the legislature amended the Iowa Administrative Procedure Act to require every administrative agency to conduct a review of its administrative rules during each five year period following the law taking effect. As a result of that review, Iowa Workforce Development (IWD) is further aligning its processes with the applicable administrative rules and their application. One such program maintained by IWD is Department Approved Training (DAT) pursuant to Iowa Administrative Code (IAC) 871 – 24.39(96). DAT is intended to exempt an unemployed individual from the work search requirement for continued eligibility so individuals may pursue training that will upgrade necessary skills in order to return to the labor forces. DAT allows for the individual to enroll in a vocational training program to obtain the needed skills to return to the labor market.

#### Will employees still be eligible for unemployment insurance benefits?

Yes. If the reason they are filing benefits is due to lack of work or the employer sent the employee to a union/apprentice training, the employee would be eligible for benefits. The employee must meet all other eligibility requirements to be eligible for benefits. Those qualifications can be found in the UI Claimant Handbook on our website: <https://www.iowaworkforcedevelopment.gov/unemployment-insurance-benefits-handbook-english-70-6200>.

#### I have dates already planned for my employees or members to attend training, what should I do?

IWD encourages employers and unions to continue with any upcoming training classes.

#### I am an employer, will I be charged for benefits during the weeks of training?

Employers will be issued a notice of claim when an employee files an unemployment insurance claim. The employer may be charged for benefits depending on the employer tax rate.

#### Do we need to send a copy of who attends training classes to IWD?

No. IWD does not need a list of class attendees.

#### Should I respond to the Notice of claim when we receive?

Yes, an employer should respond to each notice of claim received when an employee is attending union/apprentice training. The employer must indicate the dates the employee is in training.

#### Can employees still attend training courses without having to search for work during those weeks?

Yes. Individuals who are temporarily or permanently laid off through no fault of their own will continue to be eligible for unemployment insurance benefits as long as they meet the eligibility requirements.

#### What other options are available to employers?

Employers can refer to our website to find more information on Voluntary Shared Work Program: <https://www.iowaworkforcedevelopment.gov/voluntary-shared-work-program>. An employer can send an email to [vswclaims@iwd.iowa.gov](mailto:vswclaims@iwd.iowa.gov) with questions on this program.

#### Can I receive notice of claims electronically instead of by mail?

Yes! Employers can enroll in SIDES/E-Response for free. More information is available here: <http://info.uisides.org>  
Send an email to: [lwd-sidesinfo@iwd.iowa.gov](mailto:lwd-sidesinfo@iwd.iowa.gov) to enroll.

be found here: <https://tax.iowa.gov/expanded-instructions/iowa-earned-income-tax-credit-0>.

## Natural Resources

(Contact Carrie Malone at 5-2063)

### Urban Trout Stocking Begins October 14

Beginning October 14, seventeen lakes across Iowa will receive trout. The Iowa DNR release between 1,000 and 2,000 rainbow trout at each lake. This effort brings trout to areas that can't support the fish during summer months. It also offers anglers in cities across Iowa who might not normally travel to northeast Iowa to discover trout fishing. This is also a great oppor-

tunity to take kids to catch their first fish.

Trout stocking is supported by the sales of the trout fee. Iowa residents and nonresidents who are required to have a fishing license must pay the trout fee (\$12.50 for residents or \$15 for non-residents) to fish for or possess trout. However, if you are under 16 years old you may possess or fish

for trout without having paid the trout fee if they fish with a properly licensed adult who has paid the fee and together they limit their catch to the one person daily limit of five trout. Children under 16 have the option to purchase their own trout privilege, which allows them to fish without a properly licensed adult and keep their own daily limit (5).





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**2017 Fall Urban Trout Stocking Schedule**

- Oct. 14, [Lake of the Hills](#), Davenport, 10:30 a.m.
- Oct. 20, [Sand Lake](#), Marshalltown, Noon
- Oct. 26, [Banner Lake \(South\)](#), Summerset State Park, Indianola, 11 a.m.
- Oct. 26, [Big Lake](#), Council Bluffs, 2 p.m.
- Oct. 27, [Ottumwa Park Pond](#), Ottumwa, 11 a.m.
- Oct. 27, [Lake Petocka](#), Bondurant, Noon

- Oct. 28, [Discovery Park](#), Muscatine, 10 a.m.
- Oct. 28, [Heritage Pond](#), Dubuque, 10 a.m.
- Oct. 28, [Wilson Lake](#), Fort Madison, Noon
- Nov. 1, [Bacon Creek](#), Sioux City, 1:30 p.m.
- Nov. 2, [North Prairie Lake](#), Cedar Falls, Noon
- Nov. 2, [Moorland Pond](#), Fort Dodge, Noon
- Nov. 16, [Ada Hayden Heritage Park Lake](#), Ames, Noon
- Nov. 17, [Prairie Park \(Cedar Bend\)](#), Cedar

- Rapids, 10 a.m.
- Nov. 17, [Terry Trueblood Lake](#), Iowa City, 11 a.m.
- Nov. 18, [Scharnberg Pond](#), Spencer, Noon
- Nov. 22, [Blue Pit](#), Mason City, 11 a.m.

There are also fall fishing events hosted by various partners of the Iowa DNR. You can find out more information about the family events [here](#). You can also buy your fishing licenses online [here](#).

Location	Date	Time	Partner	Contact Info
<a href="#">Lake of the Hills</a> , Davenport	Oct. 14	10:30 am	Scott CCB	563-328-3280
<a href="#">Discovery Park</a> , Muscatine	Oct. 28	10:00 am	Muscatine CCB	263-264-5922
<a href="#">Heritage Pond</a> , Dubuque	Oct. 28	10:00 am	Dubuque CCB	563-556-6745
<a href="#">Wilson Lake</a> , Fort Madison	Oct. 28	Noon	Lee CCB	319-463-7673
<a href="#">Scharnberg Pond</a> , Spencer	Nov. 18	Noon	Clay CCB	712-262-2187

There are also great locations across north-east Iowa for trout fishing. Fountain Springs in Delaware county is a good loca-

tion for beginners. Hickory Creek in Allamakee county is stocked weekly through October with rainbow and brook trout. Pine

Springs Creek in Winneshiek county is great for the family and also has eight miles of trails.

**Public Safety** (Contact Amanda Wille at 1-5230)

**Dog Training Programs in Iowa's Prisons**

Service dogs play an important role in our society. From helping military veterans to comforting children, these dogs provide love and companionship to countless Iowans. The Iowa Department of Corrections has teamed up with shelters and service programs across the state to

*“partner inmates with dogs who need training.”*

At eight of Iowa's nine prisons, inmates have the opportunity to train and interact with these dogs before they are adopted.

Clarinda Correctional Facility

In Clarinda, inmates are given the opportunity to work with dogs from the Des Moines ARL, Montgomery County Shelter, Pets for Paws and the Page County Animal

Shelter. These shelter dogs are trained by the inmates using the Canine Life and Social Skills (C.L.A.S.S.) program. The dogs are trained in basic obedience skills. ARL dogs are specifically adopted to U.S. Military Veterans as companion animals. Clarinda currently has 15 dogs in their program.

Iowa State Penitentiary

Iowa's maximum security prison in Ft. Madison uses dogs for a different purpose. Thelma and Louise have been adopted from PAWS, a no-kill animal shelter, to provide companionship for inmates. The dogs live in Housing Unit 4, a medical/assisted living unit. Inmates are responsible for walking, feeding and bathing the dogs. The dogs provide the inmates with an opportunity to care and provide for something while they are serving their time. Money from inmates is used to pay for the dogs care and no

state money is used in this program.

Iowa Corrections Institute for Women

The Women's prison in Mitchellville provides basic training for cats and dogs. The animals live with the women. Approximately 100 dogs and cats go through the program every year. Training for dogs started in 2002, and in 2003 a program was started for cats.

Mt. Pleasant Correctional Facility

Inmates in Mt. Pleasant work with FRED (Furry Rescue Education and Development) to train hard to place dogs. The dogs come from the PAWS shelter in Ft. Madison and stay with inmates for approximately 8 weeks while receiving training.

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### Newton Correctional Facility

The Newton Correctional Facility has two programs for inmates and dogs. Puppy Jake and Pups on Parole. Puppy Jake dogs come to the facility at two months of age and stay until they are one year old. During this time, inmates train the dogs to help wounded military veterans. Once the dogs complete the program at Newton, they train for an additional 6 months with a different handler in the community before being matched up with their veteran. Pups on Parole is a program through the Jasper County Animal Rescue League where stray

and surrendered dogs go through a 60 day training program before they are adopted. Since the program began in 2009, over 444 dogs have been trained.

### Iowa Medical and Classification Center

In Oakdale there are three programs for inmates to be involved with. The Good Mannered Therapy Dog Program allows inmates the opportunity to teach necessary skills to future therapy dogs. Dogs and their trainers go throughout the prison interacting with other inmates. Officers have reported this program has been very helpful for all inmates. The Shelter Dog Program allows shelter dogs to receive socialization training

to prepare them for adoption. IMCC is an officially licensed program approved at the state level, because of this licensing, rescue dogs from disaster areas can also be brought to the program. The Community Service Dog Program allows inmates to train dogs to work with kids in the local community who may have autism or other life issues where a dog could provide comfort.

### North Central Correctional Facility

Rockwell City's program is called Paws and Effect. Inmates help train shelter dogs to serve disabled veterans and children.

## Transportation

(Contact: Ashley Beall 1-3440)

### RISE Grant Applications Approved at Iowa Transportation Commission

The RISE program was created to help promote economic development in Iowa through the improvement of roads and streets. All Iowa cities and counties are eligible to receive funding in the form of a grant, loan or combination as long as the projects involve construction or improvement of a public roadway. There are two types of RISE projects: 1. Immediate Opportunity and 2. Local Development.

The three areas that received funding are: Farley, Ankeny, and Cascade.

Farley: The RISE Fund approved up to \$333,478 for a local development grant that will assist in construction. This funding will go towards approximately 1,275 feet of 11<sup>th</sup>

avenue northwest that is located on the northwest side of town. This project was necessary because it will allow access to four lots totaling more than 14 acres for industrial and manufacturing purposes. The estimated end date for this project is November 2018.

Ankeny: The RISE Fund approved up to \$435,225 for a local development grant that will assist in construction. This funding will go towards the construction of approximately 1,220 feet to Southeast Convenience Boulevard located on the southeast side of town. This project is necessary to provide improved access to three lots that total more than 25 acres for office, warehouse, distribution, light industrial, and airport pur-

poses, including support of future development of South Corporate Terminal Area at the Ankeny Regional Airport. The estimated end date for this project is June 2019.

Cascade: The RISE Fund approved up to \$93,750 for a local development grant that will assist in construction. This funding will go towards construction of approximately 630 feet of a new roadway that is located on the northeast side of town. This project was necessary because it will provide access to four lots that totals more than 14 acres of industrial and manufacturing purposes. The estimated end date for this project is November 2018.

## Veterans Affairs

(Contact Kristi Kielhorn at 2-5290)

### Woodbury County becomes Home Base Iowa Community

Last month, Woodbury County joined the many others and became the 75<sup>th</sup> Home Base Iowa Community. Home Base Iowa Communities focus on bringing military veterans to Iowa by assisting them in finding good jobs.

The requirements to become a Home Base Iowa Community are:

- Ten percent of the businesses in the designated area become Home Base Iowa Businesses.
- The community develops its own welcome/incentive package for veterans.

- The community prominently displays the Home Base Iowa Community designation.
- The community obtains a resolution of support from the appropriate local governing body.

Woodbury County has met or exceeded these requirements.

Home Base Iowa is a non-profit, private-public partnership focused on recruiting veterans and active duty service members for quality, well-paying private-sector jobs in Iowa. The Home Base Iowa Act provides the following incentives:

- Military Pension Income Tax Exemption
- Permissive Veterans Hiring Preference
- Military Homeownership Assistance Program
- Higher Education Incentives

The initiative is currently co-chaired by Veterans Congressman Leonard Boswell and former Casey's CEO Bob Meyers. To learn more about Home Base Iowa, visit [HomeBaselowa.gov](http://HomeBaselowa.gov).

## Ways & Means

(Contact Kristi Kielhorn at 2-5290)

### Register's Property Tax Article Contains Major Errors

Senate File 295 was the largest property tax cut in the history of Iowa. It was one of Governor Branstad's key priorities, took several sessions to pass and was approved with the votes of Democrats and Republicans alike. The bill was projected to save commercial property taxpayers millions. Part of the bill required the state to reimburse or "backfill" local governments for the revenues they stood to lose because of the reduction. Whether those local governments still need the budget boost is an argument for another day, the backfill was part of the bill, and to date, the state has made those payments.

Recently, it seems local governments are worried that their budget-boosting tool might not be there in the future, and they are laying the groundwork to defend its necessity. The debate over that necessity is also an argument for another day.

This article focuses on a theme that appeared in various publications, including *The Des Moines Register*, last month centered on the assertion that the bill did not save commercial property taxpayers as much as the Legislative Services Agency (LSA) predicted it would. Those articles also stated that local governments lost more in property tax revenue than LSA said they would. It is important to note that the articles seem to be based on the fiscal note for Senate File 295 and on a January 2017 Issue Review (both authored by the same LSA fiscal staff person). It is also important to note that the author of those documents was not contacted to explain, verify, or provide context for those documents in the articles in question.

So could both of those assertions be true? Could the bill not save as much money for commercial taxpayers as predicted, and at the same time cost local governments more than projected? Seems like rational minds

would conclude those two premises cannot be true at the same time. So let us examine them separately.

#### Did commercial property taxpayers see the savings the bill projected to make?

Yes. The articles make a significant error of understanding when they say that the bill was predicted to save commercial property taxpayers \$218 million in FY 17 and that it only saved \$125 million. The only way that is true is if one conveniently leaves out the fact that the legislation also had a Division One. So what did that particular division of the bill do? Well, it gave commercial property taxpayers a tax credit totaling \$123.9 million in FY 17. Since that would seem to save commercial taxpayers quite a lot of money—it should have been included in the "savings" calculation the authors came up. Then the articles would have no choice but to draw the conclusion that the legislation did in fact save commercial property taxpayers exactly what it was projected to save them. The articles essentially ignored half of the actual property tax relief.

#### Was the impact on local governments more than the bill predicted?

No. The articles erroneously concluded that the revenue loss to local governments was well above the projection.

***"articles erroneously concluded the revenue loss to local government,"***

To reach that conclusion they compared the Fiscal Note's estimate of the revenue loss to the Issue Review's calculation of the maximum revenue loss that could have occurred (from the

Issue Review, the maximum was \$107.2 million). Those two are not the same thing.

The Issue Review (had it been properly understood) clearly states that the loss described is the maximum. The loss minimum is actually \$0. What local governments actually lost is somewhere in-between, and likely very close to the loss projected in the fiscal note (\$25.9 million from table 4 of the fiscal note). The Fiscal Note estimate assumes local governments set higher rates than they otherwise would have in response to having less taxable value than they otherwise would have. The Issue Review assumed nobody raised rates (which we know is not true). The Issue Review and Fiscal Note had a different methodology on this issue and clearly stated that.

The articles would have undoubtedly been compelled to explain all of this had they actually contacted the author of these documents or made the effort to understand the legislation. Property tax rates go up and down as cities see fit. There is no "legislated" rate increase. Some articles would seem to imply that the legislature has the authority to raise rates. That is just not true, it is the cities that have the expansive ability to rates on several types of levies they have control over. To imply that the legislature controls that is just erroneous.

If one is going to debate the impact of SF 295, it is important to interpret the data correctly and have an understanding of the entire bill while doing it.