



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

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Appropriations

(Contact Lon Anderson at 1-5184.)

Inside this issue:

Revenue Estimating Conference Lowers FY 2012 Estimate

On Friday, October 14, the Revenue Estimating Conference (REC) met to revise the FY 2012 estimate and set the first estimate for FY 2013. As expected, they lowered the FY 2012 estimate slightly while setting a conservative growth rate for FY 2013.

Adjusting for the increase in FY 2011 and Legislative changes adopted last session, the March estimate for FY 2012 was \$5.992 billion, or 1.6 percent compared to actual FY 2011. The REC lowered the estimate to \$5.974, or 1.3 percent compared to FY 2011. This is \$17.5 million less than the March estimate.

The REC established the first estimate for FY 2013. The estimate is \$6.209 billion in net revenue, or 3.9 percent above estimated FY 2012. The Legislature has already appropriated \$5.155 billion for FY

2013, which includes fully funding 2 percent allowable growth for K-12, full funding of the property tax credits and 50 percent of the FY 2012 appropriations for most other line items in the budget.

House Republicans demanded last session that the one-time ending balance not be built into the budget and used to fund ongoing expenditures. The news from the REC confirms that this is the right approach.

The REC will meet again in early December to establish the official estimate for the FY 2013 budget. This is the estimate that the Legislature and Governor will use to build the budget for next fiscal year.

Fiscal Committee Meets in Iowa City, Reviews Regents Budgets and Funding Issues

On Tuesday, October 18, the Fiscal Committee of the Iowa Legislature met for the second time of the 2011 interim. The meeting was held in Iowa City and the focus was funding for the Regent universities.

The membership of the committee consists of:

Senator Dvorsky (co-chair)

Representative Raecker (co-chair)

Senator Bolkcom

Representative Sands

Senator Danielson

Representative Cownie

Senator Kettering

Representative T. Olson

Senator Zaun

Representative Jacoby

All members of the committee except Senator Kettering were present. After opening remarks by University of Iowa President Sally Mason and Regents Craig Lang and Bruce Rastetter, the committee heard testimony from Patrice Sayre, the Chief Budget Officer for the Board of Regents.

Sayre said that while state funding for the Regents has gone down, the three Regent universities have second lowest or third lowest tuition compared to conference universities or peer institutions. The

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Regents' proposed budget for FY 2013 is \$4.26 billion, with just under \$500 million coming from the state.

Next up was outgoing Iowa State University President Greg Geoffroy, who gave a presentation on ISU's budget process. Geoffroy said each college of the university receives funding based upon enrollment and sponsored funding generated by the college. State appropriations are distributed across the university based upon strategic plan priorities and core mission responsibilities. Geoffroy also said that ISU has the lowest administrative costs among its Big 12 Conference and peer universities.

Geoffroy also highlighted ISU's commitment to growing Iowa's economy. Some examples include a new DuPont ethanol plant in Nevada, an animal health facility at ISU's research park and a high-growth company that develops cloud-based SEC reporting software that is also located at ISU's research park.

Ben Allen, President of the University of Northern Iowa, was up next with a discussion of UNI's budget process. Allen said the UNI's process is different that ISU's and Iowa's. The key difference is that one-half of its revenue comes from the state, one-half from tuition. UNI has several strategies for reducing costs, including reduction of workforce, selective outsourcing and mergers or reorganization of functions.

UNI is asking for an increase in state appropriations of \$4 million per year for the next three years.

Mason then addressed the committee regarding the University of Iowa's budget process. While the university has a \$3 billion

budget, the focus is on the \$625 million general education fund. Fifty-eight percent of this fund comes from tuition and thirty-four percent comes from state appropriations.

This fund is spent primarily on instruction (\$275 million), academic support (\$90 million), plant operations and maintenance (\$75 million), scholarships (\$75 million) and instructional support (\$60 million). Mason said that the university has aggressively attempted to increase efficiency and productivity, mainly through technology improvements, energy cost containment and joint purchasing contracts.

Next up was Rod Lehnertz, Director of Plan-

***"ISU has the lowest administrative costs ..."***

ning for the University of Iowa, to give a recap of the 2008 flood and the damage it caused the university. It was the 5<sup>th</sup> largest natural disaster in U.S. history and caused major damage to 22 building on campus with an estimated impact of up to \$1 billion. He discussed plans by the university to rebuild the three buildings that were completely lost in the floods.

John Benson of Iowa Homeland Security was next with an update on the state's overall disaster recovery. He mainly discussed the Missouri River flooding. Now that the flooding is over there has been time to assess the damage, it is projected to cost \$72.7 million in federal funds. However, FEMA has denied Iowa's request for a federal disaster declaration and that decision is currently being appealed.

Holly Lyons and Dave Reynolds of LSA gave a recap of the latest REC estimates and the status of general fund balance

sheet for FY 2012 and FY 2013. Under current estimates, the FY 2012 budget is projected to have an ending balance of \$334.4 million and FY 2013 has an ending balance of \$1.25 billion. However, this is before any additional appropriations are made for next fiscal year during the next legislative session.

Jess Benson of LSA gave an update on Medicaid. The Medicaid Forecasting Council estimates a surplus of \$27.7 million for FY 2011 and no need for a supplemental in FY 2012.

Finally, Shawn Snyder of LSA and Stu Vos of the Department of Revenue gave a presentation on the Property Tax Equity Relief (PTER) fund. The PTER fund was \$18 million below estimated revenue because of an accounting change made by the department. This caused a property tax increase in some school districts. One solution proposed last year was to transfer \$18 million from the use tax portion of the Secure an Advance Vision for Education (SAVE) fund but this idea was not approved in 2011.

After the business portion of the meeting concluded, the committee members took a tour of the campus and were shown the new dental building and the pharmacy building which is the next priority of the university.

The next Fiscal Committee meeting will be held in December at the State Capitol. The meeting will occur after the Revenue Estimating Conference establishes the official estimate for the FY 2013 budget.

## Agriculture

(Contact Lew Olson at 1-3096.)

### Free Trade Pact Approvals Likely to Boost Iowa Agriculture Economy

On Wednesday, October 12, 2011, both congressional chambers gave final approval to three U.S.-Trade Promotional Agreements (TPA) with Columbia, Panama, and South Korea. These were the first trade agreements approved since Democrats took control of the Congress in the 2006 elections. The Iowa Congressional delegation split its vote on these agreements on a party-line basis with Republicans supporting the legislation and Democrats voting no.

The U.S. agricultural sector, of which Iowa is one of the dominant components, has much to gain from the agreement as they will hugely improve U.S. access to these markets. Additionally, these agreements will help level the playing fields for U.S. exporters who had been sidelined by Congressional inaction on these agreement while other nations moved forward with their agreements with these nations.

For instance, U.S. agricultural exports to Columbia amounted to \$1.7-billion in 2008 and slipped to just \$834-million in 2010. The Columbia TPA will immediately eliminate the Columbia variable levy (price band system) that has resulted in a tariff as much as 194% on some corn products and will provide immediate duty-free access for vari-

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ous animal feeds through a 194,250-metric ton tariff-rate quota (TRQ) that increases 5% annually. It also will phase out the out-of-quota tariffs (currently either 10 or 25%) over 12-years. Likewise for pork, the Columbia TPA will immediately eliminate variable levies that have resulted in tariffs as high as the WTO ceiling of 108%. Within 5-years it will phase out all duties which are currently as high 30% on fresh, chilled, and frozen pork as well as smoked and dried pork. All other pork tariffs will be eliminated in 10-years. Soybean producers will benefit from immediate elimination of both variable levies (up to 150%); and 5% and 20% duties on soybeans, soybean meal and soy-flour. Over time, Columbia will phase out its 24% tariff on refined soy-oil over 5-years and provide an expanding duty-free access for crude soyoil by establishing a 31,200-ton; duty-free TRQ that will grow 4% each year and phase out the existing 24% over-quota tariff over 10-years. The U.S. beef industry will have a much wider access and growing market for premium cuts through establishment of duty-free 2,100-metric ton TRQ that will increase 5% annually; an immediate 37.5% reduction of out-of-quota tariff with the balance of the 80% tariff being phased out over 10-years.

The Panama TPA will immediately eliminate duties on nearly 50% of current U.S. exports which have constrained U.S. agricultural exports to just over \$450-million in 2010. U.S. corn exports will be duty free for corn with a 298,700-ton TRQ (~12-million bushels) and the 40% over quota tariff will be eliminated in 15-years. Pork will gain immediate duty-free access within preferential TRQ for 2,554-metric ton of products including 1,600 tons of fresh and frozen pork cuts, 636-tons of pork fat and bacon, and 318-tons of processed pork. Most of these products faced a tariff of 70%. The TRQ quantities will expand and over-quota tariffs will be eliminated in 15-years. The 10% tariff on pork variety meats will be immediately eliminated. Panama's existing zero-tariff treatment for soybeans, soyoil will be immediately locked in place, as will the 0% tariffs on crude soyoil, while the 20% tariff on refined soyoil will be phased out in 15-years. U.S. beef exports will have a much wider access and growing market for premium cuts through elimination of Panama's 30% duties on those cuts; and acceptance of equivalence of U.S. meat inspection will reduce importation costs.

The largest and most important TPA was the U.S.-South Korea (KORUS). The agreement will immediately eliminate duties on nearly 2/3rds of current U.S. agricultural

exports to Korea and will provide more expansive access to the Korea market for many products that have been highly protected. The U.S. international Trade Commission estimates that annual U.S. agricultural exports will jump by a minimum of \$1.9-billion upon full implementation. U.S. corn for feed are guarantee to enter at 0% duty immediately (Korea is already 3<sup>rd</sup> largest market for feed corn) and a new 93,774-metric ton TRQ is established that will grow to 393,849 tons by year seven. Korean tariffs on 90% of U.S. pork products will be eliminated on or before 1/1/2016. U.S. soybeans will have more significant access to Korea's 300,000-metric ton market for food-quality soybeans with immediate elimination of 5% tariffs and establishment of a duty-free TRQ starting at 10,000-tons for identity-preserved food soybeans. Additionally, soybeans imported for crushing will no longer be subjected to 1% applied tariff; the 5.4% tariffs on crude soyoil will decline over 10-years; the 5.4% tariff assessed to refined soyoil will be phased out in 5 years and the 3% tariff on soy flour and meal that will immediately go to zero. The KORUS agreement provides a 15-year straight-line phase out of the 40% tariff on muscle meats; and a similar 15-year straight-line phase out of the 18% tariff on beef offal and variety meats. U.S. honey exporters will gain a new 200-ton duty-free TRQ.

Iowa		
Principal Agricultural Products and Exports, 2010		
Product	Cash Receipts (2010 calendar year)	Exports (2010 fiscal year)
<b>Total</b>	<b>\$23.2 billion</b>	<b>\$7.0 billion</b>
Feed Grains	\$8.0 billion	\$1.9 billion
Hogs and Pork	\$5.3 billion	\$1.5 billion
Soybeans and Products	\$4.8 billion	\$3.3 billion
Cattle and Beef	\$2.9 billion	\$211 million
	Source: USDA-NASS	Source: USDA-ERS

## Federal No Action Assurance for Air Toxics Regs

On Wednesday, October 19, 2011, the Iowa Department of Natural Resources issued a press release concerning recent action by The United States Environmental Protection Agency (EPA) which issued a No Action Assurance (NAA) letter regarding the air toxics regulations for prepared feeds manufacturing. The regulations at issue are the

National Emissions Standards for Hazardous Air Pollutants (NESHAP): Area Source Standards for Prepared Feeds Manufacturing found at 40 C.F.R. Part 63, Subpart DDDDDDD. This rule requires, among other things, that large prepared feeds facilities with pelleting operations install particulate matter (PM) control devices (cyclones) de-

signed to achieve 95 percent or greater reduction of total PM emissions. Information has been provided to EPA to show existing cyclones used by the industry cannot meet the control efficiency requirement. EPA stated that replacing existing control

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equipment was not the intention of the rule and plans to change the rule with a direct final amendment in December 2011.

**“...regulatory uncertainty for affected facilities...”**

Since the compliance date for this rule is January 5, 2012, and it could take months

to finalize the amendment, EPA issued the NAA to exercise its enforcement discretion to allow existing affected sources to continue to operate without demonstrating that their PM controls are designed to achieve a removal efficiency of 95% or more. The NAA is specific to this one requirement and affected sources must comply with all other requirements in the rule. Please see the [EPA No Action Assurance document](http://www.iowadnr.gov/Portals/idnr/uploads/air/insidednr/neshap/7d_epa_memo.pdf) for more details ([http://www.iowadnr.gov/Portals/idnr/uploads/air/insidednr/neshap/7d\\_epa\\_memo.pdf](http://www.iowadnr.gov/Portals/idnr/uploads/air/insidednr/neshap/7d_epa_memo.pdf)). DNR initially adopted this rule but it was rescinded through Executive Order 72. Re-adopting the rule at this time would result in regulato-

ry uncertainty for affected facilities. Following the EPA amendment, the DNR plans to seek input on re-adopting this NESHAP. For questions please contact Brian Hutchins at [brian.hutchins@dnr.iowa.gov](mailto:brian.hutchins@dnr.iowa.gov) or 515-281-8448.

## Commerce

(Contact Brad Trow at 1-3471.)

### Cyber Security Awareness Month – Protecting Against Social Networking Fraud

The Iowa Insurance Division is warning Iowans about a new scam emerging on the World Wide Web – social networking fraud. This form of fraud is like many other scams of the past, but utilizes websites like Facebook, Twitter, and dating websites to find its victims.

Scam artists are using these websites to quickly establish connections with potential victims and persuade them to make bogus investments. While it may take months for a person to establish a rapport with a potential fraud victim face to face, the use of online social networks provides the con artist with the ability to quickly establish trust and credibility. Because people provide an amazing amount of detailed, personal information on these sites, it is easy for scammers to feign similar interests to lure in their victims.

Iowa's Securities Administrator Jim Mumford said: "Just because someone has 'friended' you online does not mean that person is your friend when it comes to investing. The person behind the profile may be deliberately mimicking your likes and interests to lure you into a scam. A con artist can take advantage of how easily people share background and personal information online by using this information

to make a highly targeted pitch to 'friends' within social group".

The Insurance Division and the North American Securities Administrators Association have put out a list of red flags that should alert a person to the possibility that an online investment option is a scam. These include:

**Promises of High Returns with No Risk** – Many online scams promise investors unreasonably high profits over a short period of time.

**Offshore Operations** – In order to avoid regulators, many scams are headquartered in a foreign country.

**E-Currency sites** – If an investment requires a person to use an e-currency account to transfer money, there is reason to be concerned. These sites may not be regulated and thus make it easier for scam artists to cover up their activities.

**"Recruit Your Friends"** – Many times an online investment scam offers bonuses if people recruit their friends to also participate.



**Websites with Little or No Information** – Anyone can put together a website today. If an investment website looks professional but offers very little or no information about the company's management, location, or investment details - it's probably a scam.

**No written information** – Online investment scam perpetrators quite often fail to provide a potential investor with a prospectus or other written information laying out the risks of the proposed investment and how a person could get their money out.

## Economic Growth

(Contact Louis Vander Streek 1-3626.)

### State-Federal Economic Development Discussion

A day of state-federal discussions took place at the Capitol on October 18. The Economic Development, Low Cost Energy, and Infrastructure Discussion was attended on behalf of the state by Debi Durham of the Iowa Economic Development Authority, Libby Jacobs of the Iowa Utilities Board, Teresa Wahlert of Iowa Workforce Development, Paul Trombino of the Iowa Department of Transportation, and Dave Jamison of the Iowa Finance Authority. Representatives of the Iowa's federal delegation were also in attendance to listen to the panel and ask questions.

The state panel listed a number of recurring themes as to what the federal government can do to improve economic development in Iowa. First, members of the panel called for providing assurance to certain markets and investors by making specific tax cuts permanent. Especially noted were the Research and Development tax credits as well as an extension of production tax credits that aid the wind energy market. Another consistent request from the state was for a decrease in regulations. Federal regulations often are not applied across 50 states with unique geographical and business climates in a manner that is very effective. What may

work in Oregon may not work effectively in Iowa. These regulations have a direct impact on economic development in relation to business creation/expansion and energy prices. Lastly, a theme also arose that stressed the need of a state to be innovative with federal dollars. Many times the federal government will give state government money, but will have many strings attached as to how a state agency may use the dollars. Instead, the panel suggested easing these burdensome rules and allowing the state to more efficiently use the money in ways that made sense in Iowa.

## Education

(Contact Jason Chapman at 1-3015.)

### Education Reform Town Hall Meetings

The Governor's office released a schedule of 10 more town hall meetings focused on their education reform package. The total, since the plan's rollout on October 3, is now up to 17 with more expected in the coming months.

The meetings are open to the public and are a great place to listen to the plan and voice any concerns or comments. It's also a great place to listen to the concerns and comments of the citizens in that district.

The meeting times and locations are as follows:

#### Monday, October 24, 2011

11 a.m. Hampton-Dumont High School, Hampton, IA  
2 p.m. Garner-Hayfield High School, Garner, IA  
3:45 p.m. Clarion Goldfield High School, Clarion, IA

#### Tuesday, October 25, 2011

9:30 a.m. Central Decatur Middle School/High School, Leon, IA  
11 a.m. Mt. Ayr High School, Mt. Ayr, IA  
1:30 p.m. Bedford Community High

School, Bedford, IA  
3 p.m. Clarinda High School, Clarinda, IA  
5:30 p.m. The Wilson Performing Arts Center, Red Oak, IA

#### Wednesday, October 26, 2011

9 a.m. Creston High School, Creston, IA  
11 a.m. Nodaway Valley Community School District, Greenfield, IA

### Iowa to Seek NCLB Waiver

The Iowa Department of Education this week officially notified the US Department of Education that it will seek a waiver for certain portions of the No Child Left Behind (NCLB). In early August, President Obama announced the waiver opportunity for states looking for relief from NCLB's upcoming deadlines.

Following this announcement, the President laid out a process in late September under which the USDE will grant states waivers. The process involves outlining the state's plan to implement reform measures. And states are required to submit their plan by

either November 14, 2011, mid-February 2012, or following the 2011/12 school year.

Director Glass stated that it is his intention to join the group of states who will be submitting their plans to the USDE in February. This will presumably give the governor's office time to flesh out their education reform package details, which will likely come into play in meeting the USDE's waiver requirements.

It will also allow for more time to see what comes of the recently unveiled draft of comprehensive legislation to reauthorize the

Elementary and Secondary Education Act (ESEA), of which NCLB is a part. This is the law that authorizes federally funded education programs administered by the states. The bipartisan draft was released by Sen. Harkin as well as Sen. Mike Enzi of Wyoming this week.

The three provision of NCLB that will be waived are:

2013-2014 Timeline for Achieving 100 Percent Proficiency: This provision re-

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quires 100% proficiency on standardized tests in math and reading by 2014.

District and School Improvement and Accountability Requirements: States, districts, and schools will receive relief from a system that over-identifies schools as “failing” and prescribes a “one size fits all” approach to interventions.

Stringent Use of Federal Education Funds: States, districts, and schools will gain increased flexibility to use several funding streams in ways they determine best meets their needs, and rural districts will have additional flexibility in using their funds.

In order to receive a waiver from those provisions, the USDE is requiring three additional steps:

Transitioning to College- and Career-Ready Standards and Assessments: A state must have already adopted college- and career-ready standards in reading/language arts and mathematics designed to raise the achievement of all students, including English Learners and students with disabilities.

Developing Systems of Differentiated Recognition, Accountability, and Support: Establish a system that gives credit for progress towards college- and career-readiness. The system must be designed to recognize the achievement of schools, rewarding the highest-achieving schools developing strategies to help schools that are struggling.

Evaluating and Supporting Teacher and Principal Effectiveness: Set basic guidelines for teacher and principal

evaluation and support systems, using input from teachers and principals, that will assess their performance based on multiple valid measures.

The required elements are contained in the governor’s education plan in some form or another.

As of October 19 there are 41 states that have submitted letters expressing their intent to apply for the waiver. 17 states have indicated they will apply under the November deadline, 22 states have indicated they will apply under the February, 2012 deadline, and 2 states did not specify a deadline. No state has officially announced they will not seek a waiver.

## Environmental Protection

(Contact Lew Olson at 1-3096.)

### DNR Holds Open House for Septic and Sewage Haulers

On Thursday, October 13, 2011, the Iowa Department of Natural Resources (DNR) issued a press release that urged anyone interested in state rules that affect private sewage disposal systems or commercial septic tank cleaners to attend an open house October 25, 2011 in Des Moines. The DNR open forum will provide an opportunity to ask questions and learn about proposed changes. New options for on-farm disposal of food processing wastes will be added to current rules for commercial septic

tank cleaners. The proposed rule change

**“...cheese or wine making.”**

results from legislation passed this year (Senate File 321). The proposal would affect wastes created during small-scale food production on the farm such as those generated by cheese or wine making. While no major rule changes are proposed that affect private sewage disposal, the updated rules

would incorporate law changes made in 2010. The minor changes would affect inspections conducted when real estate is transferred. The open house is from 1 to 3 p.m. in the third floor conference room of the Wallace State Office Building, 502 E. Ninth Street, Des Moines.

### DNR Announces EPA's Combustion Portal Website

On Monday, October 10, 2011, the Iowa Department of Natural Resources (DNR) issued a press release that announced that the U.S. Environmental Protection Agency (EPA) had launched an EPA sponsored Combustion Portal. The new portal, <http://www.combustionportal.org/>, was developed in collaboration with the National Center for Manufacturing Sciences and EPA. The portal provides federal and state compliance and pollution prevention information regarding: boilers; incinerators; hazardous waste combustion units, stationary reciprocating internal combustion engines (RICE); and wood heating appliances. For the first time, regulated entities have easy access to potential air, water and waste regulatory impacts affecting their combustion activities, including New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants, indirect and direct water discharges, and Spill Prevention, Control and Counter Measures. In addition, combustion calculators are available to help estimate emissions and rule requirements. Lastly, the Combustion Portal provides links

to help regulated entities reduce the quantity of pollution generated.

## Touts Grants Available to Reduce Diesel Emissions from School Bus Fleets

On Thursday, October 6, 2011, the Iowa Department of Natural Resources (DNR) issued a press release announcing that Iowa school districts are being offered two opportunities to reduce diesel emissions from their school bus fleets. The opportunity comes from a grant received by the DNR through the Diesel Emissions Reduction Act from the U.S. Environmental Protection Agency (EPA). The [Bus Emissions Education Program](#), known as BEEP, is assisting with grant publicity and other roles in grant administration. One opportunity is to receive a maximum reimbursement of \$38,000 to replace a bus with a pre-1994 diesel engine in regular use with a new 2011 school bus with an EPA-certified 2010, or newer, diesel engine. School districts will be required to provide a minimum of \$43,000 for the new bus and must also agree to install a combination of up to 20



closed crankcase ventilation systems and diesel oxidation catalysts on fleet buses with pre-2004 engines that will be fully reimbursed. The other opportunity is full reimbursement of the purchase and installation of up to 20 closed crankcase ventilation systems and diesel oxidation catalysts on fleet buses with pre-2004 engines. Applica-

tions are due December 6, 2011. Grant awards are expected to be announced January 24, 2012, pending approval by the Iowa Environmental Protection Commission.

The main objective of BEEP is to reduce childhood exposure to harmful diesel exhaust. Its objective is to reduce emissions in school bus fleets. BEEP was created through the collaborative effort of the School Administrators of Iowa, the Iowa Association of School Boards, DNR, the Iowa Department of Education, and the Iowa Pupil Transportation Association. More information about this grant and BEEP, including the grant application booklet, is available at [www.iowadnr.gov/Environment/AirQuality/BEEPSchoolBusEmissGrants.aspx](http://www.iowadnr.gov/Environment/AirQuality/BEEPSchoolBusEmissGrants.aspx).

## More Opportunities for Iowa Electronic Waste Disposal

On Thursday, October 6, 2011, the Iowa Department of Natural Resources (DNR) issued a press release informing Iowans that they now have more than 150 locations to take obsolete or unwanted electronic products to be properly recycled, making recycling more convenient than ever.

Products that are eligible for recycling include:

- ✦ Televisions and computer monitors
- ✦ Computers and computer peripherals (e.g., monitors and keyboards)
- ✦ Audio and stereo equipment
- ✦ VCRs and DVD players
- ✦ Video cameras
- ✦ Telephones, cellular phones and other

wireless devices

- ✦ Fax and copy machines

Video game consoles

Recent changes in state law allowed the DNR to streamline the process for recycling electronic waste, increasing the number of e-waste facilities and registered cathode ray tube (CRT) collectors that can accept electronic products. As consumers in Iowa continue to upgrade or replace their electronics with newer products and devices, the potential for e-waste ending up in landfills increases.

Other options for electronics devices that have not reached the end of their useful life include:

- ✦ **Donate and Reuse**
- ✦ **Repair, Refurbish or Upgrade**

- ✦ **Sell or Trade**

✦ **Buy-Back Programs** - Several major electronics manufacturers and retailers will give you credit toward a new purchase for turning in your old one.

**Local Collection Events** - Also, many cities and organizations hold collection events throughout the year.

To protect your privacy, always remove all data from a computer or other storing device before recycling, donating, selling or recycling. Also check the facility's background for any violation and confirm they have been resolved. For a list of Iowa e-waste and CRT collectors and recyclers or more information about e-waste recycling or to obtain a permit or registration: [www.iowadnr.gov/Environment/LandStewardship/WasteManagement/Residential/Recycling/Ewaste](http://www.iowadnr.gov/Environment/LandStewardship/WasteManagement/Residential/Recycling/Ewaste)

## Human Resources

(Contact Brad Trow at 1-3471.)

## CLASS Act Put on Hold by Obama Administration

The U.S. Department of Health and Human Services announced last Friday that it was suspending work on a critical component of the federal health care reform law enacted last year. The Department's action also re-

opened discussion of the soundness of the fiscal projections used by the Obama administration and Congress in implementing the law.

The Patient Protection and Affordable Care Act included a number of pet projects and bills of Democrat members of Congress. Maybe the biggest of these was the Com-

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munity Living Assistance Services and Supports program, better known as CLASS. The program was one of the last pieces of legislation advocated by Senator Ted Kennedy. CLASS was a voluntary long-term care insurance program that would have been run by the federal government. Americans that chose to pay a monthly premium would have been entitled to a \$50 per day benefit for long-term care services.

As the Senate debated the bill in committee, former New Hampshire senator Judd Gregg was able to insert language that required HHS to verify that CLASS was actuarially sound for at least 75 years before implementing the program. This requirement was adopted unanimously by the Health, Education, Labor, and Pensions committee and stayed in the bill when the full Senate passed the bill on Christmas Eve in 2009.

While supporters of the CLASS Act viewed this certification as a mere formality, the more outsiders looked at the proposal more questions started to arise. The critical point of the program was the fact that participation was voluntary. Since people could choose whether or not to participate, the number of younger workers paying the monthly premium became a critical factor. Most studying the program believed that many Americans would simply choose to not participate, leaving those needing the care as the only ones funding the program.

After months of work to make CLASS work within the congressional requirements, HHS finally admitted what many had already determined – CLASS could not work. In its report to Congress, HHS projected that the monthly premium necessary to make CLASS financially viable could be as much as \$3000 per person. With a premium that high, the chances of getting younger Americans to sign up for a coverage that they

would not feel necessary were very slim.

While CLASS supporters and groups like AARP continue to push for revisions to the program, others view the downfall of this program as a signal that there may be more trouble within the health care reform law. One of the reasons that CLASS was included is that would have provided \$86 billion in “savings” through premium payments. Questions are now being raised about many of the other cost projections used by the Democrat-led Congress in adopting the law. Another revenue producer under the bill was the fake-bake tax. That excise tax on indoor tanning facilities is generating less than a third of the money Congress believed it would bring in.

As many of the more expensive provisions of the bill line up for implementation, Americans are again asking one simple question about President Obama’s biggest legislative victory – Can we afford this?

## Judiciary

(Contact: Amanda Freel, 1-5230)

### Iowa Court of Appeals Celebrates 35th Anniversary

In 1976, the Iowa General Assembly created the Iowa Court of Appeals as an intermediate appellate court. This year marks the Court of Appeals 35<sup>th</sup> anniversary and offers an opportunity for Iowans to gain a better understanding of the role of the Appellate Court in the Iowa judiciary system.



The Iowa Court of Appeals reviews appeals sent to them by the Iowa Supreme Court. The cases originated from various trial court decisions around the state. Decisions made by the Iowa Court of Appeals are final un-

less, in a rare circumstance, the Iowa Supreme Court grants further review. The Appeals court does not include juries, new evidence or witnesses. The court only reviews the written record of the trial to see if any significant legal errors occurred.

Currently there are nine judges on the Court of Appeals. The judges are appointed by the Governor and serve a one year term before their first retention vote. If they are successfully retained, they continue to serve 6 year terms between retention votes. The Chief Judge of the Appeals court is chosen by members of the appeals court and serves a 2 year term as the administrative head of the court. Retirement age for a judge is 72, but several judges have gone on to serve on senior status after reaching this age.

In 2010, the Iowa Supreme Court trans-

ferred 1,000 cases to the Court of Appeals. 969 of these cases were decided by written opinion. According to the Iowa State Bar Association’s monthly magazine, The Iowa Lawyer, it takes the court approximately 2.4 months from the time a civil case is transferred to the appellate court until a final ruling is issued. In cases of a higher priority, including child custody cases, the turnaround time was 1.4 months.

The Iowa Court of Appeals plays a key role in Iowa’s judicial system. Without their work, cases would be further backlog and justice denied to countless Iowans.



### Workforce Development Field Office Update

It has been nine months since Iowa Workforce Development announced its plans to close some of the state's 55 field offices and replace them with hundreds of Virtual Access Points across the state. According to Workforce Development, there are 261 local access points in publicly accessible buildings. These local access points are on top of the 16 regional one stop offices and 3 satellite offices also in use across Iowa.

These new Virtual Access Points are in locations that include: public libraries, Salvation Army locations, community colleges,

shelters, high schools, and courthouses. At these locations, there is at least one computer with software loaded onto it that allows an individual to use programs and services that IWD provides. There is also telephone support and a live chat function for users in need of assistance. The expanded access that the 261 locations provide also has expanded hours of operation. IWD is available to help from 8 a.m. to 8 p.m. during the week and from 10 a.m. to 2 p.m. on Saturdays. Previously, these hours of operation were limited to staffing levels at the bricks and mortar locations. IWD has

said there are another 142 locations that are working out agreements to become Virtual Access Points as well.

A list of all of the Virtual Access Point locations in operation can be found at: <http://www.iowaworkforce.org/vap.pdf>

### Local Government

### ISAC Updating County Mandate Report

The Iowa Association of Counties (ISAC) is currently working on updating their 2005 published report on county mandates found in Iowa statute. The original report was put together by ISAC staff and found nearly 1,300 mandates placed upon local governments. They were broken down in 37 major activity categories, such as public safety, emergency management, roads, etc. and cover those that are funded, unfunded, and everything in between.

The research was performed by searching for "shall" adjacent to any instances of "county," "political subdivision," or "municipality." Then each entry was ana-

lyzed by ISAC staff. For the update, each entry in the original report is being exam-

***"nearly 1,300 mandates placed upon local governments ..."***

ined to see if it still exists or has been moved. Then legislative summaries over the past several general assemblies are being combed through to see what new mandates have been added.

The original and the updated report do not contain mandates from the federal government, nor were administrative rules or court rulings considered. This is strictly an analysis of Iowa statute.

A draft of the new report is available through ISAC, but the final report is not ready yet. In the meantime, the original report from 2005 is available on ISAC's website at [www.iowacounties.org](http://www.iowacounties.org). It can be found under News, then Publications, then Reports.

It is intended to bring to light all of the requirements placed on local governments

### Public Safety

### Important Fire Safety Reminders

As the temperatures drop and winter gets closer many Iowans turn on their fireplaces and light candles to warm their homes. Unfortunately, no matter how careful you are, sometimes a small warm fire can turn into a dangerous situation with little to no warning. That's why Iowans are being encouraged by the Iowa Department of Public Safety and the State Fire Marshalls Division to have a fire safety plan to "Protect your family from fire."

Installing a working smoke detector in your home is one of the most important things you can do to protect your family from seri-

ous injuries in case of a fire. Firefighters from across the state have been actively involved in programs to encourage installation and proper maintenance of smoke detectors. Each year almost 3,000 people die from residential fires, taking a few moments to check your smoke alarm may save your life.

Checking a smoke detector is quick and easy. Pressing the test button will let you know how loud the alarm is and if it can be heard by everyone in the house. Most homes will require more than one smoke detector to ensure everyone can hear it, no

matter where they are in the house. Additionally, the batteries should be changed at least once a year and many experts suggest changing the batteries twice a year, each time set your clocks for daylight savings time.

In addition to a working smoke detector, you and your family should have a fire safety plan and be sure that every family member knows what to do in case of a fire. Does your child know what to do if the hallway is

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on fire and they can't escape through the door? Is there a central location, outside of the house, the family will meet at in case of a fire? Making a plan and talking with your family can mean the difference between life and death in some situations.

Taking a few minutes to check your smoke detectors and talk over a fire safety plan with your family may be the most important thing you can do to protect your loved ones as the winter months approach.

## Transportation

(Contact: Kristi Kielhorn, 2-5290.)

### Governor's Citizen Commission Recommends Gas Tax Increase

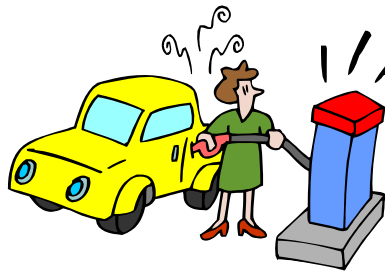
Last week the Governor's Transportation 2020 Citizen's Advisory Commission set forth its recommendations in a report the commission will submit to the Department of Transportation in the next couple of weeks. The commission is comprised of county and city representatives, the former director of the Department of Transportation, and several non-voting legislators. The commission's charge was to find ways to increase funds for public roadways. It is estimated that the critical funding shortfall is about \$215 annually.

The most controversial recommendation set forth by the commission is an across-the-board state fuel tax increase of between eight and ten cents. Currently, the state has a gas tax of 22 cents per gallon—a number that has not changed since 1989. One cent of that tax goes toward the cleaning of leaking underground storage tanks, and the remaining 21 cents is used for road work. Another recommendation by the commission is an increase in the "fee for new registration" from five percent to six percent. This fee increase combined with the increase in fuel tax would raise about \$280 million annually to fund road repairs.

The commission also recommends that the Department of Transportation study and make recommendations to the legislature regarding alternatively fueled vehicles, hybrids, and other high efficiency cars that

pay no or limited fuel tax. The recommendation will include a funding mechanism or user fee that requires these vehicles to pay for their share of the use of Iowa's road

**"...fuel tax increase of between eight and ten cents"**



system. The commission stated that the funding resulting from their recommendations should first go to Time-21 (up to the cap) and then be distributed according to the Road Use Tax Fund distribution formula.

The commission also made some recommendations not related to funding in the immediate future. It asked that the Department of Transportation review the funding levels of the Road Use Tax Fund and the

needs of Iowa's roadways every two years to coincide with the biennial budget. Currently, the Iowa Code requires this study be done every five years. It also recommended that the Department of Transportation hold meetings with the cities and counties to assess and identify possible ways to increase efficiency and reduce administrative costs of maintaining and constructing roads, leaving more money for actual road improvements.

One final recommendation made by the commission asked the Department to study vehicles and equipment that utilize Iowa's road system, but currently pay little or no user fees. The Department of Transportation should recommend how to modify user fees across all vehicles that use the roads so that they are equitable. The commission's recommendations are currently being drafted into a final report that will likely be voted on at their October 26 meeting. That report will then be submitted to the Department of Transportation who will decide which recommendations to pursue in 2012. The Governor has publically stated that he wants to study the recommendations before taking an official position.

## Veterans Affairs

(Contact: Jill Jennings, 1-3440.)

### Subcommittee Regarding Job Seeking Veteran's Roadblocks

In Waterloo on Monday a field hearing of the House Veterans Affairs subcommittee on economic opportunity focused on two major issues affecting jobless veterans: articulating military experience to civilian employers, and giving employers an incentive to hire veterans.

The Department of Labor reported that the unemployment rate of 18- to 24-year-old veterans last year was 20.9 percent, about twice the overall unemployment rate.

Indiana Rep. Marlin Stutzman, a Republican who chairs the subcommittee, visited

the Waterloo Community Schools Education Service Center to hear from soldiers and representatives from some of the state's largest employers.

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Two Iowa National Guard members, Sgt. Nathan Rose of Mount Pleasant and Capt. Aaron Robinson of Des Moines, emphasized that while programs are available to soldiers, few were able to help them translate how their military experience could easily be valuable skills in the civilian work force.

Representatives from major Iowa companies, including John Deere, Principal Financial Group and Rockwell Collins, emphasized commitments to hire vets but also called for extensions of current incentives. Stacey May, a manager at Dubuque's Honkamp Krueger & Co., spoke on the

Work Opportunity Tax Credit program, which rewards businesses for hiring groups of people who often face employment challenges, including veterans and the disabled.

***"...twice the overall unemployment rate."***

May called for the program to be made permanent and to be expanded with a new target group specific to unemployed veterans, and with a bigger tax break for employers.

After the hearing, Stacy Litchfield, a regional manager at Deere said that they do have

a number of openings and asked that veterans do send over their resumes to her litchfieldstacy@johndeere.com.

\*Some additional businesses and entities that have been helping Veterans in Iowa are: Iowa WORKS, Kirkwood Community College, the Employer Support of the Guard and Reserve, Kaplan University, the Employers' Council of Iowa, and ITT Technical Institute.

## Ways and Means

( Contact: Dustin Blythe, 1-3452.)

### Common Sense TIF Reforms

In light of the recent actions by the City of Coralville to use TIF (Tax Increment Financing) to move an existing business (Von Maur) from Iowa City to Coralville, questions have been raised. Among them, is the proper use of TIF? Cities using TIF to poach existing businesses from one another, especially neighboring cities, is not sustainable, violates the spirit of the law and hurts schools.

Taking existing businesses that are paying property taxes to support the local schools, city and counties they reside in, then moving them and taking them off the property tax rolls by using TIF to finance the move hurts all Iowa taxpayers. As the use of TIF has expanded, the state school aid backfill

for education has grown from \$5 million in 1992 to \$45 million in 2010.

Some of the common sense TIF reforms that may be examined are:

TIF should only be used on tax-producing properties. Using TIF to build fire houses, libraries or courthouses does not increase the local tax paying base.

- The Legislature could set limits of total property tax valuations allowed for TIF purposes within a city or county.

All TIF areas shall expire after a specified period of time, say 10 years. Some TIF areas have no sunset dates. If the TIF never

ends, the very reason for the TIF from a public purpose standpoint is never delivered to the local taxpayer.

The entity providing the TIF should not be allowed to alter the boundary during the duration of the TIF. This is what precisely happened with the Coralville example. While "technically" legal, clearly violated the spirit of the TIF statute.

While local economic development officials tout the benefits of TIF, it is important not to lose sight of making Iowa's overall tax and regulatory climate simpler and fairer as a way to attract business.