



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

- Abraham Lincoln

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Republican Message Points

Inside this issue:

Republican Health Care Initiatives

Patient’s Right to Know Act

Iowa Republicans propose legislation to establish a statewide information hub that brings together both cost and outcome quality data in a searchable format for online consumers. Cost and quality transparency will empower consumers to make better health care decisions in a way that maximizes quality while minimizing cost.

Low Cost Catastrophic Plans for Those Under 30

There are 106,000 Iowans in this age group who do not have health insurance and account for roughly half of all the uninsured in the entire state. Iowa Republicans propose legislation that will encourage the development of low cost catastrophic insurance products that will provide base care for younger Iowans and limit the amount of uncompensated care that results when uninsured young Iowans need medical treatment.

Medical Malpractice Reform

No serious attempt at reducing rising health care and insurance costs can move forward without an honest attempt to address the issue of medical malpractice and tort reform. Iowa Republicans have continually championed the need to pass legislation that raises the burden of proof on medical malpractice claims and places reasonable limits on payment for damages.

Expand Health Insurance Tax Deductibility to Individuals and Small Business

With a significant portion of our population now working for small businesses or forth themselves, Iowa Republicans believe all businesses and individuals, be they subchapter S corporations, limited liability companies, partnerships or sole proprietors should have the opportunity

to deduct health care costs.

Prevention Credits: Putting a Premium on Wellness

Iowa Republicans propose legislation to require insurers to offer “prevention credits” to individuals and businesses that can be used to reduce health insurance rates for those individuals and businesses that demonstrate, through measurable periodic screening practices, a commitment to wellness and prevention.

No Pre-Existing Exclusions when Changing Plans with the same Insurance Provider

Iowa Republicans propose legislation that prohibits the denial of coverage or the imposition of coverage riders due to pre-existing conditions when an insured Iowan moves from one plan to another plan offered by the same insurance company.

Budget

- House Republicans will not vote for a budget that spends more than the state receives in revenue.
• The Democrats’ targets give the public an incomplete picture of the Democrats’ spending plan. However, based on the information available, it appears that legislative Democrats plan to carry forward Gov. Culver’s property tax increases.
• House Republicans will not support a budget that spends more money than the state takes in. Republicans have outlined over \$600 million in cost-savings during the last two years. We will continue to fight for limited government and responsible budgeting as the bills move through the process.
• Legislative Democrats claim they are

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making \$260 million in spending reductions, yet the spending graph they distributed with the targets clearly shows that their budget spends the same amount as it did last year - \$5.4 billion in FY 10 and \$5.4 billion in FY 11.

Republican Family Budget Initiatives

Constitutional Limit on State Spending

- Iowa's current 99% spending limitation is not working. Democrats authorized nearly 70 loopholes in the current law to allow their outrageous spending increases. The law needs to be added to the Constitution.
- Iowa families must live within their means – Iowa state government should be no different.

Supermajority Vote on New State Debt

- In 2009 Gov. Culver and legislative Democrats approved legislation that puts Iowans on the hook for \$1.7 billion in debt.
- Statewide polling showed that 70% of Iowans opposed the debt scheme.
- A 2/3 supermajority of both houses of the legislature is needed to authorize new state borrowing.
- A 60% vote is required at the local level to ensure widespread support. The same should apply in the Legislature.

Sunset Authorization of Every State Program

- There should be a systematic process wherein EVERY program funded by state government will be sunset (deauthorized) by a date certain unless the Governor and the Legislature reau-

thorize that program.

- This forces a top to bottom review of every existing program funded by state government to determine whether the program is effectively and efficiently meeting the needs for which it was created, or if the need even continues to exist. Programs no longer needed should be eliminated and those resources should be diverted to other priorities.

House Republican Spending Reductions 2009-2010

2009

- Eliminate "phantom employees" – funded, unfilled FTE positions—\$25,000,000
- Do the "Principal Plan" – require the Governor to negotiate a pay reduction for all employees – sliding scale of 2% cut for \$40K to 10% cut for over \$100K – apply to all non-union, all branches—\$72,500,000
- Charge state employees a monthly fee for health insurance premiums – HAWK-I pays \$10 per month, charge state employees \$50 per month for health insurance—\$17,800,000
- Sell the vehicle fleet, outsource vehicle leasing – one-time infusion due to sale, ongoing savings of \$18 million minus the money for leasing vehicles—\$34,00,000
- Reduce office supplies, service contracts, equipment purchases—\$10,000,000
- Combine all state information technology systems including combining the 6 different email systems—\$20,000,000
- Sell or lease the ICN—\$15,000,000
- Reduce funding for Library acquisitions at Regents by 50%—\$13,500,000
- No DNR land acquisition for FY 2010—\$5,000,000
- Freeze out of state travel (allow a waiver process via Executive Council for critical functions)—\$1,500,000
- Eliminate "extras" on existing state vehi-

cle purchases including bug shields, stereos, GPS systems and other add-ons—\$87,000

- Archiving Governor's Records – reduce by 50%—\$39,000
- Eliminate Washington, DC Internship (seek private funding)—\$90,000
- Eliminate miscellaneous expenses for DOT garage in Rockwell City—\$78,000
- Eliminate charter flights by members of the DOT Commission—\$17,000
- End printing of annual reports – require them to be emailed—*
- Suspend per diem for ex officio members on boards & commissions—*
- Require all employees to turn in receipts for meal expenses—*

* Spending reduction amount undetermined

2010

- Eliminate Power Fund and Office of Energy Independence—\$25,000,000
- Eliminate the RIO office, give responsibilities to Homeland Security—\$1,000,000
- Eliminate taxpayer funded lobbyists—\$4,000,000
- Cancel all Regents sabbaticals for FY 2011—\$6,000,000
- End all state benefits to illegal immigrant adults—\$92,300,000
- Shift voluntary preschool responsibilities to Empowerment—\$45,000,00
- Combine administrative functions at Regents universities—\$62,000,000
- Eliminate funding for empty shelter care beds—\$2,000,000
- Delay implementation of core curriculum for one year—\$10,500,000
- Eliminate family planning waiver—\$2,000,000
- Sell and completely privatize the state vehicle fleet—\$18,000,000
- Sell or lease the ICN—\$15,000,000
- Cut funding office supplies, service contracts, equipment purchases—\$5,000,000
- Eliminate the Just Eliminate Lies program—\$2,250,000

Appropriations

(Contact Lon Anderson at 1-5184.)

General Fund Revenue Slightly Above REC Estimate

On Monday, March 1, Fiscal Services Division released the general fund revenue

numbers for the first 8 months of FY 2010. Net revenue through February was slightly

above the REC estimate for FY 2010.

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Net revenue was down \$292.4 million or -7.5 percent compared to FY 2009. A timing issue caused \$32 million of revenue to be shifted into March. When this is factored in, net revenue was -6.5 percent compared to FY 2010. This is above the REC estimate of -8.5 percent compared to FY 2009.

Through February, personal income tax revenue was down 4.4 percent, compared to the REC estimate of 3.6 percent. While income tax withholding is only down 1.1 percent, payment of estimated taxes is down 21.2 percent and payments with returns are down 17.7 percent. This suggests that tax refunds will be up dramatically as taxpayers file taxes due on April 30.

Total sales and use tax revenue decreased by 3.9 percent compared to FY 2009. This is above the REC estimate of 5.3 percent. Corporate income tax revenue is down 14.7 percent year-to-date, compared to the REC estimate of 18.1 percent. Corporate income tax revenue in February was up 49.6 percent compared to February 2009 but that was a historically low month so a

relatively small increase of \$6.4 million correlated into a large percentage increase. Still this is a good sign if the trend continues.

“Sin taxes had a strong month...”

Sin taxes had a strong month as cigarette taxes (up 3.4 percent), tobacco taxes (up 23.3 percent) and liquor profits (up 40 percent) all showed strong gains.

The next meeting of the Revenue Estimating Conference is scheduled for Thursday, March 11 at 1:30.

According to Fiscal Services, adjusting \$32 million of receipts into February due to a timing issue, year-to-date revenue is -6.5 percent, or 2 percentage points higher than the estimate of -8.5 percent. It is hoped that the \$110 million cushion will be enough to offset a surge in tax refunds in April and May.

It is not yet known if the REC will lower the estimate. Since revenue is running a little above the estimate, they may just adjust

the tax refund number and leave the revenue estimate at -8.5 percent.

Unfortunately, despite the budget bills beginning to move in both chambers, lowans still do not know how much the Democrats plan to spend on general fund programs. It is estimated that the final FY 2011 spending will approach \$6 billion when the money from the Cash Reserve Fund, remaining stimulus funds and underfunding of Medicaid are included in the total. Until the Democrats authorize LSA to release a general fund balance sheet, there is no way of knowing the exact numbers.

House Republicans will continue to review the Democrats' budget plan to if it does the following:

- The budget does not spend more than the state takes in
- Does not raise taxes, including property taxes
- Proposes real government efficiency and reorganization

In addition, House Republicans will continue to offer budget savings ideas, including the \$290 million in reductions offered on Senate File 2088, the State Government Reorganization bill.

Agriculture

(Contact Lew Olson at 1-3096.)

Ag & DNR Budget Moves Ahead

On Thursday, February 25, 2010, the Joint Budget Subcommittee on Agriculture and Natural Resources passed, on a party-line vote of each chamber, the Ag & DNR budget. The bill that became House Study Bill 733 appropriates \$35.9-million in General Fund monies and 1,621-FTE positions for the Fiscal Year 2011. This is a decrease of \$341,000 and an increase of 19.6-FTE positions compared to net FY-2010 following the Governor's across the board reduction.

The bill also appropriates \$76.2-million in other funds, mostly Fish & Game for \$38.8-million and \$33-million in Environmental First Funds (EFF). The bill omits funding for soil conservation cost share which in

previous years was funded at the \$7-million amount from the EFF, but the majority-party co-chairs said that funding for this function would come from the infrastructure fund.

While the General Fund appropriation amount to the Iowa Department of Agricul-

“The intent of SF 2299 is not to raise additional revenue...”

ture & Lands Stewardship (IDALS) is at the Governor's recommended level of \$18.78-million, the proposed general fund level (\$15.6-million) for the Department of Natural Resources (DNR) is \$367,700 less than

the Governor's mark with the reductions coming from anticipated savings related to office rental expense generated by Executive Order 20 (\$300,000), and \$70,000 for cost-savings from volunteer time donated at State Parks to implement Executive Order 20 (\$70,000). The bill also appropriates \$3.5-million from the General Funds to Iowa State University for Veterinary Diagnostic Laboratory operations, which is at the same FY-2010 adjusted, consolidated amount for 44-FTE positions.

For a third year in a row, the proposed appropriation of Fish & Game funds is at the \$38.79-million amount. However, the proposed EFF appropriation of \$33-million is

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substantially below both last's year's \$40-million amount and the Governor FY-2011 \$35-million recommendation through the omission of funding soil conservation cost-share (\$7-million). The majority party adjusted many of the EFF allocation amounts for IDALS programs from both the FY-2010 levels and the Governor's recommendations.

Major IDALS EEF changes from FY-2010 levels include a reduction of:

- \$1.05-million for Watershed Protection (from \$2.55-million to \$1.5-million);
- -\$250,000 for Ag Drainage Well closure cost-share (from \$1.5-million to \$1.25-million);
- -\$200,000 for Conservation Reserve Program incentives (from \$1.5-million to \$1.3-million);
- a new \$1.75 EFF allocation to IDALS

to support administration and implementation of soil and water conservation programs.

Majority members only fiddled with three DNR EFF funding levels by splitting the difference between the Governor's \$6-million reduction in REAP from FY2010 amounts; providing the same amount of EFF funding parks (\$2.47-million) rather than the \$4-million level proposed by the Governor that includes a projected \$1.5-million for Honey Creek State Resort Bond payment; and agreeing with the Governor to increase the EFF funding for DNR animal feeding operation regulation by \$248,400 (FY-2010-\$360,000 to \$608,400). One new EFF allocation is proposed by the bill and it is for \$250,000 to DNR for park volunteer training.

The bill includes a number of studies, intent language, and one significant substantive

legislative Code change. The bill requires DNR to complete an interim study on public lands under its control that are available for public hunting with a report due to the General Assembly on this matter on January 10, 2011. The bill eliminates both the DNR Law Enforcement Chief and the Assistant Bureau Chief that were recently hired by DNR. The bill extends a provision enacted last year that prohibits ISU from reducing other funding to the Veterinary Diagnostic Laboratory if such a reduction is greater than what is imposed on all other ISU budget units and any unspent moneys for this purpose at the end of the fiscal year would revert to the General fund. The bill includes session law language that declares the intent of the General Assembly that any funds deposited into the REAP fund shall not be used for Honey Creek State Resort bond obligations.

Mississippi River Healthy Watershed Basin Initiative

The significant statutory legislation that is proposed by this bill is the creation of the "Mississippi River Healthy Watershed Basin Initiative (MRBI). Language in the bill creates new definitions for this new program, creates a new 'Mississippi River Basin Healthy Watershed Initiative fund', and gives IDALS authority to use any moneys deposited into the fund to carryout a voluntary program to improve the health of the Mississippi River Basin, including water quality and wildlife habitat. This new program was announced on November 23,

2009 by United States Department of Agriculture (USDA) Secretary Vilsack that 41 watersheds in 12 states (4-watersheds in Iowa; Boone River, Upper Cedar River, Maquoketa River and North Raccoon) will in the next four-years receive \$320-million nationwide in USDA assistance. The funding is for voluntary projects that help producers implement conservation and management practices that prevent, control and trap nutrient runoff from agricultural land that will ease the Gulf of Mexico hypoxia problem and enhance wildlife habitat.

Details of the program were published as notice federal rules in the March 2, 2010 Federal Register page 9380-9388 that can be accessed at (http://www.nrcs.usda.gov/programs/mrbi/files/mrbi_request_for_proposals_federal_register_notice.pdf). The Subcommittee was informed that this language was needed by IDALS to carryout its portion of the state-federal-local partnership envisioned by MRBI.

Commerce

(Contact Brad Trow at 1-3471.)

A Clunker of a Rebate Program

With great fanfare last week, the Office of Energy Independence (OEI) urged Iowans to consider upgrading their home appliances since the Federal government had provided the state with \$2.6 million in stimulus funds for rebates. On Monday morning, Iowans responded. And now, many of them have questions about what happened.

The federal government gave states funding to run rebate programs to encourage

citizens to purchase energy efficient appliances for the home. In Iowa, the Office of Energy Independence was given the responsibility to administer the program. Iowans were eligible to get rebates of up to \$500 on new refrigerators, stoves, dishwashers, clothes washers and dryers, and furnaces.

OEI projected that the funding would last at least two weeks. The Office had contracted with an outside firm to set up a sys-

“OEI boasted that their contractor was more than capable with handling any volume of interest.”

tem whereby Iowans could apply for the rebate over the internet or the phone. OEI boasted that their contractor was more than capable with handling any volume of inter-

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est.

When Monday morning arrived, many Iowans attempted to take advantage of the program. What they discovered was a website that they could not access and jammed phone lines. Some shoppers spent hours trying to get through on the phone, while others kept hitting the refresh button. By the middle of the afternoon, the

Office of Energy Independence declared victory by announcing that all the refund money had already been claimed. Many Iowans were left wondering if they had gotten any rebate at all.

While it took six hours to hand out the money, it will take a lot longer to figure out why things went so quickly and so badly. After the program was closed, Iowans were still being encouraged to buy appliances, on the chance that someone who claimed a

rebate would not file for it and there would be money left over.

Legislators have been swamped with complaints about the failure of OEI's contractor to handle the program. While the Office is now saying they are conducting an investigation of the situation, it is extremely unlikely that they will produce a report any time soon. But it is possible that legislators will force the officials in charge of the rebate program to explain what went wrong.

Economic Growth

(Contact Matt Hinch at 1-3298.)

Private Sector Takes Aim at Democrats

On Wednesday, February 24, 2010, the House Economic Growth Committee concluded its final committee meeting of the session by inviting Iowa businesses to testify on Iowa's business climate. The meeting marked the first time this session the committee engaged in an in depth discussion with the private sector on the struggles facing Iowa businesses as they work to jumpstart the economy and create jobs.

The panelist that participated in the meeting were Flora Schmidt of the Home Builders Association of Iowa and Mark Hanawalt of United Equipment Accessories, Inc. Schmidt is the Executive Officer for a state wide trade association comprised of 2200 small, independent business owners representing the construction, development, supplier and subcontractor industries. Hanawalt is the President and CEO of a manufacturing and distribution firm specializing in products utilized by the wind energy industry and various other sectors.

Ms. Schmidt began the meeting by highlighting the overall challenges facing Iowa businesses. Specifically, she focused on regulatory mandates and the costs associated with complying with regulations adopted by state and local governments. She indicated that whenever a new code or regulation is adopted a substantial investment of time and money is spent in complying with it, and the costs are almost always passed onto the end user. In the homebuilding industry, this means the cost is passed onto the homebuyer and is realized on the price tag of the house.

However, the consequences of these regulations dictate much more than an increase in the cost of a home. Data suggests that every time the price of a house increases by \$5,000, about 21,800 Iowans are unable to afford that house. With less Iowans being able to afford to purchase a house, the demand for building new homes decreases. In Iowa, the construction of 4,000 homes equals approximately 12,300 jobs and generates \$656 million in income for Iowa residents and \$124 million in taxes and other revenue for state and local governments each year. Therefore, burdensome regulations imposed and adopted by government have a negative ripple effect throughout the economy. They increase the housing costs on Iowans, leaving less disposable income which flows through the statewide economy. They make it harder for families to achieve the "American Dream" of homeownership. And, they cost individuals their jobs, contributing further to the state's unemployment line.

"...the state must reorganize its tax code in an effort to reduce taxes across the board."

Ms. Schmidt also highlighted a number of state legislative issues and government hurdles that will increase the cost of doing business on Iowa's employers and further exacerbate Iowa's business climate. The laundry lists encompasses everything from legislation to government employees argu-

ing for regulations and against private businesses. They include too many regulations versus voluntary compliance programs.

Mr. Hanawalt was less detailed in his presentation, but just as effective in getting his point across to committee members. He told a story of how his business started and walked members through the expansion process. He also spoke to the issues he believes will enable him to expand further and create additional jobs.

A member of the committee asked him about the one thing Iowa can do, or not do, to help his business. His answer? "To put it bluntly, get out of my way. I am going to grow with or without you." The message was an echo of the presentation by the previous witness and one that exemplifies the feelings of many Iowa small businesses. Mr. Hanawalt spoke about the need to "leave money in the people's pockets" in other words, keep taxes low. He suggested that if Iowa truly wants to keep existing businesses here and attract new industries, the state must reorganize its tax code in an effort to reduce taxes across the board. He also put emphasis on the importance of predictability in the tax code. Specifically, he said that implementing a long-term business plan is difficult when the state makes a decision to give businesses bonus depreciation in one year and then takes it away in the next.

Representative Doris Kelley asked for his input on a controversial tax increase pro-

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posed last year to eliminate federal deductibility and the effect it would have had on his business. He responded with "It would have increased my taxes, simple. Taking money away that I would otherwise invest in the economy and pay salaries."

Mr. Hanawalt also spoke on other controversial legislative proposals pending in the Iowa House. He said that every time the

state discusses changing Iowa's Right to Work status or implementing prevailing wage laws, economic development directors in Nebraska and South Dakota contact him asking if he is willing to pick up and move his operations to their state. A stark reality legislators must take into consideration when deciding whether or not to support such proposals.

The message of the meeting is consistent with the message of the House Republican

Caucus. In order to turn the economy around and put people back to work, the legislature must focus their efforts on policies that foster a positive economic climate. It is imperative the legislature move away from talking about bills that deter business activity and attempt to balance irresponsible budgets on the backs of Iowa taxpayers. House Republicans remain committed to this strategy and look forward to working with Democrats to pass legislation that helps Iowa employers flourish.

Education

(Contact Ann McCarthy at 1-3015.)

Education Winners and One Big Loser

The Democrats released their Education "spreadsheet" last week and there are "winners" and "losers."

Winners include Iowa's job training, locally owned community colleges. In FY11 the community colleges are rewarded with a new \$4 million for offering Iowans high quality, affordable education.

Iowa's private college students rebound from their double reduction last year with 3.5 percent increase. This means 14,000 students will receive \$1.5 million more than they received this year. Students in the National Guard and All Iowa Opportunity Scholarship programs also get a 3.5 percent boost.

Keeping Iowa in line with federal maintenance of effort is the story behind the 6.7 percent increase in K-12 school food ser-

vice, vocational education and preschool special education.

In a tough budget year you are considered a winner if you break even. Such is the case for the Iowa School for the Deaf and the Iowa Braille and Sight Savings School. While the Democrats overall budget appears to underfund K-12 schools by \$170 million it is good news that the disabled students at these two special schools will keep level funding.

The Regents are the biggest loser in the Democrat's education appropriation target. And the state could lose big too. The Regent's \$18.5 million cut puts them below their 2006 funding level thus jeopardizing Iowa's ARRA funds, which run in the hundreds of millions of dollars. The federal government requires states to fund their education institutions at the least at the

2006 level. The Democrats failed to do this in the budget presented last week.

"The Regents are the biggest loser in the Democrat's education appropriation target."

Chet Culver and legislative Democrats acknowledged the Regents shortfall and its implication. They are budgeting on hope. Hope that the federal government changes their mind about the 2006 funding level. Or hope that Culver can call a special session this summer to correct the deficiency.

With tuition at the universities increasing 6 percent next year the last thing Iowa students need is a summertime surprise.

Environmental Protection

(Contact Lew Olson at 1-3096.)

Green-Clean Mandate Passes

On Monday, March 1, 2010, the House passed House File 823 by a vote of 52-47. The bill requires state and public education buildings to use green-clean building products except for certain pest control and disinfectant cleaning processes. The bill was amended by floor action to include Regent Institutions and community colleges and includes a new provision to allow state and local educational facilities opt out of the 'green-clean' requirement if they do so

by July 1, 2012 for a specified reason and they notify the Department of Education,

"to opt out, a majority of the school board must make an affirmative vote."

the State Board of Regents, or the State Board of Community Colleges. Thereafter, only those entities which have opted out by

this deadline can use non 'green-clean' products in their building. For a school district to opt out, a majority of the school board must make an affirmative vote. HF 823 additionally provides that DAS is required to provide 'green-clean' information on its departmental internet site that can be accessed by the public, along with other web-links on this issue. The measure is now on the Senate calendar attached to its Senate companion Senate File 2335.

Human Resources

(Contact Brad Trow at 1-3471.)

Doomsday Scenario – DHS Projects Massive Layoffs, Reduced Services

While claiming that he was following the “Firemen First” strategy, DHS Director Charles Krogmeier told the Health and Human Services Appropriations Subcommittee last Thursday that their budget proposal for FY 2011 would result in massive layoffs and dramatically reduced services throughout the state and at the 8 DHS institutions.

In his presentation, Krogmeier revealed that the dramatic cut in General Fund moneys, loss of federal stimulus funds, and lack of a salary bill would result in the potential loss of over 850 positions in the Department. According to the Department, the agency will be almost \$30 million short in funding for staff if changes are not made to the proposal.

“The Department’s field operations would take the brunt of the layoffs...”

The Department’s field operations would take the brunt of the layoffs, with the Department projecting that they would have to terminate 516 positions throughout the

state. That would amount to nearly 25 percent of the Department’s workforce in the field.

Krogmeier said that the cuts would result in a dramatic increase in the number of county offices that operate less than full time. Currently, 34 counties have part-time DHS offices. That number could increase by another 30 counties. Among staff positions, the child welfare staff would be hit hardest, as they are projected to lose one-third of their staff from early retirements and budget cuts.

Operations in Des Moines also would be affected. DHS projects that they would lose 23 percent of the personnel within the administrative functions of the Department. One of the major concerns raised by committee members was the potential that the state would not be able to comply with federal laws and regulations, which could result in the further loss of federal funds. DHS institutions would also be impacted. The potential loss of positions would be (in FTEs):

Iowa Juvenile Home (Toledo)—38
State Training School (Eldora)—42.7

Sexual Predator Unit (Cherokee)—31.78
Cherokee Mental Health Institute—32.97
Clarinda MHI—19.35
Independence MHI—55.41
Mount Pleasant MHI—10.02

With the loss of positions, programs would change or be eliminated. At the Iowa Juvenile Home, two of the three units for female juveniles would be closed. At the State Training School, special education services would be eliminated at the school and 18 special needs beds would be closed. At the MHI’s, Cherokee would eliminate 22 adult psych beds and 12 child psych beds. Clarinda MHI would reduce the number of geropsychiatric beds by 15, while Independence would be reduced to one twenty-bed adult psych unit. Mount Pleasant MHI would have the number of beds reduced for both the adult psych unit and the substance abuse unit.

While Director Krogmeier continued to insist that he was not trying to eliminate the most needed positions, it was also clear that the budget decisions made by the majority party of the past three years will have a dramatic impact on the Department of Human Services in the future.

Judiciary

(Contact Tony Phillips at 1-3026.)

As Mark Becker Trial Concludes, Legislature Looks to Prevent Future Tragedy

Before Mark Becker murdered Ed Thomas, his former coach last summer, he used a baseball ball to beat the exterior of a house and lead police on a high speed chase. He was apprehended and the arresting officers determined Becker should be taken to a local hospital to evaluate his mental state.

Following the hospital’s evaluation of Becker, he was discharged. No notice was given to the police department that this dangerous individual, whom they had arrest warrants for, was being released. A day later, Becker would walk into the Parkersburg High School weight room and

murder Coach Thomas.

With the possibility of a verdict coming down at any moment, members of the Thomas family came to the Capitol earlier this week to promote a bill to prevent a similar situation from happening. The fix they seek is a relatively simple one that would enable an arresting officer to provide a form to the hospital at the time an individual is turned over for evaluation. That form would then place a requirement upon the hospital to notify the arresting agency before the individual is discharged.

“That form would then place a requirement upon the hospital to notify the arresting agency before the individual is discharged.”

The hospital’s notification will give law enforcement the opportunity to be there to take that individual back into custody to face charges. Current law allows for a very similar process that requires an officer to

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acquire a court order from a magistrate. There are shortcomings to such a system, and creating a form for the officer to hand the hospital is seen as a way to put the responsibility in the hands of those directly

involved and simplify the process at the same time.

The Senate originally attempted to address this issue in SF 2352. After reviewing it however, all parties agree that it can be improved. An amendment is expected to be

adopted to SF 2352 in the House Judiciary committee this week. Members of the House have worked closely with the Thomas family to provide a simple fix that should help law enforcement and increase public safety.

Labor

(Contact Lon Anderson at 1-5184.)

House Approves Non-Controversial Chapter 20 Changes

On February 25, the House approved House File 2485, which contains the non-controversial, agreed-to changes to Chapter 20. This is the bill that was supposed to be approved in 2008 before it was hijacked by the unions. They added open scope negotiations to it and the Governor eventually vetoed it.

Among the items in the bill are the elimination of fact finders, removal of redundant language, correction of typographical errors, and elimination of outdated language.

The bill provides that parties utilizing a cooperative alternative bargaining process may exchange their initial interest statements in lieu of an initial bargaining posi-

tion during bargaining. The modernizes Chapter 20 to recognize that some parties utilize interest-based bargaining, instead of positional bargaining. This would help eliminate stacking the offers with "giveaways", or items one side knows it is only putting in the offer for the sole purpose of giving it up later to keep something else.

The floor manager of the bill gave a commitment to the ranking member that if the Senate adds open scope or other nefarious provisions, she will personally kill the bill when it returns on the bounce.

The bill was approved on a unanimous vote. The Senate Business and Labor Relations Committee approved the bill on

Wednesday, March 3 and the bill now awaits debate in the full Senate.

"House Republicans will keep a close eye on the bill to make sure that it remains a non-con..."

House Republicans will keep a close eye on the bill to make sure that it remains a non-con, agreed-to bill and union-backed provisions like open scope negotiations aren't slipped in during the dead of night.

Labor Committee Approves Regulation of MMA Contests

On February 25, the House Labor Committee unanimously approved Senate File 2286, which places the regulation of amateur and professional mixed martial arts (MMA) matches and events under the authority of the labor commissioner. The labor commissioner already oversees boxing and wrestling matches.

The bill creates new definitions for the following terms: Mixed martial arts match, official, participant, promoter. Mixed martial arts match means a professional or amateur mixed martial arts match or event that is open to the public with payment of an admission fee or if a donation is requested from those in attendance.

"Official" means a person who is employed as a referee, judge, timekeeper, or match physician for a match or event covered by this chapter. "Participant" means a person

involved in a match or event covered by this chapter and includes contestants, seconds, managers, and similar event personnel. A "promoter" means someone organizes, advertises, or otherwise conducts a mixed martial arts match.

The bill requires that a person shall not promote a mixed martial arts match without first obtaining a license from the Labor Commissioner and requires the promoter of a mixed martial arts match shall be responsible for the conduct of all officials and participants.

It allows the Commissioner to suspend the license of contestant if the contestant fails a pre-fight physical or cannot produce proof of being at least 18. The bill also allows the license suspension of a promoter or contestant that violates the rules adopted pursuant to Chapter 90A.7. The bill re-

quires the promoter to file a report within 20 days after the event. The report shall include number of tickets sold, amount of gross admission proceeds and other items the Commissioner may require by rule.

The bill outlines the criteria which allows the Commissioner to issue a cease and desist order against a promoter of a mixed martial arts match or event. Also provides for a civil penalty for violating the rules of this Chapter. The money from the penalties shall be deposited into the general fund.

Finally, the bill requires that a mixed martial arts contestant be at least 18 years of age.

The bill goes to the House floor for full debate.

Local Government

(Contact Ann McCarthy at 1-3015.)

SMART Planning Bill Draws Serious Concerns

Now that the intensity of the 2008 flood is over the RIO office is turning its attention to statewide planning.

Senate File 2265 is a RIO bill creating a permanent 31 member comprehensive planning task force. The bill also codifies "SMART" comprehensive planning principles for state, regional, county and city planning.

The "SMART" planning is a project management tool developed by psychologists as a tool to help set and reach goals. This model features goal setting that is specific, measurable, attainable, relevant and time-bound.

Concerns about this RIO bill are mounting. Is now the time to create a 31 member permanent task force? Also the language in the bill creates an obligation for local governments to consider SMART planning principles that happen to include a good deal of code words tossed around by environmen-

talists. The local governments may choose not to follow the principles in the Code but they must consider them.

The need for the legislation is being called into question given the planning already underway in many communities and through the existing regional COGs.

Consider for yourself the merits of the bill. SF 2265 does four things:

1. Puts in Iowa law 10 "SMART" planning principles that the state, local governments and other public entities "shall consider and may apply" when deliberating planning, zoning, development and resource management decisions.
2. Puts in Iowa law planning guidelines that cities and counties "shall consider and may apply"
3. Puts in Iowa's zoning laws for cities, counties and airports language saying that their planning "shall be made with consideration of the SMART planning

principles

4. Creates a new 31 member task force staffed by the RIO office and the department of management. The task force members are not compensated or reimbursed for expenses. The task force "develops recommendations for administration of a state comprehensive plan." The task force also:

- Develops a model regional comprehensive plan;
- Creates a centralized electronic storage location for all city and county comprehensive plan
- Provides and administers technical and financial assistance for state a local comprehensive planning.

Task Force recommendations are due to the Governor and General Assembly by November 15, 2010.

Natural Resources

(Contact Lew Olson at 1-3096.)

Boating Events On-Line

On Tuesday, March 2, 2010, the Iowa Department of Natural Resources issued a press release which announced its special events application system will begin accepting boating and water/ice events on March 8, 2010. The new system is designed to improve the efficiency and accuracy for scheduling special events on state land and water. Public waters in Iowa host around 170 events each year. DNR requires that event hosts must submit an application 30 days prior to the event. The new special events system will process all events within 30 days, and will notify the

"Public waters in Iowa host around 170 events each year."

applicant of a potential scheduling conflict, if there is a confirmed event for the same resource. Beginning July 1, 2010, a non-refundable \$25 application fee will be required.

The application and calendar for these events is available at www.iowadnr.gov.

Individuals filling out an application for the first time will need to create a user account. A tutorial is available under the FAQ link. The new system is designed to handle all special events for public lands. The system does not handle state park facility rentals. Currently, the special events application system is handling all fishing tournaments, fishing clinics, bird dog field trials and snowmobile events. State park special event applications will likely be added later this spring. Off-highway vehicles (OHV) event applications will also be available later this spring.

Rebuild Iowa

(Contact Tony Phillips at 1-3026.)

Bill Raises Concerns Of Overregulation

You would be hard pressed to find someone who wouldn't want to prevent another disaster like that of the 2008 flood. The

legislature continues to explore options for reducing our risk to future floods. That is the impetus behind Senate File 2316. Un-

fortunately, concerns of overreaching government have lead to widespread concerns

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over a number of provisions of the bill.

SF 2316 requires the Department of Natural Resources to develop best practices for storm water management and a model ordinance for the 500 year flood plain by the end of this year. The storm water management guidelines would be imposed on the cities and counties by July 1, 2011. The bill does not set a date for the 500 year flood plain ordinance, but once developed, it may similarly see a quick implementation.

The DNR is required to consider including a number of new requirements in the 500 year flood plain model ordinance. This includes considering a requirement to purchase flood insurance, the use of fill, the effect of levees, and modification of current development to mitigate damage.

The item that has attracted the most interest is where the bill asks the DNR to con-

sider outright prohibition of entire categories of development in the 500 year flood plain. More than a few persons have been concerned with the potentially far reaching effects of this and exactly what development might fall under the prohibition.

“The problem is that the accuracy of the maps, where they do exist, is in question.”

The concerns surrounding a 500 year flood plain ordinance are complicated by the current state of the actual flood maps. The bill defines a 500 year flood plain map as one provided by FEMA or where no map is available, a map developed by the DNR. The problem is that the accuracy of the maps, where they do exist, is in question. Admittedly, the technology used for the most recent FEMA maps is outdated and considerably less accurate than what could be provided using tools available today.

This has led to communities across the State challenging the maps. Additionally, many communities are not covered by a 500 year floodplain map at all.

The bill would require the construction or modification of “critical infrastructure” in a 500 year floodplain to be designed so that the facility could maintain operation or safely discontinue operation during a 500 year flood. Critical infrastructure is defined as hospitals, health care facilities, jails, fire and police stations, and rescue facilities. This prohibition would not apply if no flood map is available or if there is a pending challenge to a FEMA map.

The bill also contains a number of provisions including studying hydrological tiling, public education on flood risks, and pursuing other initiatives on floodplain management by the DNR and IDALS. Senate File 2316 passed the Senate by a 26-20 vote and is set to be considered by the House Rebuild Iowa Committee this week.

State Government

(Contact Kristi Kielhorn at 2-5290.)

Public Retirement Systems Update

The House Appropriations committee is expected to consider the public retirement systems bill (House File 2502) this week. The House State Government committee approved the bill 12 – 9. The bill covers three retirements systems commonly referred to as PORS, IPERS and the 411 system. Following is a summary of the major changes proposed in each system.

Public Safety Peace Officers' Retirement, Accident, and Disability System

Current Contribution Rates:

Employer – increases 2% per year to a max. of 27%

Employee – 9.35%

Contribution Rates under HF 2502:

Employer – 27% and increases 2% per year to 37%

Employee – 9.85% (FY 2012) and increases .5% per year for 4 years

This bill provides that a disability beneficiary who comes back to work and then

eventually retires is entitled to service credit for no more than two years of the time of the disability retirement. Current law allowed a service credit for all years of the disability retirement.

The bill amends the employer contribution rates by directing that the rate will continue to increase 2 percent per year (starting in 2012 with 27 percent) until reaching the lesser of 37 percent or the amount determined actuarially beginning July 1, 2017. Current law increased it by 2 percent until reaching 27 percent or the amount determined actuarially on July 1, 2012. The bill also amends the employee contribution rates. It directs that the rate will increase by .5 percent for 4 years beginning in July 2011. This takes the rate from 9.35 percent to 11.35 percent beginning on and after July 2014.

Under House File 2502, the amount it takes to cover increased costs to PORS due to a change in law after January 1, 2011 shall be split 60 percent to employers and 40

percent to employees (if the increase in costs cannot be absorbed within the contribution rates otherwise already established at that time).

Finally, the bill directs that beginning July 1, 2012 and until the system is 85 percent funded the state general fund will appropriate 5 million dollars per year to the retirement fund. This will not reduce the normal rate of contribution by the state below 17 percent.

Iowa Public Employees' Retirement System

Current Contribution Rates:

Employer – 6.65%

Employee – 4.3%

*.5% variance on total contribution rates

Contribution Rates under HF 2502: (starts July 1, 2011)

Total Contribution Rate – 13.45%

Employer – 60%

Employee – 40%

1% variance on total contribution rates

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This bill directs that a member's final average covered wage is the greater of the member's highest five years or the member's three-year average as of June 30, 2012. The new definition provides that a member's highest five years of covered wages shall be the lesser of the member's highest five years or an amount equal to 134 percent of the member's highest calendar year of wages not used in calculating the member's five-year average covered wage. For the period from July 1, 2010, until June 30, 2012, a member's final average covered wage shall be the member's three-year average covered wage.

The bill also provides that beginning July 1, 2012, a member is vested after seven years of service (instead of 4) or has attained the age of 65 or greater while in covered employment. For members in special service, the bill provides that a member vests if the member has completed at least four years of special service or has attained the age of 55 or greater while in covered employment. Current law provides that both members in regular and special service vest after 4 years, or when they have attained the age of 55 while an active member of the system.

The contribution section is amended to provide that beginning July 1, 2011, the required total contribution for IPERS regular service members can go up or down 1 percentage point from the required contribution rate for the previous year. Current law only allows a 0.5 percentage point variance and applies to all categories of IPERS members. The bill also provides that the required total contribution rate for regular members in IPERS shall be 13.45 percent for the fiscal year beginning July 1, 2011.

The bill amends the sections relating to penalties for early retirement. It is amended to provide that for a member who is not vested on June 30, 2012, and who retires and receives a retirement allowance prior to the member's normal retirement date, the retirement allowance shall be reduced by 0.5 percent for each month the early retirement date precedes the date the member attains age 65. If the member is vested on June 30, 2012, the bill provides that the portion of the member's retirement allowance based upon years of service prior to June 30, 2012, shall be reduced, based on current law, by 0.25 percent for each month that the retirement allowance precedes the member's earliest normal retirement date, and the portion of the member's retirement allowance based

upon years of service after June 30, 2012 shall be reduced in the same manner as for members who were not vested on June 30, 2012.

Statewide Fire and Police Retirement System

Current Contribution Rates:

Employer (cities) – actuarial rate minus employee contribution (min. 17%)

Employee – 9.4%

Contribution Rates under HF 2502:

No change

The bill does not make very many changes to the 411 systems. It does establish a benefits advisory committee and its membership. The other systems already have benefits advisory committees. Another change is the repeal of the appropriation from the general fund to the system for each fiscal year in an amount necessary to finance the cost of benefits provided. The bill provides an appropriation to MFPRSI from the general fund during FY 2010–2011 of \$1,500,000, and during FY 2011–2012 of \$750,000.

Transportation

(Contact Kristi Kielhorn at 2-5290.)

Electronic Vehicle Registration and Titling

This week the House Transportation committee is expected to consider Senate File 2273 which sets up a pilot project program on electronic vehicle registration and titling. The bill already passed out of the Senate on a vote of 46 – 0.

The bill requires the DOT to create and administer electronic vehicle registration and titling pilot projects in at least three counties. These pilot projects must allow for electronic applications and transfers of funds in addition to registration and titling.

The pilot projects are to go from January through December 2011. The DOT will designate the pilot project counties from those counties that are interested in participating. Participating in the pilot project is completely voluntary.

The DOT is required to report to the House and Senate Transportation committees by December 31, 2011 regarding statewide implementation of electronic registration and titling. The report is to include a sum-

“The bill requires the DOT to create and administer electronic vehicle registration and titling pilot projects.”

mary of any comments or suggestions offered by counties and motor vehicle dealers who participate in the pilot projects.

Veterans Affairs

(Contact Jason Chapman at 1-3440.)

Veterans Committee Meets for Final Time

The Veterans Committee met on Tuesday to pass five Senate Files before the second funnel deadline this Friday. The chair of the committee said that the meeting was the final one for the committee for the 83rd General Assembly, barring an unforeseen reason to meet again. All of the bills passed unanimously out of committee.

SF 2175 – Provides for veteran representation on two mental health policy bodies, the Mental Health Planning and Advisory Council and the Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury Commission.

SF 2318 – This bill allows for an active member of the Peace Officers' Retirement System to purchase service credit for military service that is not otherwise recognized by federal law. The second part of this bill conforms Iowa code to federal statutes. It holds off payments on a service members professional liability insurance coverage while the service member is on active duty. It also sets up a workgroup to study whether comparable military training could substitute for current licensing requirements.

SJR 2007 – Supports the preservation efforts for the USS Iowa. It also establishes a committee of 10 individuals, appointed by

the Governor, to raise funds to support the preservation of the battleship. A fund is created under the Treasurer and administered by Cultural Affairs. The committee is unpaid and any costs associated with it will come from raised funds.

SF 2297 – This bill is a catch-all bill that has several unrelated issues in it.

- It requires state agencies to allow the rental of state facilities for designated military events approved by the Adjutant General of the Iowa National Guard at no cost, or the actual cost of the expenses. Eligible events are those related to military family readiness groups and returning soldiers.
- It also waives fees for the family of a soldier who died while serving to receive a copy of the birth and death certificate. The fee is waived for one year from the date of the death.
- The bill also allows for Department of Defense forms signed by the soldier declaring a designee for disposal of remains to be valid declaration.
- Another provision states that a public utility furnishing gas and electric cannot disconnect service to a household in which one of the heads of the household is a service member serving on active duty until 90 days after

the return of the soldier from active duty.

- The final provision states that if a military member is called to active duty they can receive a refund for the unused portion of their hunting and fishing licenses.

SF 2274 – This bill makes some corrections and changes to a bill passed last year dealing with providing in-state tuition to military members on active duty and veterans and their families. It opens eligibility for military on active duty to include those in the state, not just at Rock Island Arsenal. It also sets eligibility for veterans to be one year of residence in the state or enough time to have filed an Iowa tax return. It also makes certain military spouses eligible for the same withdrawal from class options that military members have.

The bill also sets up two studies relating to veterans and military matters. One study would look at the feasibility of implementing in Iowa a foreign language program roadmap and timeline as part of the National Security Education Program. The other looks into undergraduate education benefits available to Iowa veterans and their families to determine if more assistance is needed.

Ways and Means

(Contact Matt Hinch at 1-3298.)

\$1.3 Billion In Unclaimed Tax Refunds

Yesterday, the Internal Revenue Service (IRS) announced they are sitting on more than \$1.3 billion in unclaimed 2006 federal income tax refunds. Approximately 1.4 million people that did not file a 2006 federal income tax return, qualify for checks. However, taxpayers have until April 15, 2010 to postmark their '06 return or Uncle Sam gets to keep their money.

The IRS estimates that 12,200 Iowans who did not file a 2006 return are missing out on \$10,000. The average estimated refund amounts to \$596 per taxpayer.

Federal law provides the majority of tax-

payers with a three year window to claim their refund after the return is due, there is no penalty assessed on returns that qualify for a refund. Many individuals may not have filed an income tax return because they made too little income to require filing a tax return, even though taxes were withheld from their paychecks or made quarterly estimated payments.

According to the IRS, if individuals have not filed a 2007 or 2008 return and file for a 2006 refund, their checks will be held. Furthermore, the 2006 refund will be applied to any outstanding federal debt owed by an individual such as unpaid child support or

past due student loan payments.

The IRS also notes that individuals may be missing out on more than just their 2006 refund. In 2006, most telephone customers qualified for a one-time telephone excise tax refund. In addition, many low income earners who did not file an '06 return likely did not claim the Earned Income Tax Credit.

Individuals seeking to file their 2006 return can obtain a prior year tax form by visiting the Forms and Publications page on www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).