



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

- Abraham Lincoln

Friday, August 13, 2010

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Appropriations

(Contact Lon Anderson at 1-5184.)

Inside this issue:

New Analysis Shows Growth in Government Sector Wages

On Tuesday, August 10, a new analysis was released by the USA TODAY. The analysis found that at a time when private sector workers' pay and benefits have stagnated, the average compensation of federal government employees has grown to double what private sector workers earn.

To read the entire USA TODAY story, click here: http://tinyurl.com/2c3u5as

While the disparity is not as large in Iowa, there is still a significant difference in the pay for private sector employees versus government employees.

According to the analysis, federal workers have been awarded bigger average pay and benefit increases than private employees for nine years in a row which has resulted in a doubling of the compensation gap.

Through calendar year 2009, private sector employees earned \$98.7 billion in wages, or \$35,877 per capita. Government employees earned \$11.9 billion, or \$46,091 per capita. That's a difference of \$10,214, or 28.5 percent above private sector compensation.

Federal civil servants earned average pay and benefits of \$123,049 in 2009 while private workers made \$61,051 in total compensation, according to the Bureau of Economic Analysis. The federal compensation advantage has grown from \$30,415 in 2000 to \$61,998 last year.

“That’s a difference of \$10,214, or 28.5 percent above private sector compensation.”

Last week, President Obama ordered a freeze on bonuses for 2,900 political appointees. For the rest of the 2-million-person federal workforce, Obama asked for a 1.4 percent across-the-board pay hike in 2011, the smallest in more than a decade. Federal workers also would qualify for seniority pay hikes. Republicans in Congress want to cancel the across-the-board increase in 2011, which would save \$2.2 billion.

This is evidence that something must be done to limit the growth of government employee salary and benefit packages. In the past two years, House Republicans have proposed reducing state employee salaries temporarily (using the progressive “Principal Plan”) and asking state employees to contribute at least as much as those who qualify for HAWK-I have to pay for their insurance plans.

General Fund Revenue through July Down 0.6%

On August 2, Fiscal Services released the general fund revenue numbers through the first month of the new fiscal year. Gross revenue was down by \$2.3 million, or 0.6 percent compared to July, 2009.

Due to FY 2010 coming in above the REC estimate, the adjusted estimate for FY 2011 is -2.4 percent, or a decrease of \$132 million compared to FY 2010. (The original estimate was a slight increase of 0.1 percent compared to FY 2010.) This

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estimate will likely be adjusted upwards at the next REC meeting.

There was finally some good news regarding personal income tax receipts and corporate income tax receipts. Personal income tax receipts grew by \$7.5 million, or

3.8 percent while corporate income tax receipts grew by \$11.5 million, or a whopping 87 percent.

The downside is that due to economic uncertainty, employees are saving more of their income and businesses are not using the profit to expand. That shows up in sales tax receipts, which were down \$10.1

million, or 7.2 percent in July. It also shows up in the unemployment rate, which has not improved.

While it is good that revenue is exceeding expectations, it is too early to tell if the economy is turning around or if it is only because FY 2010 was such a bad year for general fund revenue .

Agriculture

(Contact Lew Olson at 1-3096.)

EPA Explains E-15 Delay

On Monday, August 1, 2010, a bipartisan group of senators met with Environmental Protection Agency (EPA) administrator Lisa Jackson and a Department of Energy (DOE) official to learn why a request for higher ethanol blends is taking so long. They got some answers but questions remain.

Senator Chuck Grassley (R-IA) said Tuesday that additional testing of the engine effects from fuel with 15% ethanol was prompted in part because the EPA expects to be sued by opponents of E-15. The EPA expects a lawsuit challenging a higher level of ethanol by environmentalists, small engine manufacturers and the oil industry, Grassley said. He further commented that said the EPA doesn't think the courts are likely to issue a temporary injunction barring the sale of E-15 if it's approved. So E-15 could be sold while litigation goes ahead.

Iowa's other U.S. Senator also commented that he thought the meeting provided some good news for the ethanol industry. He noted that DOE is also evaluating E-20 in its battery of vehicle tests and he speculated that this may well provide the basis for EPA approval of E-20 as well as E-15 for use in all gasoline-fueled vehicles early next year, which he strongly urged.

Senator Grassley additionally told reporters Tuesday that they weren't able to learn why EPA is only considering 2001 model year vehicles and newer ones for blends of ethanol above the current level of 10%. Grassley said that the other official at the meeting, DOE Deputy Secretary Daniel Poneman, said that his department is breaking engines apart after they've used E-15 for a period of time. Then it checks for any engine damage. DOE will give its testing results to EPA. Grassley said it will be sometime in 2011 before higher blends are available to consumers. According to Grassley, the other senators at the meeting were his fellow Republican, Richard Lugar of Indiana and Democrats Tom Harkin, of Iowa, Jeff Bingaman of New Mexico, chair of the Senate Energy and Environment Committee, Byron Dorgan of North Dakota, Tim Johnson of South Dakota, and Amy Klobuchar of Minnesota. The ethanol lobbying group, Growth Energy, filed its request for a waiver to allow E-15 in March of 2009.

A week earlier, three major farmer and ethanol groups called on Jackson to formally approve the use of E12 (12% ethanol) in the nation's gasoline supply. The groups – American Coalition for Ethanol (ACE), National Corn Growers Association (NCGA) and the Renewable Fuels Associa-

“...ethanol groups called on Jackson to formally approve the use of E12...”

tion (RFA) – in a formal letter to the EPA Administrator wrote, “based on the EPA's delay in acting upon the full E-15 waiver and on our concerns that the Agency will restrict the use of E-15 to cars made in 2001 and thereafter, we encourage the EPA to formally approve the use of E-12 for all motor vehicles as an immediate interim step pending any ongoing additional testing on E-15.” The letter noted President Obama's stated goal of reducing reliance on oil imports and highlighted that increased use of domestically produced ethanol will help accomplish that goal. The letter claimed that allowing E-12 for all motor vehicles as an interim step to a full waiver for E-15 is a reasonable and defensible first step to solve the immediate problem of the ethanol blend wall that is stifling further growth of the industry. The letter noted that EPA has already approved fuels with E-12 equivalency involving stacking oxygenates and, thus, would need only to confirm that E-12 is authorized under Section 211(f) of the Clean Air Act.

Commerce

(Contact Brad Trow at 1-3471.)

Health Insurance Exchanges – The Next Battle In Health Care Reform

What is a health insurance exchange?
In the federal health care reform law, Congress has directed that each state have a

health insurance exchange up and running by January 1, 2014 to assist residents in obtaining health coverage. The Depart-

ment of Health and Human Services describes the function of the exchanges as:

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Individuals and small businesses can use the Exchanges to purchase affordable health insurance from a choice of products offered by qualified health plans. Exchanges will ensure that participating health plans meet certain standards and facilitate competition and choices by rating health plans' quality. Individuals and families purchasing health insurance through Exchanges may qualify for premium tax credits and reduced cost sharing if their household income is between 133 percent and 400 percent of the Federal poverty level. The Exchanges will coordinate eligibility and enrollment with State Medicaid and Children's Health Insurance Programs to ensure all Americans have affordable health coverage.

Are there any Exchanges in operation?

Currently, there are two states that have taken the initiative and created health exchanges prior to implementation of the federal health care reform bill last March.

The Massachusetts version of an exchange is called the Massachusetts Health Connector. It was created as part of that state's health reform efforts enacted into law in 2006. Its creator, Jon Kingsdale, has called the Connector "an electronic store for insurance." That is a fairly accurate statement as the Connector is, essentially, a government-run insurance agency. Residents of the Bay State go to the Connector to examine the different policies and then actually purchase coverage.

Utah's version does not implement a government takeover of the health insurance market, like the Massachusetts Connector does. Instead, the Utah Health Exchange is designed to provide information about what health plans are available for purchase and helps link up consumers and

insurance agents to make the purchase. A unique feature of the Utah exchange is a mechanism that allows couple to aggregate their employer contribution for health care. This is allowing Utahns to purchase family coverage when in the past they were unable to obtain it.

What is currently going on in Iowa?

During the 2010 legislative session, the General Assembly took the first steps in creating a method to provide the public with information on health insurance. As part of Senate File 2356, the Legislature directed the Insurance Commissioner to begin creating the Iowa Insurance Information Exchange. The goal is to provide Iowans with information on health insurance plans licensed to operate in Iowa.

"The message from Washington is clear – make a decision, or we will make one for you."

Among the items to be provided to the public is information regarding plan design, premium rate filings and approvals, health care cost information, and other items that the Insurance Commissioner feels consumers and purchasers of health care would find useful. The Information will also provide information about public and private health plans. This information shall include comparing costs and benefits of each plan and shall include the administrative costs as well.

While the Information Exchange is the first step towards the exchange envisioned by the federal health care reform bill, it is not the final step. And it is quite likely that the Legislature will make a decision on which model Iowa should follow – Massachusetts or Utah?

The impending battle – As designed by the Congress, Iowans who earn less than 400 percent of poverty would be eligible to get subsidies by using the state's exchange. According to a survey by the Kaiser Family Foundation, 64 percent of Iowans would qualify for this assistance. This means that the direction Iowa goes will have a huge impact on the future of health care in the state.

It is no secret where Senator Hatch and some Democrat legislators want to go. Since 2007, the Senator has pushed for a Massachusetts-like exchange. It was included in the initial versions of Senate File 2356, but faced bipartisan opposition on the Senate floor and was dropped. That has not stopped the proponents desire for the Massachusetts model.

They are also bolstered by the Obama administration, who has made it clear that they intend to play an active role in deciding how states will set up and run their programs. White House health care czar Nancy Ann de Parle told the liberal magazine the *American Prospect* that the administration will put out a timeline that states will have to meet before the federal government will allow a state to run their exchange.

Making a decision on the exchange will not be something that can be put off for several years. Planning grants will be given out to the states on September 1. Phase 2 grants will be released in 2011. The message from Washington is clear – make a decision, or we will make one for you.

The ultimate question for legislators will be whether the state should enter the health insurance market or leave it to the thousands of Iowans who currently sell insurance. It is an issue that legislators and Iowa voters need to start thinking about today.

Economic Growth

(Contact Matt Hinch at 1-3298.)

State of Iowa Launches Small Business Loan Program

During the final days of last session, legislative Democrats realized that not a single piece of policy had been passed to assist

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and encourage private sector employers to invest into their companies, grow their operations and put Iowans back to work. Therefore, a token small business assistance program was created and slipped into Senate File 2389, the RIF bill, despite having no hearings, no committee meetings and no debate on the new initiative. The program provides a small degree of political cover for Democrats when voters ask the question this fall: what have you done for small businesses and the economy?

On August 1, 2010, the Iowa Department of Economic Development launched the "The Iowa Small Business Loan Program." The program has been designed to provide entrepreneurs and small businesses with low interest loans. \$5 million has been set aside to issue direct loans at an interest rate of 3.9%. The loans can vary in amounts, ranging from \$2,500 to \$50,000. To be eligible for a loan, a list of criteria must be met such as: you must be an Iowa resident, the business must be located in

Iowa, have fewer than 35 employees, employ only individuals legally authorized to be in the United States and be in good financial standing. The program is scheduled to run until March 31, 2011 or until the \$5 million fund runs dry, whichever comes first.

The legislation and administrative rules describe the program's purpose as "to promote the creation and retention of jobs in the state's economy and to assist businesses to be more competitive by aiding entrepreneurs and small businesses" in the following ways: upgrade or modernize equipment, realize additional efficiencies in their supply chains, improve their distribution and transportation margins, reduce facility costs through increased energy efficiency and leverage other sources of business financing. You can learn more about the program at: <http://www.isbloan.org/>

There is no question that entrepreneurs and small businesses continue to search for cash as capital has dried up because of the struggling economy. The question remains; is this the best use of taxpayer dol-

lars? What happens if the company defaults and the state is unable to collect the full amount of the initial loan? Regardless, the program should be viewed with a cautious eye. It did not go through the proper legislative process to ensure accountability and transparency. Rather, it was crafted by a handful of legislators with no input from the full House or Iowa citizens.

"...is this the best use of taxpayer dollars?"

Another question to ask is: could something else have been done to help entrepreneurs and small businesses without the commitment of taxpayer dollars? The answer is yes. House Republicans have called on Democrats to join them in reviewing and revising burdensome regulations, and reducing the tax burden placed on Iowa employers to foster a more favorable economy that encourages businesses to come to Iowa and expand those operating here.

Education

Federal Jobs Bill Provides \$96 Million to Iowa for Education

Email from the Iowa Department of Education sent 8-12-10 regarding the so-called jobs bill recently signed by the President.

Iowa Education Leaders:

By now, you are aware that the Education Jobs bill that has been much discussed in recent weeks passed through Congress and was signed by the President. This bill provides \$10 billion for K-12 education. Iowa's share at this point is \$96,490,048. There are many details that are yet forthcoming. Tomorrow, Governor's Office and Iowa Department of Education (DE) representatives will be on a conference call with the U.S. Department of Education (USDE) to gather additional details on the implementation of this statute. We are hopeful that the USDE will have regulations developed on the imple-

mentation of this statute early next week.

This is what we know today:

1. The funding must be used for K-12 teacher salaries, benefits, and other expenses such as support services to retain existing employees, rehire positions or create new positions.
2. This funding cannot be used for administrative expenses.
3. The funding will be distributed using weighted enrollment from the state aid formula. Fund distributions will follow the regular state aid payment cycle.
4. All funding will be distributed to K-12 school districts in state FY11.
5. This funding is for K-12 school districts only, per the federal statute.

We understand that there are many other questions—including how much districts

will receive, reporting requirements, application of the Tidings amendment, state set-aside for fund management, status of the funds as miscellaneous income, and much more.

We expect to have more details on these issues and others by early next week. Based on this, our tentative plan is to distribute additional information and guidance no later than the middle of next week.

As we move forward we will continue to provide updates and needed details as they become available. As always, please don't hesitate to contact the Iowa Department of Education at 515-281-3968 with questions.

Environmental Protection

(Contact Lew Olson at 1-3096.)

Underground Storage Tanks on August EPC Agenda

On Thursday, August 5, 2010, the Iowa Department of Natural Resources (DNR) published as part of its weekly electronic newsletter 'EcoNewsWire' an article noting Environmental Protection Commissioner rule changes for underground storage tanks and pesticide discharges at its August 17, 2010 monthly meeting. Commissioners will be asked to approve amendments to underground storage tank rules. The proposed amendments give the DNR an additional 30 days to review reports from certified groundwater professionals. These reports regard the investigation and cleanup of petroleum from underground storage tanks.

The other high profile area involves

“Commissioners will be asked to approve amendments to underground storage tank rules.”

changes to wastewater rules requiring a new general permit to authorize the discharge of biological pesticides and chemical pesticide residues to waters. This action is the result of a federal court decision that changes the former EPA rule that exempted pesticides from Clean Water Act permitting requirements. The pending rule change affects pesticides applied for controlling aquatic nuisance insects and animals, weeds, algae, bacteria or fish para-

sites, and forest canopy pests. The changes do not cover irrigation or agricultural runoff at this time. The EPA and individual states have until Apr. 9, 2011 to issue final National Pollutant Discharge Elimination System (NPDES) permits for pesticide applications.

The meeting will start at 10 a.m. at the DNR Air Quality Building, 7900 Hickman Road in Windsor Heights. Public participation is scheduled for 10:30 a.m. Appointments are scheduled for 11 a.m. for the Iowa Department of Public Health, 1 p.m. for a referral to the attorney general and 2 p.m. for a river use survey presentation by Iowa State University.

DNR has Flood Information Available

On Thursday, August 5, 2010, the Iowa Department of Natural Resources (DNR) published as part of its weekly electronic newsletter 'EcoNewsWire' an article notifying Iowans who have questions related to flood debris, sandbag disposal, well safety and the status of state parks.

“...the DNR created a one-stop website for flood information.”

As in 2008, the DNR created a one-stop website for flood information. The website

includes a guide to disposing of flood debris and dealing with flood impacts in ag and rural areas, precautions around asbestos and other timely information. Log on to www.iowadnr.gov/flood.html for information that can help in flood recovery efforts.

For example, homeowners need to separate different kinds of materials as they clean up after the flood. Hazardous materials, appliances and electronic goods should be placed in separate piles when they are put on the curb or the waste hauler may not pick up anything. Guidelines for people who draw their drinking water from a private well are also available.

If the well is in a flooded area, the water should be tested to make sure it's safe. Most important, people should avoid contact with flooded rivers, especially in the Maquoketa River where the major wastewater treatment plants have been affected. Checking recent DNR press releases will provide updated information on parks, campground availability and boating conditions. The information, as well as contact information for local DNR offices, can be found through the DNR's home page at www.iowadnr.gov.

DNR Asks Big Creek Lake Patrons for Ideas on Improving Water Quality

On Thursday, August 5, 2010, the Iowa Department of Natural Resources (DNR) published as part of its weekly electronic newsletter 'EcoNewsWire' an article soliciting input to improve water quality in Big Creek Lake in Polk County. A meeting on the topic is scheduled for August 19. Citizens are encouraged to bring their suggestions for improving the lake to the meeting. Big Creek Lake is on the state's list of impaired waters for high levels of bacteria.

“A meeting on the topic is scheduled for August 19.”

The current study looks at the levels and sources of bacteria entering the lake and offers potential solutions to help fix the problem. The document is designed as a guide for local resource agencies, partners, stakeholders and residents to improve the lake.

The meeting is scheduled from 6 to 8 p.m. at the Polk City Community Center, 309 W. Van Dorn St. in Polk City. DNR's Watershed Improvement Program staff will be on hand to answer questions after the presentation of the water quality improvement plan. Information for those not able to attend the public meeting can be accessed at-- www.iowadnr.gov/water/watershed/tmdl/publicnotice.html and comments on

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the plan can be submitted until September 7, 2010 via: E-mail: jeff.berckes@dnr.iowa.gov, or by

mail: Jeff Berckes, care of Iowa DNR, Wallace State Office Building, 502 E. Ninth St., Des Moines, Iowa 50319

After collecting and considering lowans'

comments, the DNR will forward the final plan, also called by its technical name of Total Maximum Daily Load, to the U.S. Environmental Protection Agency for approval.

Human Resources

(Contact Brad Trow at 1-3471.)

Medicaid Outlook Still Grim

As the political class in Washington continues to hail the passage of a new stimulus bill to save thousands of government jobs, many lowans may wonder how this will impact the state's second largest program – Medicaid. While Congress's action to extend additional federal Medicaid money partially fills in the current hole in the program, the long-term shortfall remains as deep as the Grand Canyon.

To review how we got here, Congress provided a two year increase in the federal government's share of Medicaid expenses in the 2009 stimulus bill. States received an initial increase of 6.2 percent in funding with additional levels provided to states with high unemployment. This increase in the federal share of the program was to expire on December 31. Somehow, Democrat legislators believed that Congress would extend the 6.2 percent bump, and built in the increase to run through June 2011.

The Democrats' Medicaid budget reduced the General Fund appropriation from \$606 million in FY 10 to just \$394 million in FY 11. Instead of putting \$119 million towards Medicaid, it was spent on numerous other items throughout the budget. The ability to balance the state's FY 2011 budget hinged on the federal government providing more Medicaid funding.

“The ability to balance the state’s FY 2011 budget hinged on the federal government providing more Medicaid funding.”

Due to public pressure over the growth of the national debt, Democrat leaders in Congress were unable to round up the votes for the six month extension of the 6.2 percent increase. Instead, they approved a step-down approach with states getting a

3.2 percent bump for January through March, and then a 1.2 increase for April through June.

This change means that the state will receive about \$38.6 million less than what legislative Democrats had projected in March. With the Medicaid forecasting group (DHS, DOM, and LSA) anticipating a \$5 million Medicaid surplus at the end of FY 2010, the state will have to find at least \$33.6 million to maintain Medicaid in FY 2011.

The bigger problem remains FY 2012 and beyond. Based on the initial forecast from the non-partisan Legislative Services Agency, the 84th General Assembly will be faced with finding \$547 million in new money to maintain Medicaid as it is today. That is almost 50 percent of the annual budget for the program. Filling the gap will be a major issue in the 2011 session and beyond.

Judiciary

(Contact Tony Phillips at 1-3026.)

Iowa and the California Marriage Ruling

When the Iowa Supreme Court issued the Varnum marriage decision, it severely tied the hands of the people's elected representatives in the Legislature. Any legislation related to marriage that distinguished between heterosexual and same-sex couples was unconstitutional. This left members of the Legislature with one option, offering the voters a chance to decide on marriage for themselves through a constitutional amendment.

Putting the decision in the hands of the citizens of the state is the essence of de-

mocracy. An opportunity to recognize that on certain issues we must defer to the stakeholders of Iowa. That opportunity is not without its hurdles however. Thus far, the voter's opportunity has been denied by members of the Legislature uninterested in letting the populace vote.

A key characteristic of the aforementioned hurdle to the process is that it is something we can understand and elections can overcome. That differs from a potential hurdle developing in the Federal court system however. I am speaking of the decision by

a judge in the 9th Circuit District Court to overturn California's 2008 marriage amendment to protect traditional marriage.

As it stands right now, the decision of one federal judge has nullified the will of the people of the State of California to decide that marriage should be limited to its traditional boundaries. What does it mean for the efforts of lowan's and those in the Legislature who feel the people should decide the issue of marriage?

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The short answer is that we must now accept that there is a possibility that despite what Iowa does, there is a chance that the Federal government may ignore all previous deference to the states on the issue of marriage and decide for us. This is exactly the situation Californians find themselves in.

While this is a possibility, its likelihood is another thing. First, it must be understood that the decision in California has absolutely no bearing on Iowa. That lower court and its court of appeals has no jurisdiction over Iowa. The only way that particular case affects Iowa is if it makes its way to the United States Supreme Court and they find in favor of the plaintiffs in the case.

There really is no way of knowing how the Supreme Court would rule on the case if it were to find its way in front of them. What should be known however, is whether there is a significant amount of precedent at the

federal level that considers marriage a state issue. To decide otherwise would represent a significant departure from how marriage has been handled.

Iowa is covered by the 8th Circuit Court of Appeals in the Federal court system. It is highly unlikely that a legal challenge to a successful marriage amendment in Iowa would be overturned in the 8th Circuit. In 2005 an 8th Circuit District Court overturned Nebraska's marriage amendment in *Citizens for Equal Protection, Inc. v. Bruning*. This was very much like what happened in California recently. However, in 2006 the 8th Circuit Court of Appeals decisively overturned that decision and ruled the Nebraska amendment constitutional.

In that case the court clearly articulated support for Nebraska's marriage amendment and noted that "the institution of marriage has always been, in our federal system, the predominant concern of state government." In regards to an equal protection challenge, not too dissimilar from the one brought in California, the court quoted the

Supreme Court when it said "the Equal Protection Clause is not a license for courts to judge the wisdom, fairness, or logic of the voters' choices."

"That effort can proceed with little likelihood of the federal court intervening."

The strong ruling in Iowa's federal jurisdiction should give proponents of a vote on marriage relief. That effort can proceed with little likelihood of the federal court intervening. Nonetheless, a Supreme Court ruling does remain a possibility. Iowans should not be discouraged by what has taken place in California. Rather, they should be motivated to continue on with their efforts and make clear the will of the people of the State so that if a case does make it before the Supreme Court they will be forced to recognize that we have not been silent on this issue.

Labor

(Contact Lon Anderson at 1-5184.)

Iowa ABI Releases Its Voting Record Scorecard for 2010

Recently the Iowa Association of Business and Industry (ABI) released its voting record scorecard for the 2010 session. Not surprisingly, only House Republicans received 100 percent ratings from ABI.

ABI used 8 votes from the 2010 session in order to grade legislators:

- Amendment H-8012 to SF 2033 (Race to the Top) – strikes expansion of teachers unions authority in the reform of failing public schools that may qualify for federal assistance
- Amendment H-8053 to SF 2088 (State Government Reorganization) – would have substantially downsized state government by nearly \$300 million by eliminating a number of state programs and bureaucracies including selling the ICN and the state passenger vehicle fleet
- Amendment H-8097 to SF 2088 (State Government Reorganization) – eliminates the rulemaking authority of unelected Environmental Protection Commission and Natural Resources Commission
- Amendment H-8626 to SF 2201 (Health Insurance Mandates) – directs legislative commission to conduct an annual review of the cost of mandated coverages as well as proposed mandates
- Amendment H-8627 to SF 2201 (Health Insurance Mandates) – allows the issuance and sale of affordable health insurance policies that are free of state mandated coverages
- Amendment H-8644 to HF 2531 (Standing Appropriations Bill) – strikes union-backed provision in the bill that gives an incentive to union employees for step increases and COLAs
- House File 2110 (Unemployment benefits for military spouses) – bill permits the spouse of any relocated military personnel to quit job and collect unemployment benefits
- Senate File 2279 (Shared Work Plans) – bill allows use of shared work plans beyond 52 weeks

Forty-two of forty-four House Republicans scored a perfect 100 percent on these eight votes.

No House Democrat scored 100 percent and the famous "six-pack" scored as follows: Huser: 66, Mertz: 62, Kelley: 50, Quirk: 37, Bailey: 25, Marek: 25.

Natural Resources

(Contact Lew Olson at 1-3096.)

DNR Says 31 Dams in Iowa have Structural Issues

State records show that 31 dams in Iowa have structural issues or other deficiencies that could cause them to fail. A copyright story in the Des Moines Register says the Iowa Department of Natural Resources (DNR) has labeled six of the dams as "high hazard." The classification means their failure could result in a loss of life to people downstream. Those six dams are at the:

- Burlington Y-Camp in Burlington;
- Covered Bridge Estates in Winterset;
- Fieldstone Addition in Cedar Falls;
- Lake Ponderosa in Montezuma;
- Woodland Lake Estates in Polk County;
- Fort Des Moines Park in Des Moines.

For example, one of the dams listed in the highest hazard risk is the dam at Lake Ponderosa, a popular lake that is surrounded

by about 730 homes and cabins in Poweshiek County that is 60 miles east of Des Moines. Another 14 dams pose a moderate hazard, meaning if they fail it would likely result in economic losses and environmental damage. Joe Garton, a dam safety engineer with the DNR, noted that none of the 31 dams on the list are in danger of imminent failure and he said the state is working with each of the dam owners to bring them into compliance or remove the dam entirely. "Many of the dams have conditions that if left unchecked could continue to degrade and potentially result in problems for the dam, but if timely improvements are made, the dam will once again be returned to a safe condition," Garton told the Register.

The failure of the Lake Delhi dam in north-

east Iowa on July 24 has instigated questions on the state's other 3,800-plus dams. Flooding from the Maquoketa River that surged following the dam failure inflicted damage to dozens of homes and businesses and caused millions of dollars in damage in Monticello. However, the Lake Delhi dam was not on the list of deficient dams, and had been considered structurally sound by state inspectors. A common problem is that many of the dams on the list have insufficient means to convey excess storm water away from the impoundment when a record rainfall event occurs. Many of the lakes were constructed with a presumption that a maximum event was 6-7 inches when recent experiences over the last two decades suggest that it should be double that amount.

New Hunting, Fishing License System Debuts August 15

On Tuesday, August 10 the Iowa department of Natural Resources (DNR) issued a press release announcing the second generation of their electronic hunting and fishing license system will debut August 15.

The new license system uses web-based technology to show real time license quota information, monitors the licenses purchased and automatically adjusts to show which remaining licenses a customer may purchase. Additionally it shows a customer record of previous purchases. The new license can fold down to the size of a credit card. The new system is designed to reduce customer wait time and will permit DNR to communicate instantly with the

license vendors.

The DNR press release acknowledged it took longer than anticipated to get the system up and running. Part of the problem involved some of the new features associated with issuing snowmobile and ATV decals. In spite of the delay, DNR expressed confidence that the new system will be much more customer friendly because of input from DNR customers. Smith said the hardware for the new system has been shipped to all 900 vendors and about half have made a sale using the new system. One of the controversial aspects of the new system is the increased vendor fee that will be charged. For the first 10-1/2

years, the full cost of the vendor fee was not passed on to the customer but was paid for by the fish and wildlife trust monies amounting to a cumulative \$3.3 million, some of which was offset by DNR personnel savings. The vendor fee was increased in 2010 and will be used to pay for the system upgrades as well as the projected expense to maintain the system and has been added to the price of licenses purchased since December 2009. Some level of the fish and wildlife trust fund will be used to cover the cost to register harvested deer or turkey through the license vendor. DNR estimated that if the upcoming harvest is similar as the 2009-10 numbers, the payment will be nearly \$190,000.

Rebuild Iowa

(Contact Tony Phillips at 1-3026.)

SMART Planning Task Force Continues Work

The 33 member SMART Planning Task Force held its second meeting of the summer this week. The meeting was an opportunity for the four workgroups who have been meeting to report back to the group

as a whole.

The first of the subcommittees is Workgroup A which focuses on Integration of SMART Planning principles. They have

thus far focused on developing a survey to be given to the various state departments to see how the SMART Planning principles can be implemented into state policies and

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statutes.

Workgroup B is charged with examining Information Sharing & Coordination. The goal of this group is to lay a foundation for a centralized system where information used for planning can be accessed and state and local plans can be shared. The coordination of planning between jurisdictions is seen as a key element of successfully implementing the SMART Planning principles. The workgroup reported that much of the necessary information is already available but is spread out amongst a patchwork of agencies and jurisdictions.

Workgroup C will focus on Local Comprehensive Planning. One of the first tasks of the group is to review existing city and county comprehensive plans to determine what degree of hazard mitigation has already been included into those plans. Additionally, the group plans to develop state-wide goals for the use of comprehensive planning that implements SMART Planning principles and a metric for measuring progress towards those goals.

Workgroup D works closely with Workgroup C, but differs in that they will focus on Regional Comprehensive Planning. This group is more focused on developing a model comprehensive plan that can be

used to facilitate planning between local, regional and state entities. The other focus of the group is to develop recommendations for incentives to encourage local and regional comprehensive planning.

A document titled "Incentives and Assistance (Draft)" available on the SMART Planning website provides useful insight into what the recommended incentives and funding for planning may look like. The ideas being explored include:

- State grant program with sustainable funding.
- Use of a portion of real estate transfer taxes.
- Allowing local governments to levy a new property tax.
- State appropriation for technical planning.
- Priority points in state grants for entities with approved plans.
- Incorporate planning requirements into state programs.
- Make local land use powers like TIF contingent on having a plan.

Following the workgroup reports, there was discussion amongst the task force as a whole. On the subject of mandatory planning requirements, the group seemed unanimously consigned to the fact that this was unlikely and may not be worth pursuing.

Near the end, the discussion turned to planning for the six public input forums planned around the state. These forums will be spread throughout the state and are likely to be held during the final week of September and the first week of October.

"This seems contrary to the legislative intent of these forums..."

There was discussion of, and no objection to, the idea that the public input forums should be used as an opportunity to build support for the SMART planning principles. This seems contrary to the legislative intent of these forums which SF 2389 specifically prescribes should be used to "solicit information from the general public on matters related to comprehensive planning." It would seem the Legislature hoped the public would be a source of information rather than merely an audience for the proponents of SMART Planning.

The SMART Planning Task Force is to prepare a report including goals and recommendations to the Governor and General Assembly by November 15 of this year. Information and materials related to the task force can be found at: http://www.rio.iowa.gov/smart_planning/task_force.html

State Government

(Contact Kristi Kielhorn at 2-5290.)

Federal Mandate on Breastfeeding Accommodations

Federal guidelines just released indicate that the portion of the Health Care Reform bill passed last March that required employers to provide time and a place for new mothers to express breast milk applies to all employers. This is a change from the initial understanding that employers with fewer than 50 employees were exempt.

All employers, regardless of size, have to comply. The new guidelines indicate that an employer with fewer than 50 employees can apply for an "undue hardship" exception, but are not exempted automatically by virtue of size. The employer applicant would have to prove that compliance with

"All employers, regardless of size, have to comply."

the provision would be a substantial problem.

Employers who are not granted an exception are required to give new mothers at least two breaks during the day in order to express milk. The employer must also make a "reasonable effort" to provide a location for the woman to express milk that is shielded from the public. This location cannot be a bathroom stall, but does not have to be a sophisticated facility. It can be

some portion of office space partitioned off by a curtain.

The Iowa Breastfeeding Coalition has eight grants available for businesses that want to initiate or maintain their breast feeding programs. The grants are for \$500 dollars each. Businesses need to apply for the grants by August 20 and should visit the coalition's website for more information. (www.iowabreastfeeding.org)

More information on the new federal guidelines can be found at: <http://www.dol.gov/whd/regs/compliance/whdfs73.htm>

Transportation

(Contact Kristi Kielhorn at 2-5290.)

Traffic Deaths Fall with the Economy

Traffic related deaths are on pace to be at the lowest level since World War II. So far in 2010 there have been 191 traffic related deaths as compared to 227 at this time last year.

One of the reasons for the decline is attributable to high gas prices and a faltering economy. In 2004 Iowa motorists covered nearly 32 billion miles. When gas prices soared in 2009, Iowa motorists logged only 31.3 billion miles.

State officials attribute the decrease in driving to not only the economy, but also to an increase in both the public's use of seatbelts and the state's enforcement of traffic safety laws. According to the Iowa State Patrol, Iowa motorists buckle up 93 percent of the time. Iowa also has the second lowest rate of traffic fatalities involving alcohol. Looking forward the Patrol also hopes to reduce accidents by using unmarked vehicles to ticket teenagers using electronic devices while driving. Electronic devices (including cell phones) were banned last

session for any teen on a restricted license. Until July 2011, only warnings will be issued.

Whatever the reasons, traffic related deaths in Iowa have steadily been going down since the turn of the century. This has not been the case with regard to motorcycle fatalities. In 2009 Iowa had 49 motorcycle fatalities. So far in 2010, 33 motorcyclists have died on Iowa roads.

Veterans Affairs

(Contact Jason Chapman at 1-3440.)

Final Veterans Mental Health Task Force Report

The 2007 HHS budget bill provided for a Veterans Needs Study. The study, commissioned by the Department of Veterans Affairs, examines the current benefits available and identifies deficiencies in the benefits system. One result was the convening of a group to address mental health gaps in service and unmet needs. The Iowa Veterans Mental Health Task Force issued its final report last week.

The final report included 9 recommendations, three of which will likely require legislative action if they are to be carried out.

Recommendation 2: Enhance the existing veterans database by capturing veterans information through existing state data collection systems.

Identifying veterans across the state has proven to be a large barrier to providing full support to Iowa's veterans. After discharge from the military, current information is often on file for the veteran. But after one move or several years that veteran becomes lost to the IDVA. Coming up with a way to maintain an accurate database of veterans in the state will help officials provide outreach by getting out the most up to date information as it relates to veterans benefits.

Identified existing structures to help create

and maintain information include the Dept of Transportation's drivers license and state identification system and the state's homeless shelters that utilize software to record data from users of shelter services. Using existing services like these two could help lower costs of establishing and maintaining a worthy database.

"Identifying veterans across the state has proven to be a large barrier..."

Recommendation 6: Initiate process to create a jail diversion program for veterans in Iowa.

With rates of PTSD and TBI being as high as they are in soldiers returning to civilian life after tours of duty, many are finding themselves in the jail system due to their mental health conditions. Straining the already burdened jail system and failing to address the issues that caused the problem, jailing veterans who would be better served by being diverted to a mental health facility is not ideal for the taxpayer, the jail system, or the veteran.

Jail diversion programs are becoming increasingly implemented across the United

States, with studies showing lower rates of recidivism. Federal money is available for such programs through Substance Abuse and Mental Health Services Administration (SAMHSA) and a pilot program could be established without legislative action.

The recommendation in the report suggests an effort to form a group that could establish a partnership with relevant federal and state agencies that would ask federal legislators for their assistance in securing federal grants to begin such a program in Iowa. After a successful pilot, further action could be taken to ensure its continued success.

Recommendation 8: Establish a state fee basis program for behavioral health services to serve veterans in their local communities.

During discussions of the Task Force, it was noted several times that veterans in Iowa often face the challenge of distance and location when needed to access mental health services, especially in rural areas. Adding to this problem, rural areas in Iowa are facing a shortage of mental health professionals.

A state fee basis program would allow veterans to use their VA benefits to access a

(Continued on page 11)

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local behavioral health provider of their choice. This would give veterans much greater access to help in their local communities without requiring those who are elderly or disabled to travel great distances.

The recommendation suggests a collective group involving state and federal veterans stakeholder groups work with mental health providers to find a solution. Legislative action at the state level may be required to make this recommendation a reality.

Other Recommendations

Other recommendations in the report include providing mental health first aid training to first responders and veterans stakeholder groups so they will be aware of what to watch for in situations dealing with veterans; developing an outreach strategy and social marketing campaign to promote awareness of mental health issues veterans may be facing; encouraging law enforcement training to include crisis intervention training especially focusing on veterans issues; creating a community based peer support pilot program for veterans and

their families; securing a mobile outreach vehicle to help bring information and support to Iowa's veterans in both rural and urban areas; and developing a veterans screening process that will enable non-VA service providers a framework to reference in identifying and appropriately referring veterans with mental health issues.

The full report can be read on the Iowa House Republican website at: <http://www.iowahouserepublicans.com/wp-content/uploads/Veterans-Final-Report-2010-7-22.pdf>

Ways and Means

(Contact Matt Hinch at 1-3298.)

Congress Approves Massive Tax Increase To Bailout States

On August 10, 2010, the United States House of Representatives approved legislation to increase taxes on U.S. multinational companies by \$9.7 billion, in order to help finance a \$26 billion spending package that will soon pour dollars into state coffers to be used for Medicaid programs and teacher salaries. Cash strapped states, the National Education Association and the American Federation of Teachers lobbied heavily for the funding. Shortly after Senate passage last week, the House voted to approve H.R. 1586 by a vote of 247-161, the bill was subsequently signed into law that day by President Obama.

Of the \$26 billion provided in the bill, \$16 billion is designated to extend the increased federal Medicaid matching rate to states through December 2010. Iowa's portion of that is estimated to be \$83 million. The remaining \$10 billion is earmarked to supplement teacher salaries. According to several estimates, Iowa will receive approximately \$96 million to be spent solely on employee salaries. The money cannot be used for any other purpose, meaning states are not permitted to scale back current budgets and use the funding as a replacement. This means that Iowa will now be facing an even larger budget gap going into FY12 as the state continues the irresponsible practice of rely-

ing on one-time federal stimulus dollars to finance ongoing expenses.

Unlike past bailouts and stimulus bills approved by Congress that have saddled Americans with debt, this legislation seeks to offset the \$26 billion in spending, in part, by imposing a \$9.7 billion tax increase on U.S. employers that do business overseas. When a U.S. company generates income in a foreign country, they are issued a tax credit against U.S. taxes on that income generated abroad equal to the amount of income tax they paid to that county. The new provisions included in H.R. 1586 significantly limits how American firms use these tax credits.

“The new changes will increase taxes on Iowa employers like IBM, John Deere and Rockwell Collins.”

The new law suspends the recognition of foreign tax credits until the related foreign income is taken into account for taxing purposes in the U.S, and prohibits taxpayers from claiming the tax credit as it relates to foreign income that is never subject to U.S. taxation because of a covered asset acqui-

sition. The new changes will increase taxes on Iowa employers like IBM, John Deere and Rockwell Collins. The National Association of Manufacturers (NAM) believes many U.S. manufacturing jobs could be in jeopardy as these changes will put American employers at a disadvantage when competing in foreign markets.

U.S. employers are not the only ones being punished by the bill. Recipient of food stamps will see their assistance reduced as the bill seeks to offset nearly \$12 billion in new spending by reducing the Supplemental Nutrition Assistance Program (also known as food stamps). Food stamp advocacy groups in Washington fought hard against raiding \$12 billion from the program, but at the end of day Speaker Pelosi and the majority party put priority on providing financial assistance to the teachers unions over hungry low income families.

While the U.S. economy continues to battle against 10% unemployment and struggle through the recession, Washington is approving policies that only exacerbate the current economic problems. Increasing taxes on U.S. employers takes money away from them that would otherwise be invested back into the company to grow their operations and hire new people.