



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

Wednesday, February 3, 2010

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Republican Message Points

Budget

- House Republicans will not vote for a budget that spends more than the state receives in revenue.
Governor Culver's FY 2011 budget spends more than it takes in.
The total state revenue projection for FY 2011 is \$4.4 billion. The Governor spends \$5.7 billion on general fund items - \$5.3 billion from the general fund and \$400 million from other sources.
One direct result of the decisions made in the Governor's budget is higher property taxes.
Local school districts are forced to raise property taxes due to the Governor's failure to fully fund allowable growth.
The Governor assumes \$341 million in savings from reorganization and efficiencies but the Governor does not specifically delineate what appropriations will be reduced due to the savings.
Furthermore, the reorganization bill moving through the Legislature falls well short of the \$341 needed.
The Governor appropriates \$207.5 million from the Cash Reserve Fund. This means instead of finding savings, he is borrowing money from the state's reserve fund.
The Governor reduces tax credits by \$52.5 million. But the Governor's recommendation does not target any specific tax credit for reduction or elimination.
Not fully funding the built-in and anticipated expenditures and shifting programs typically funded from the General

Fund to other funding sources. (\$214 million)

- The Governor reduces the General Fund School Aid appropriation by \$170.2 million. With no reduction in the FY 2011 allowable growth rate or State cost per pupil, school districts will maintain the budget authority on their portion of the unfunded State school aid. School districts may address the State aid shortfall by reducing costs, borrowing funds, or using cash reserves (which increases property taxes) to replace the State aid shortfall.

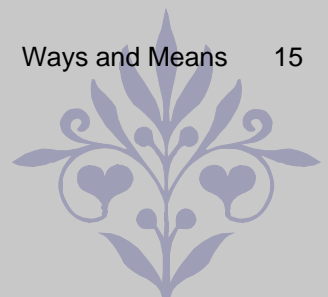
Government Reorganization Bill

Senate File 2088 is the State Government Reorganization Bill. To increase the savings in the bill, House Republicans offered 14 ideas that will save taxpayers \$290 million in general fund dollars:

- 1) Eliminate Power Fund and Office of Energy Independence - \$25 million
2) Eliminate the RIO office, give responsibilities to Homeland Security -- \$1 mil
3) Eliminate taxpayer-funded lobbyists -- \$4 million
4) Cancel all Regents sabbaticals for FY 2011 - \$6 million
5) End all state benefits to illegal immigrant adults -- \$92.3 million
6) Shift voluntary preschool responsibilities to Empowerment -- \$45 million
7) Combine administrative functions at Regents universities -- \$62 million
8) Eliminate funding for empty shelter care beds -- \$2 million

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- 9) Delay implementation of core curriculum for one year -- \$10.5 million
- 10) Eliminate the family planning waiver - \$2 million
- 11) Sell and completely privatize the state vehicle fleet - \$18 million
- 12) Sell or lease the Iowa Communications Network -- \$15 million
- 13) Cut funding office supplies, service contracts, equipment purchases – \$5 million
- 14) Eliminate the Just Eliminate Lies (JEL) program -- \$2.25 million

Tax Credit Review

- As tax credits and tax deductions are reviewed during the 2010 session, Republicans propose the beneficiaries of any “savings” to the state treasury should be the taxpayers through broad based tax relief.
- The Governor’s budget cuts tax credits by \$52.5 million. Although he did not spec-

ify which tax credits he plans to cut or cap. That decision has been passed along to legislative Democrats.

- Iowans are dealing with job losses, employers are struggling to stay open and the last thing they need are higher tax bills.
- When a tax credit is capped or eliminated, someone’s taxes are going up. The only entity that benefits from higher taxes is government. Raising taxes is not the answer to Iowa’s budget problems.

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 (de-authorized) by a date certain unless the Governor and the Legislature reauthorize 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.

Appropriations

(Contact Lon Anderson at 1-5184.)

Fiscal Services: Governor Closes \$1.1 Billion Spending Gap Using Questionable Budget Tactics

On Monday, February 1, Fiscal Services Division of LSA released its complete review of the Governor Culver’s FY 2011 Budget Recommendations. The review outlines how the Governor was able to close the \$1.1 billion spending gap that he and the Democrats in the Legislature created by overspending the past three years.

The report states that while the Governor says he will close the spending gap by reducing state spending and not raising taxes, he proposes some questionable tactics that leave a mess for the next Governor and the new Legislature.

According to Fiscal Services, the Governor

closes the gap using the following tactics:

- Assuming \$341.0 million in savings from reorganization and efficiencies. The Governor does not specifically delineate what appropriations will be reduced due to the savings.
- Appropriating \$207.5 million from the Cash Reserve Fund.
- Making revenue adjustments, including reducing tax credit redemptions by \$52.5 million.
- Not fully funding the built-in and anticipated expenditures and shifting pro-



grams typically funded from the General Fund to other funding sources. (\$214 million)

- Reducing the General Fund School

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Aid appropriation by \$170.2 million.

- Not funding the increase for the collective bargaining costs. (\$86 million)

Here are the concerns that Fiscal Services has with each of the above items:

- “The Governor’s budget recommendation assumes that all savings will impact the General Fund. This is clearly not the case, as stated specifically by Public Works LLC in the Report and as clarified by the LSA through additional research.” (*Summary of the FY 2011 Budget and Governor’s Recommendations, Page 50*)
- “Under the Governor’s recommendation, the combined reserve fund balance for FY 2010 is reduced to \$265.2 million. This is \$278.7 million below the statutory maximum balance of \$543.9 million or 48.8 percent of the statutory goal.” (*Summary of the FY 2011 Budget and Governor’s Recommendations, Page 23*)
- “The Governor is recommending unspecified action to reduce tax credit redemptions impacting FY 2011 Gen-

eral Fund net receipts by \$52.5 million. The Governor’s recommendation does not target any specific tax credit for reduction or elimination.” (*Summary of the FY 2011 Budget and Governor’s Recommendations, Page 15*)

- “The FY 2011 General Fund built-in increase based on the Governor’s recommendation totals \$199.7 million, while the amount of State aid (including ARRA and Cash Reserve Fund) is \$170.2 million less than the estimated amount needed to fully fund the State’s portion of the 2.0 percent allowable growth rate. With no reduction in the FY 2011 allowable growth rate or State cost per pupil, school districts will maintain the budget authority on their portion of the unfunded State school aid. School districts may address the State aid shortfall by reducing costs, borrowing funds, or using cash reserves (which increases property taxes) to replace the State aid shortfall.” (*Summary of the FY 2011 Budget and Governor’s Recommendations, Page 63*)
- “The Governor does not include a recommendation to fund collective bargaining in FY 2011. In FY 2010, the General Assembly did not appropriate

additional funds for salary expenditures. State agencies used existing funds to pay the cost of salaries, including the cost to fund negotiated contracts with various bargaining units, and similar increases for noncontract employees. The total estimated need to fund salary increases for FY 2011 is \$143.5 million, including \$85.7 million from the General Fund. The estimate includes \$60.3 million for the Board of Regents, including \$36.4 million from the General Fund.” (*Summary of the FY 2011 Budget and Governor’s Recommendations, Page 26*)

Prior to the release of the Governor’s budget recommendations, House Republicans said it would review it to see 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

Since the Governor’s budget violates all three of these items, House Republicans will now turn the focus to the budget working its way through the Legislature to ensure it follows the three principles.

General Fund Revenue Near the REC Estimate for FY 2010

On Monday, February 1, Fiscal Services Division released its monthly revenue memo reviewing actual general fund revenue through the first seven months of the fiscal year.

Through January 31, general fund revenue was down 7.5 percent, or \$257 million, compared to the first seven months of last fiscal year. The REC estimate for FY 2010 is -8.5 percent, or \$490 million less than FY 2009 so actual revenue is just above the seemingly conservative estimate.

Personal income tax receipts in January were down 13.6 percent compared to January 2009. Some of that is due to a timing issue which inflated December 2009 income tax receipts. The REC estimate for personal income tax revenue is -3.6 per-

cent compared to FY 2009. Through the first seven months of FY 2010, personal income taxes are down 3.9 percent compared to FY 2009.

“Corporate income tax receipts were down a whopping 50.7 percent compared to January, 2009.”

In January, sales tax receipts were down 8.3 percent compared to January, 2009. However, due to strong sales tax receipts in the first half of the year, sales tax is down only 2.5 percent for the year, compared to the REC estimate of -5.3 percent.

Corporate income tax receipts were down a whopping 50.7 percent compared to January, 2009. Despite this large decrease, overall corporate income tax revenue is down 18.3 percent, compared to the REC estimate of -18.1 percent. Still, since corporate income tax is based on corporate profits, it is not a good sign for the economy that corporate taxes were down over 50 percent for the month. In addition, insurance premium tax revenue and bank franchise tax revenue were both down significantly.

The revenue memo proves that the state’s economy is not of the woods yet and that the focus needs to remain on cutting the state’s budget and creating private sector jobs.

Agriculture

(Contact Lew Olson at 1-3096.)

DNR Extends Comment Period for Animal Feeding Operations Rules

On Thursday, January 27, 2010, as part of its weekly newsletter EcoNewsWire, the Iowa Department of Natural Resources (DNR) notified the public that DNR is extending by two weeks the deadline to submit public comments on a proposed rule that affects livestock and poultry operations in the state. The proposed rules incorporate new legislation that limits winter land application of liquid manure if it comes from a totally roofed confinement, sets requirements for stockpiling, and clarifies existing laws and rules and were previously discussed in the January 14th Caucus newsletter. The new deadline will be February

15th.

Two public hearings remain. People are invited to make oral comments at either meeting or submit written comments.

“Two public hearings remain.”

Jan. 29 (rescheduled from Jan. 20) at 1:30 p.m. in the Marr Park Conservation Center, 2943 Highway 92, Ainsworth; and

Feb. 1 at 1:30 p.m. in the North Iowa Area Community College Muse Norris Conference Center, 500 College Drive, Mason City.

Additionally, written comments can be submitted no later than 4 p.m., Feb. 15 to Gene Tinker, DNR, 502 E. Ninth St, Des Moines, IA 50319, or faxed to (515) 281-8895 or e-mailed to gene.tinker@dnr.iowa.gov. Both the proposed rules and the 2009 legislation can be found on the DNR animal feeding operations Web site at www.iowadnr.gov/afo/newrules.html.

Commerce

(Contact Brad Trow at 1-3471.)

How to Identify and Protect Yourself From Identity Theft

With the admission that computer security at the Racing and Gaming Commission has been compromised, many Iowans are asking many questions about Identity Theft. Here is some information that will help identify if you are a victim of identity theft and how to prevent it from happening.

Identifying Identity Theft

What are the signs of having your identity stolen? Here is what the Federal Trade Commission says you should look for:

- Unexplained charges or withdrawals to your financial accounts.
- Failure to receive bills or other mail. This could mean that an identity thief has submitted a change of address for your accounts.
- Receiving credit cards for which you did not apply for.
- Denial of credit for no apparent reason.
- Receiving calls from debt collectors or companies about merchandise or services you did not buy.

Implementing a Credit Freeze

If you believe you are a victim of identity theft, one of the first steps is to implement a credit freeze. The Legislature adopted a

bill in 2008 establishing a procedure for credit freezes. A credit freeze prevents potential creditors and other third parties from accessing credit reports without your approval. Below is information from the Iowa Attorney General's office on how to use this important tool.

“If you believe you are a victim of identity theft, one of the first steps is to implement a credit freeze.”

How can a “freeze” help prevent identity theft? One form of identity theft is when someone has your name and Social Security number and tries to get a credit card or perhaps a loan in your name. But most businesses will not open credit card or other accounts without checking your credit history at the reporting agencies. If your credit files are frozen, an identity thief probably would not be able to get credit in your name.

Is there a cost for a credit freeze? A credit freeze is free to identity theft victims who have filed a police report of identity

theft. For others, a credit report freeze costs \$10 each to place a freeze with the credit bureaus, or \$30 total for the three reporting agencies.

How to place a freeze: You must write to each of the three credit reporting agencies and provide your identifying information. Identity theft victims should be ready to provide a copy of a police report of the identity theft. (By the way, a “freeze” will not lower your credit score.)

How to lift a credit freeze: A freeze remains in place until you ask to remove it (in order to apply for a new job, for example, or for a home or auto loan.) To lift a credit freeze, consumers must contact each credit reporting agency and pay the required fee. (By law, the maximum each company may charge is \$12.)

For more details: go to www.iowaAttorneyGeneral.org. Information includes addresses and web sites for Equifax, Experian and TransUnion, the information each requires to impose or remove a freeze, and many other details on how credit freezes work.

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Preventing Identity Theft

To protect yourself from identity theft, the Federal Trade Commission and other identity security experts suggest Americans follow these guidelines:

- Keep your confidential information private. An example: Your bank or credit card company won't call or e-mail to ask for your account information. They already have it.
- Don't give out your personal information over the telephone, through the mail or via the internet unless you have initiated the contact.
- Secure personal information in your home.
- Place passwords on your credit card, bank, and phone accounts – avoid using easily available information like your mother's maiden name, birth date, last four digits of your Social Security number, or your phone number.
- Ask about the information security procedures at the places that collect personal identifying information about you – like your employer, doctor's offices, and other businesses. Find out who has access to your information and verify that it is handled securely.
- Keep an inventory of everything in your wallet and your PDA, including account numbers. Also you should not keep your Social Security card or any card with your Social Security number, such as an insurance card, in your wallet.
- Stop getting banking and credit card information in the mail.
- Monitor your bank and credit card transactions for unauthorized use. Crooks with your account numbers usually start small to see if you'll notice.
- Keep your vehicle registration and insurance forms in a sealed envelope in your glove box and lock it and your car when at home or away.
- If you conduct business online, use your own computer. A public computer is less secure, as is wireless Internet.
- Look for suspicious devices and don't let anyone stand nearby when you use an ATM. Take your card and receipt with you. Keep your PIN in your head, not in your wallet.
- Don't store credit card numbers and other financial information on your cell phone.
- If you're job hunting using resume Web sites, don't apply unless the employer has a verifiable address.

Economic Growth

(Contact Matt Hinch at 1-3298.)

Economic Growth Committee Update

Half way through the fourth week of the 2010 legislative session, the House Economic Growth Committee is working its way through a handful of issues with the shortened session, and first funnel date right around the corner. At this point, it is uncertain if any of the bills considered by

“At this point, it is uncertain if any of the bills considered by the committee will create any jobs.”

the committee will create any jobs. Nevertheless, House Republican Committee members continue to make job creation and economic growth the sole focus of their work on the committee. House Chairman Roger Thomas has agreed to a Republican request by Ranking Member Greg Forristall to bring Iowa employers before the committee to testify on what state government can do – or in most cases not do – in order to help the private sector create jobs and jumpstart Iowa's economy. With those

meetings scheduled to begin next week, House Republicans look forward to receiving their ideas and working with Democrats to craft legislation to strengthen Iowa's economy.

Below is a summary of a few pieces of legislation passed by the committee thus far:

House Study Bill 552: the bill exempts sales/use tax from the sales of goods and services sold to a nonprofit blood bank that is licensed by the federal Food and Drug Administration (FDA). Currently, there are three community blood centers located in Iowa required to pay sales/use tax on equipment needed to collect blood by donors, which comprises of approximately 27% of a blood centers expenses. Iowa is one of seven states in the nation that do not exempt these purchases from sales/use tax. The three community blood centers in Iowa serve more than 1.5 million Iowans in 84% of Iowa's counties. The only other entity that collects blood is the American Red Cross, which currently does not pay taxes. The three community blood

centers employ over 30 individuals that make an average salary of \$70,000. Representatives from the Blood Center of Iowa informed committee members this week that Iowa is in a competition to attract the first and only regionalized testing laboratory in the Midwest that would create 30-40 new technical jobs with an annual average salary of \$70,000. However, it is unlikely this center would be established in Iowa if HSB 552 is not passed. LSA's fiscal bureau estimates a reduction of state sales/use tax of \$1.2 million in FY11, \$1.2 million in FY12 and \$1.3 million in FY13 and future fiscal years. And, estimates that \$3,135 in additional income tax revenue per job if the new center chooses to locate in Iowa. The bill passed committee on February 2nd by a vote of 21-0 and now awaits further consideration from the House Ways and Means Committee.

House Study Bill 666: the bill makes changes to certain funding duties and programs administered by the Iowa Finance Authority (IFA) and establishes a workforce

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housing assistance grant fund. In addition to shifting expense payments for general public members of the Iowa Council on Homelessness from the state general fund to the IFA, the bill authorizes IFA to use a portion of their funding in the housing trust fund for the Iowa mortgage help initiative which provides foreclosure prevention assistance and counseling to Iowans. The bill also creates a new workforce housing assistance grant program, separate from the state general fund, to provide grants for affordable housing projects with a household income that does not exceed 120% of the median income for the area. The idea is to create a mechanism to provide finan-

cial assistance to individuals who do not make enough to obtain affordable housing but make too much to qualify for low income housing assistance. The bill provides priority to projects that are eligible for historic preservation and cultural entertainment district tax credits, single-family dwellings that incorporate one or more energy-efficient measures and projects that are located in areas where other state funding has been used to support the creation of new jobs. The bill was voted out by the committee on a 21-0 vote on February 2nd.

House Study Bill 593: the bill clarifies a definition of a data center business that qualifies for Iowa's sales and use tax exemptions and refunds. Currently, the code

authorizes sales and use tax exemptions and refunds for a data center that is rehabilitated or constructed for specified purposes. However, the word "rehabilitated" is not defined. Accordingly, HSB 593 would define "rehabilitated" to include a process of substantial repair, remodeling, or alteration which may include but not limited to upgrading mechanical systems, plumbing, roofing, wiring, windows, heating and cooling systems, and performing significant interior or exterior structural modification. The impetus of the bill is to ensure that a project that makes a minor cosmetic change to the interior or exterior does not qualify as rehabilitated for purposes of eligibility for the tax benefit. On February 2nd, the bill passed by a vote of 21-0.

Education

(Contact Ann McCarthy at 1-3015.)

Regents Propose 6 Percent Tuition Increase

This week the Iowa Board of Regents is set to raise tuition for next school year by six percent. This amounts to a \$346 tuition increase for every in-state undergraduate student. In-state students will pay \$5,782 at the University of Iowa and \$5,756 at Iowa State and the University of Northern Iowa.



dent at Iowa State University and \$422 (3%) at the University of Northern Iowa.

The Regents acknowledge that the Higher Education Price Index will only increase 2.7 percent but claim that the \$162 million in reduction in state aid this year justifies the six percent increase.

These tuition increases will net the Regents \$33.6 million in new revenue next year.

Out-of-state undergradates will see an increase of \$1,268 (6%) per student at the University of Iowa, \$692 (4.1%) per stu-

Student fees are another matter. At the University of Iowa student fees will jump

"These tuition increases will net the Regents \$33.6 million in new revenue next year."

from \$219 from \$1,042 to \$1,289 in order to fund the new Campus Recreation and Wellness Center. Student fees at the other two universities will remain stable with Iowa State student fees at \$894 and fees at the University of Northern Iowa at \$906.

Environmental Protection

(Contact Lew Olson at 1-3096.)

DNR Moves Forward on Stream Assessments, Meets with Cities & Industries

On Thursday, January 27, 2010, The Iowa Department of Natural Resources (DNR) issued a press release touting an upcoming series of meetings focusing on DNR stream assessments and the effects on cities and businesses discharging treated wastewater to Iowa streams. The six meetings across the state provide an important dialogue with communities on how Iowa will implement significant changes to stream classifications in the state's water quality standards. The DNR made the changes in 2006 to meet requirements of the federal

Clean Water Act.

The meetings are listed below:

Atlantic:

Monday, Feb. 1, 3:30 p.m.
Atlantic Municipal Utilities, 15 W. Third Street

Clear Lake:

Tuesday, Feb. 9, 12:00 p.m.
Clear Lake Community Center, 15 N. Sixth Street

Des Moines:

Tuesday, Feb. 16, 1:00 p.m.
Wallace State Office Building, 502 E. Ninth St., fourth floor conference rooms

Independence:

Thursday, Feb. 4, 3:30 p.m.
Falcon Civic Center, 1305 Fifth Ave NE

Spencer:

Tuesday, Feb. 2, 3:00 p.m.
Spencer Public Library, 21 E. Third Street

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Washington:

Monday, Feb. 8, 2009, 12:00 p.m.
Washington Public Library, 115 West
Washington St.

The changes in 2006 created a presumption that all streams deserve the highest classification and the highest level of protection. Since then, the DNR has conducted stream assessments in groups to

determine what stream classification is most appropriate for those streams. These stream studies can change the level of protection on some streams, which will affect how some cities and industries will need to treat effluent being released to Iowa streams. The DNR held similar rounds of meetings in 2007 and 2009. In the meetings, the DNR will address concerns of cities and businesses that may face stricter permit requirements when new water quality standards go into effect. The meetings will include a short presentation,

a general question and answer session, and one-on-one consultations with representatives of industries and municipalities. Some facilities may need to make minor to major upgrades on their facilities in coming years to meet new permit limits. These new permits will further limit the amount of pollutants entering Iowa's streams and rivers.

For more information on water quality standards, visit the DNR's Web site at www.iowadnr.gov/water/standards/.

DNR Praises Iowans Creating Water Quality Successes in 2009

On Thursday, January 27, 2010, as part of its weekly newsletter EcoNewsWire, the Iowa Department of Natural Resources (DNR) touted the efforts of Iowans in 2009 to improve Iowa's lakes, rivers and streams which have resulted in success stories across the state and more efforts are underway for 2010. DNR noted that working with groups statewide, including the Iowa DNR's Watershed Improvement Program; Iowans are making changes on the land to improve our waters.

The DNR works with other state (particularly the Iowa Department of Agriculture & Land Stewardship [IDALS]) and federal agencies (the USDA Natural Resources Conservation Service) and Iowa soil and water conservation districts to help Iowans organize local watershed improvement efforts through technical and financial assistance. IDALS, along with DNR, help

groups create long-term, comprehensive plans for making changes in their water. With watershed management plans, local groups can target efforts in the areas that need the most help and can make the larg-

"IDALS, along with DNR, help groups create long-term, comprehensive plans for making changes in their water."

est impact on water quality. Working with landowners, homeowners and volunteers, local watershed efforts help landowners use conservation practices – farming and land management practices – that help keep soil on the land and pollutants out of our water.

Success stories from 2009 are highlighted in "Working for Clean Water: 2009 Watershed Improvement Successes in Iowa," a booklet available on the DNR's Web site at www.iowadnr.gov/water/watershed/success.html.

DNR is now accepting applications for a grant designed to help locally-led groups develop water quality improvement efforts in Iowa watersheds. Groups can request these Watershed Planning Grants to develop plans to improve a local river, lake or stream on the state's impaired waters list.

For more information on the DNR's watershed improvement efforts or on grant applications, contact Steve Hopkins at (515) 281-6402 or at Stephen.Hopkins@dnr.iowa.gov or visit www.iowadnr.gov/water/watershed/.

Apply Now for the Governor's Iowa Environmental Excellence Awards

On Thursday, January 28, 2010, as part of its weekly newsletter EcoNewsWire, the Iowa Department of Natural Resources (DNR) invited Iowa businesses, organizations and citizens to apply for the Governor's Iowa Environmental Excellence Awards. Applications are due March 31, 2010 and can be downloaded at www.iowadnr.gov/other/ee/index.html. These awards are the premier environmental honors in Iowa, recognizing leadership and innovation in the protection of Iowa's water, land and air.

The Governor indicated that these awards will recognize those businesses who share Iowans' commitment to the environment, and he encourages all those who are joining in efforts to keep Iowa beautiful to apply for the Governor's Environmental Excellence award.

Awards will be given for overall Environmental Excellence, along with Special Project Awards in:

- Air Quality

- Energy Efficiency/Renewable Energy
- Habitat Restoration
- Waste Management
- Water Quality
- Environmental Education

For more information and to download an application, go to www.iowadnr.gov/other/ee/index.html or contact Emily Grover at (515) 242-5955 or Emily.Grover@dnr.iowa.gov.

Government Oversight

(Contact Jason Chapman at 1-3440.)

Liquid Propane and LiHEAP Customers

Several groups attended the latest Government Oversight committee meeting last week to discuss problems surrounding the delivery of liquid propane (LP) to customers using the Low-Income Home Energy Assistance Program (LiHEAP). Presenters included the director of the Department of Human Rights, a representative from Mid Iowa Community Action, representatives from the Attorney General's office, LP customers, and LP distributors.

The issue boils down to several LP distributors refusing to provide service to LiHEAP customers for various reasons that include:

- won't accept cash payments
- won't deliver to off-route customers
- require credit checks that some LiHEAP customers can't meet

"In Iowa there are approximately 10,000 households on LiHEAP that use LP."

LiHeap is a program funded by federal block grants. The goal is to reduce the winter home heating burden on low income households, which often have disabled family members, young children, or elderly family members. The program provides an average annual payment of \$600 going directly to a utility company, often prepaid before winter begins. In Iowa there are approximately 10,000 households on Li-

HEAP that use LP. That's 12% of LiHEAP households in the state.

Over the past several years issues began arising for LP users on LiHEAP. Some vendors began requiring minimum delivery and fills, something for which low-income families couldn't pay. Some began asking for credit checks, which low-income users could not pass due to low, poor, or no credit. Some also stopped taking cash payments, the only way that LiHEAP customers could pay. Some also refused to deliver to customers who were in arrears on their payments. The average customer uses about 1200 gallons of propane per year. At \$1.50 to \$1.60 a gallon, that's roughly \$1800 a year. With awards through LiHEAP being \$600 to \$770, this leaves many customers short. In all, recently, there were about 75 to 100 cases reported of households who were refused deliveries despite having LiHEAP money available.

LP distributors in attendance at the meeting argued their side of the issue. They are not a public utility and so are not governed by the same regulations and rules that utility companies are governed by and for good reason. Whereas utility companies have an area that they service that has no competition, anyone in that area is going to receive services from them only and they are guaranteed to make a profit. Propane vendors are not guaranteed profits. They are individual companies who face competition from other vendors and serve areas

that work for them as business owners. If a customer can not get service from one LP vendor, they often have other choices available in the area.

They argued that with 10,000 LiHEAP LP customers in the state, and less than 100 complaints, 99% of customers are being served with no problems. Adding additional regulations to treat LP vendors like regulated utility companies will make it harder for customers to receive service and drive some out of business. The problem is that there are a few bad apples in the bunch who aren't treating customers fairly. It was acknowledged that beyond the problem cases, a number of other cases were resolved with no problems and that most propane vendors have positive relations and work well with LiHEAP users.

There are currently bills in both the House and Senate that would address the issue. Both HF 2166 and SF 2125 would prohibit a deliverable fuel vendor from withholding the sale or delivery of deliverable fuel to a customer between November 1 and April 1 annually if the customer meets one of two alternative criteria.

- One criteria qualifies customers for delivery if they are eligible for the federal low-income home energy assistance program.
- The second criteria qualifies customers who can document that they are able to make a cash payment for deliverable fuel of \$500

Human Resources

(Contact Brad Trow at 1-3471.)

White House, Congressional Democrats Trying To Salvage Health Care Reform

As the month of February starts, another deadline has passed in the efforts of Congressional Democrats and the Obama Administration to pass a health care reform bill over the objections of the public. Despite the clear signals from American voters that their ideas are not what the voters want, Democrat leaders up and down

Pennsylvania Avenue remain committed to ram a bill through.

The past week has seen a continual effort by the White House to project the image that health care reform is inevitable. In a meeting with Senate Democrats this morning, the President attempted to make the

case that failure to pass a bill would mean paying a significant price at the ballot box in November.

All week, President Obama and his staff have week to use the football metaphors by declaring that they were on the five yard

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line and heading in for the touchdown. Unfortunately for them, the American public has been employing the 'bend but don't break' defense which has now forced many rank and file Democrats to think twice about moving forward.

In two new polls, the public's opposition remains formidable. A McClatchy-Ipsos poll released today finds 57 percent of the public believing the President over-reached on health care. In a new Wall Street Journal-NBC News poll, 46 percent of Americans said the bills were a bad idea, while just 31 percent said they were a good idea.

Across the country, state legislators continued to file bills and constitutional amendments to prevent their citizens from being forced to purchase health insurance against their will. The biggest move was the passage of the Health Care Freedom Act by the Virginia Senate. It was important because the Democrat party controls the chamber. Five senators from the majority party joined with the 18 Republicans to advance the bill. It is expected to become law soon.

Up at the Capitol, Democrat leadership of the House submitted a list of changes to the Senate late last week that House Democrats would expect to be part of any budget reconciliation bill. Among the

changes was a higher income threshold for Medicaid eligibility and additional resources for subsidies to Americans purchasing health insurance. The cost of the House's request – in excess of \$300 billion over 10 years. POLITICO.com quoted on Senate Democrat staffer as calling the House's list "irrational".

“The biggest move [to prevent their citizens from being forced to purchase health insurance] was the passage of the Health Care Freedom Act by the Virginia Senate.”

Both Speaker Pelosi and Senate Majority Leader Harry Reid discussed their vision for using the budget reconciliation process on Tuesday, and there was agreement. They each said that the other chamber had to start the process. Democrat staff are now telling the media that they hope to have a procedural plan by the President's Day Recess. When they would have the details of any changes worked out is still up in the air.

And then there were the trials and tribulations of Senator Ben Nelson.

In one of the more bizarre situations of the entire health care reform debate, the Nebraska senator attempted to use the Bill Clinton/Dick Morris strategy of triangulation against himself last week. On Tuesday, Nelson went public with his opposition to using the reconciliation process to move forward on health care reform. The next day, Nelson switched positions and claimed that he could support reconciliation. Then at the end of the week, he called on Senate Republicans to join him at the negotiating table so reconciliation would not be necessary.

Reconciliation is not the only issue Nelson has to deal with. Various news outlets have reported this week that the Democratic National Committee sent the Nebraska Democratic Party \$495,000 four days after the final Senate vote on their health care reform. This transfer was right before the Nebraska party beginning a series of commercials with Nelson attempting to explain his vote. Some in the media are questioning if the transfer of campaign funds was part of the deal to get Nelson's vote.

As the week comes to a close, Democrats may claim to be on the five yard line, but the defense employed against them is pushing health care reform out of the red-zone.

Judiciary

(Contact Tony Phillips at 1-3026.)

False Claims Act Looks to Tackle Fraud

The Federal False Claims Act provides an incentive for individuals and states to identify, pursue and recover taxpayer funds that have been fraudulently used or acquired.

In 2007, a new federal incentive for the states to adopt their own versions of the false claims act became effective. The law encourages states to adopt a qualifying false claims act by rewarding them with an extra 10% of the funds recovered in a Medicaid fraud case.

As part of the Government Reorganization Bill (HSB 565), the Iowa House of Repre-

sentatives is set to consider implementing a state false claims act. That act would allow not only the State to file claims but also individuals, known under the law a qui tam plaintiffs.

An individual found to have violated the new law by fraudulently using or requesting state funds is liable for up to three times the damage amount the State suffered, a civil penalty between \$5,000-\$10,000, and attorney fees and cost.

The Attorney General is authorized to act on behalf of the State and has an opportu-

nity to step into any action that is brought by an individual. As an incentive for individuals to bring claims, they are entitled to anywhere between 10%-30% of the proceeds.

While some states who have qualified under the federal law have limited their state law to only Medicaid fraud, the proposed language in HSB 565 extends to any state funds. A final version of the false claims act is still being negotiated at this point. It is yet possible that the House version will be limited to Medicaid fraud.

Labor

(Contact Lon Anderson at 1-5184.)

Governor Culver Signs Executive Order 22 – Voluntary Project Labor Agreements

On Wednesday, February 3, Governor Culver signed Executive Order 22 which requires require all state departments to consider using Project Labor Agreements on large-scale construction projects.

The Executive Order states, “WHEREAS, the use of Project Labor Agreements may protect the public interest by providing structure and stability to large-scale construction projects, thereby promoting the efficient, on-time completion of said projects of the highest standards and at the most reasonable costs:

1. For the purpose of this Order, the following definitions shall apply:

- a. “*Labor organization*” means an area or state building and construction trades or crafts council, organization or association or comparable body.
- b. “*Large-scale construction project*” means the construction, rehabilitation, alteration, conversion, extension, repair or improvement of a vertical public works project, including a building and other real property-related project, where the total project cost is \$25 million or more.
- c. “*Project Labor Agreement*” means a comprehensive pre-hire collective bargaining agreement that is negotiated between a project’s owner (here, the State of Iowa or an agency or department of the State of Iowa) and an appropriate labor organization and which sets out the basic terms and working conditions for that particular project.

2. All state departments and agencies should consider using Project Labor Agreements in connection with large-scale construction projects which meet the criteria established in this Order.

3. In awarding any contract in connection with a large-scale construction project, or in obligating funds pursuant to such a contract, state depart-

“The reality is that PLAs discourage competition from non-union contractors, thereby driving up costs for taxpayers.”

ments and agencies may, on a project-by-project basis, require the use of a Project Labor Agreement where said use will advance the state’s interest. In making the decision whether to use a Project Labor Agreement, the following factors shall be considered:

- A. The potential for labor disruptions, such as strikes, lockouts or slowdowns, which could affect the timely completion of the project;
- B. The number of trades and crafts anticipated to be used on the project;
- C. The need and urgency of the project and the harm to the public if the completion of the project is delayed;
- D. The size and complexity of the project and the time needed for its completion;
- E. The benefits to the public from the use of a Project Labor Agreement relative to a project’s cost, efficiency, quality, safety and timeliness of completion; and
- F. The ability to ensure compliance with applicable State laws and regulations governing safety and health, equal employment opportunity, labor and employment standards.

4. If a state agency or department determines that the use of a Project Labor Agreement will satisfy these criteria, the state agency or department may, if appropriate, require that every contractor or subcontractor on the project agree, for that project, to negotiate or become a party to a Project Labor Agreement with one or more appropriate labor organizations. The deci-

sion to use a Project Labor Agreement shall be supported by written findings by the affected state agency or department which demonstrate how the use of a Project Labor Agreement will benefit the project, particularly with respect to the criteria set forth in paragraph 3, herein.

5. Any Project Labor Agreement reached pursuant to this Order shall:

- A. Bind all contractors and subcontractors on the large-scale construction project through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents;
- B. Allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
- C. Contain guarantees against strikes, lockouts and similar job disruptions;
- D. Set forth effective, prompt and mutually binding procedures for resolving labor disputes arising during the term of the Project Labor Agreement;
- E. Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including, but not necessarily limited to, productivity, quality of work, safety and health;
- F. Fully conform to all applicable state statutes, regulations and Executive Orders.

6. This Order does not require a state agency to use a Project Labor Agreement on any construction project with a total project cost of \$25 million or more, nor does it preclude the use of a Project Labor Agreement on any construction project with a total cost of less than \$25 million when circumstances of a particular project would support its use. Finally, this Order also does not require contractors or subcontractors to enter into a Project Labor Agree-

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ment with any particular labor organization.”

Essentially the Order creates a system of voluntary project labor agreements. The impact of the Order is unknown because it is not known how many departments would choose to enter into a PLA.

Republican Party of Iowa chairman Matt Strawn put out on a statement on the Ex-

ecutive Order:

“Today is yet another election-year photo-op from our Governor that has nothing to do with creating a single job that will put any of the over 110,000 unemployed Iowans back to work. Instead of attempting to pacify the big labor bosses that fund his campaign, Governor Culver should be aggressively marketing Iowa as a right-to-work state. Today’s order, while completely symbolic in nature, sends Iowans and job creators a clear signal that his priorities are

elsewhere.

Lastly, as a practical matter, PLAs do not bring a project in on time or on budget. Just look at the Iowa Events Center as an example. The reality is that PLAs discourage competition from non-union contractors, thereby driving up costs for taxpayers. Open competition is fair to both union and non-union workers, providing taxpayers with safe, on-time and low-cost construction.”

Subcommittee Approves Doctor Shopping for Police and Fire Personnel

On Monday, February 1, a subcommittee of the House Labor Committee approved House Study Bill 588, which would allow fire and police personnel to choose their own medical care.

Under current law, cities shall provide hospital, nursing, and medical attention for the members of the police and fire departments of the cities, when injured while in the performance of their duties as members of such department, and shall continue to provide hospital, nursing, and medical attention for injuries or diseases incurred while in the performance of their duties for members receiving a retirement allowance under section 411 (public safety retirement system).

HSB 588 simply adds the words “Members receiving hospital, nursing, and medical attention pursuant to this section shall have the right to choose the care.”

This seems like a simple and reasonable change.

However, the forces behind this bill do not care about police and fire fighters being allowed to choose their own doctor. That was made evident when Representative Horbach offered to give police and fire personnel the right to alternative medical care, which employees in the private sector are currently allowed to use to request a change of doctor. The unions said that was not good enough and would not support it even though it would give personnel a way to choose their own doctor.

This is evidence that this bill is just a way for the unions to get doctor shopping in the Code and then try to come back to expand it until it covers all employees.

The League of Cities and various Chambers of Commerce oppose HSB 588 because they fear it will increase costs and

therefore increase property taxes. When House File 530 (full employee choice of doctor) was debated in 2009, it was estimated that workers compensation insurance premiums would increase by at least 15 percent if doctor shopping was allowed. The cities are right to fear costs will increase because all evidence points to increase premiums if this bill is approved.

The subcommittee approved the bill on a party-line vote, with Representative Cownie not signing the subcommittee report.

House Republicans support proposals that focus on getting police and fire fighters healthy and back to work but oppose schemes like HSB 588 which is clearly a gambit by the unions to get what they cannot get (full scale doctor shopping) through an honest process.

Local Government

(Contact Ann McCarthy at 1-3015.)

Local Government Bills of Interest

HF 2041: City Development Board - Located in the Department of Economic Development (DED), the City Development Board oversees local annexation actions. Under current law the board members can serve 2 six year terms. Board members are appointed by the Governor and confirmed by the Senate. HF 2041 strikes the 2 year term limit and lets people serve an unlimited number of six

year terms.

This bill takes effect upon enactment because apparently there is an individual from Ft. Dodge on the board who has served two terms. This gentleman is a city planner and apparently he would like to be eligible to serve a third term. There is no guarantee that the Governor would appoint this person but he would like the op-

portunity. DED favors the change saying that they have trouble getting people to serve on the board and the subject matter is highly technical.

When you look at the list of boards and commission in state government few limit the terms yet in general boards have two year or four year terms as opposed to the

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City Development Board's six year term.

HF 2143: Civil Service Commissioners - Under current law persons serving on their local civil service commission can't have an interest in or "directly or indirectly" provide supplies, material or labor to the city. This bill changes that to allow if the service, material or labor is awarded via a competitive bid process.

HSB 546: Vote in TIF/LOST district - Limits Revenue to City Portion Similar

to legislation attempted in 2009, this bill would allow a local vote on whether to permit a TIF/LOST district to be established. The bill inserts the vote at an awkward place which is prior to the city considering an ordinance. The TIF/LOST concept is an economic development tool allowing a city to keep the sales tax revenue generated within the TIF boundaries to pay the cost incurred or ongoing costs related to the developed area.

Also the bill "clarifies" that the city may keep only the sales tax revenue that city would have been able under a regular TIF

district.

HSB 632: Mobile Home Certificates - This bill was brought by bankers and the mobile home representatives. Apparently not all mobile homes are currently getting a certificate of title and thus paying the applicable tax. As such, a transfer of title now requires the seller to go back and obtain the certificate of title and pay the fee that was unpaid at the time of purchase. This bill has the mobile home retailer collecting the certificate of title tax to avoid non-payment by the owner.

Natural Resources

(Contact Lew Olson at 1-3096.)

DNR Bureau Chief Discusses State Parks Situation & Outlook

On Thursday, January 28, 2010, the House Natural Resources Committee heard comments from Kevin Szcondronski, Bureau Chief of Parks for the Iowa Department of Natural Resources (DNR) concerning the financial situation of the state parks. He noted that funding for state park operations is about 55% general fund and 45% other funds and that there is currently a \$2-million in general fund shortfall for park operation.

Mr. Szcondronski told the Committee that the bulk of the saving required by last year's funding reduction and the Governor's across-the-board reduction will come through not hiring seasonal help to clean, maintain state parks. Normally about 250 positions are contracted for these functions, but this year it could be as low as 30 to 50. These persons are paid on average

just under \$10 an hour and typically work 600 to 700 hours. This staffing reduction was offset last year with one time federal funds and AmeriCorps folks (116), but regrettably don't appear to be available for the upcoming year. In addition, much of this reduction in upkeep at our state parks has been back-filled with local park volunteers such as 101 Campground hosts, and 31 State Park Friend Groups. These 6,500 volunteers provided over 45,000 hours of assistance to the state last year. Mr. Szcondronski praised the efforts of these volunteers and admitted that their continued donations of time and talent would likely be essential to continuing to provide quality attractions at our state park that last year attracted over 14-million day visits to our parks. He also warned the Committee that he expects another 11 retirements in the next three year which because of con-



tractual agreements that allow park rangers to cash-out their unused sick leave that frequently amounts to a year's worth of salary, will place further financial strain on the park's financial and operational circumstance.

Governor Proposes Cuts to REAP Additional Funds for State Parks

On Wednesday, January 27, 2010, the Governor issued his Fiscal Year 2011 budget proposals to the General assembly. The Governor reduces the REAP appropriation from \$18-million to \$12-million and increases the Environment First Fund appropriation for state parks operations by an additional 1.53-million to bring the Environment First Fund within-line item appropriation for parks to \$4-million. While details to the Governor's budget recommendation on

this matter have not yet been conveyed to legislators, there is uncertainty whether these funds, if appropriated by the General Assembly, will be used to more fully fund park operations or will be used to pay state bond obligations for Honey Creek Resort State Park next year instead of the ~\$1.7-million in FY-09 and FY-10 Reap Opens space funds.

Other significant DNR-related cuts pro-

posed by the Governor to the IDALS, DNR, EFF budget include a zeroing out of funding for Resource Conservation and Development (from \$250,000); Ambient Air Quality additional monitors (\$195,000); Global Climate Change (\$50,000); and Water Trails and Low Head dams (\$250,000). The Governor did propose an increase in the EFF allocation for animal feeding operation regulation by \$248,400 (from

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\$360,000 to \$608,400), The Governor also proposed a number of EFF allocations reductions to IDALS functions and these include (1) a \$500,000 reduction (from \$1.5-million to \$1-million) for ag drainage well

closure cost-share; (2) a \$278,600 reduction for Conservation Reserve Program state incentives (from \$1.5-million to \$1,221,600); (3) a \$1.05-million reduction for Watershed Protection fund (from \$2.55-million to \$1.5-million); (4) a \$50,000 reduction for the Farm Management Demonstration

program (from \$800,000 to \$750,000); (5) a \$50,000 reduction for the South Iowa Conservation & Development (from \$300,000 to \$250,000); and (6) a \$100,000 reduction in the Loess Hills appropriation.

Public Safety

(Contact Tony Phillips at 1-3026.)

Republicans Look to Protect Gun Rights

A number of Republican Representatives remain concerned with the State's system for issuing permits to citizens who wish to arm themselves. Current law provides deference to local sheriffs who may issue permits to carry to those who qualify. In some jurisdictions in the state, certain sheriffs under no circumstance issue permits.



It is that refusal to issue permits to qualified individuals that has Republicans looking for ways to improve the law. As it stands now, there are entire counties where residents have no ability to acquire a permit to carry

because their sheriff denies all applications. This includes members of the armed forces and even retired police officers. The first step considered necessary by many is to change current language that says a sheriff "may" issue a permit to qualified individuals, to "shall" issue permits to them.

Under current law, permits are only valid for a year. Republicans look at lengthening the time a permit is valid as a way to save time and money for local law enforcement and permit holders. Another opportunity for reform exist within the current system for firearm safety training. Republicans feel that a wider array of opportunities for satisfying a safety training requirement should be provided.

Another point of contention under the current law is the ability of sheriffs to place restrictions on a permit. Again, this leads to inconsistencies across the state where your level of freedom to operate under the law of the state is determined more by where you live than your qualifications as an individual.

The current system has created inequity and injustice in areas of the state. Republicans will be working this session to advance legislation that strengthens the rights of qualified law abiding citizens to exercise their constitutional right to bear arms.

"There are entire counties where residents have no ability to acquire a permit to carry because their sheriff denies all applications. This includes members of the armed forces and even retired police officers."

There are however, additional opportunities to improve upon the current system. Iowa does not currently share reciprocity with other states who allow their citizens to carry concealed firearms. This has resulted in limiting the mobility of Iowan's right to carry even in states with similar laws. Republicans feel that we have an opportunity to become a participant of a cooperative system existing today between other states.

State Government

(Contact Kristi Kielhorn at 2-5290.)

Early Retirement Passes in the House

An early retirement program passed this week in the house will save the state general fund an estimated \$26.4 million dollars in fiscal year 2011. The incentive program will save additional monies through fiscal year 2015, eventually totaling savings of \$189.4 million by 2015. Not all of these savings are general fund savings, but include savings in federal funding, the primary road fund, road use tax fund, and other funds.

Employees eligible for the early retirement program are employees of the executive branch. The legislative council and the supreme court may offer this plan to their respective employees if they so choose. Additionally, regent institutions can also offer this to their employees.

To participate in the program, qualifying employees must do all of the following:

1. Submit DAS approved forms by April 15, 2010.
2. Acknowledge in writing the voluntary agreement to terminate employment for the incentives offered.
3. Agree to waive all rights to file suit against the state based on the employment relationship.
4. Agree to waive all future state employment unless becoming an elected

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official.

5. Agree to sever employment with the state no later than June 24, 2010.

If an employee is accepted by DAS to participate in the program and ends their employment no later than June 24, 2010 the participant receives:

1. Payment this September and each September after for a total of 5 years, of 20 percent of the years of service bene-

fit.

This equals: [value of unused vacation] + [\$1,000 for each year of employment up to 25 for eligible employees with at least 10 years of state employment]

This is in lieu of a one-time payment for the participant's unused vacation.

2. If the employee does not have enough sick leave to pay for health insurance for the first 5 years after retirement, the state will pay for the participant or spouse based on DAS approved group plans for that insurance.

“Employers will not be able to fill vacated positions without DOM approval.”

Employers will not be able to fill vacated positions without DOM approval. Employers cannot offer permanent part-time, permanent full-time, or temporary employment as well as retention as an independent contractor, to a participant. Past employees can however have membership on a boards or commissions.

Transportation

(Contact Kristi Kielhorn at 2-5290.)

Most Train Funding Requests Denied



Last week Iowa was awarded two federal grants for high-speed passenger rail service totaling approximately \$18 million dollars. Iowa's award was only a small part of President Obama's nearly eight billion dollar rail project announcement from federal stimulus monies. Most of the funding pro-

posals put forth by Iowa were rejected.

The first grant Iowa did receive is for one million dollars, and will allow the state to study passenger rail service from Omaha to Chicago. The study will specifically focus on the Iowa City to Omaha/Council Bluffs route because it has not yet been studied.

“The second grant is for \$17 million dollars.”

The second grant is for \$17 million dollars. This money will be used for crossovers in

the Ottumwa area that will allow freight and passenger trains to run without interrupting each other. This should improve the timeliness of service.

Despite receiving the \$18 million dollars, it was not all good news for Iowa's rail program. Iowa applied for funding for projects from Chicago to Iowa City (\$256 million) and Chicago to Dubuque (\$139 million), but neither were selected as recipients. Instead, the federal funding went to California (\$2.3 billion), Chicago-St. Louis (\$1.1 billion), Madison-Milwaukee (\$810 million), and Tampa-Orlando (\$1.25 billion).

Veterans Affairs

(Contact Jason Chapman at 1-3440.)

Veterans Spouse Unemployment Bill Passes House

Veterans Affairs Bills Moving

The Veterans Affairs committee has been on a roll this session, passing through a number of bills already. Here are a few that have passed committee in the past two weeks that may see floor action soon:

House File 2197 – (formerly HSB 583)

This bill would require that employers across the state provide Veterans Day, November 11th, as a time-off holiday for veterans. Republicans in the committee were originally hesitant to require employ-

ers give veterans a paid holiday, given the impact it would have on many businesses who hire a number of veterans. However, an amendment in committee put the choice to give the veteran the day off, paid or unpaid, at the employer's discretion. It passed the committee on January 25 by a unanimous vote.

House File 755 – (formerly HF 575) This bill was sponsored by Rep. Tymeson and extended the eligibility to receive funds from the injured veterans grant fund. The fund was established to allow veterans

families to receive money to travel to see the veteran who was hospitalized due to injuries received while serving and were med-evacuated from the war area. The bill language extends to include veterans who were hospitalized for at least 30 days after being discharged from service due to injuries received while serving. The bill passed committee last session and again passed January 26 by a unanimous vote.

House File 2102 – This bill also sponsored by Rep. Tymeson would require personnel

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in a jail or municipal holding facility to, if a prisoner in their facility is an identified veteran, notify the veterans commission. They would also be required to notify the prisoner that if they are a veteran, they may be eligible to receive a visit from a veteran

“The hope is to identify veterans who may be suffering from PTSD and help them get the treatment they need...”

services officer. The hope is to identify veterans who may be suffering from PTSD and help them get the treatment they need as soon as possible. The bill passed the committee on February 2 by a unanimous vote.

USS Iowa Presentation to Veterans Committee

Last Thursday the Veterans Affairs committee had a presentation by a group working to make the U.S.S. Iowa a National Museum and Memorial. They talked about the plan in place to preserve the ship at Mare Island off the coast of California, the history of the ship, fundraising efforts, and the benefits to Iowa.

Launched in 1942, the U.S.S. Iowa is nearly three football fields long. The ship dwarfed most anything afloat, with a displacement of 50,000 tons, and was faster than most other ships. The U.S.S. Iowa is the namesake of the most powerful and fastest class of battleships ever launched by the American people. And no object exists today that so significantly served our nation and helped to defend world freedom for over six decades, from the Second World War to the Persian Gulf Conflict.

The presentation touched on the benefits to Iowans that preserving the ship as a museum would provide. The state would have identification and prominent recognition for having ties with such a worldwide educationally prominent project. Iowans would be able to visit the USS Iowa for free at any time.

There was talk of other possible events too that included an Iowa tourist and business center; shutting the ship down for two weeks a year to host elementary kids from Iowa, who would stay aboard the ship and learn about Iowa and Iowa's contribution to the nation; and possibly providing for ways that Iowans would be employed to repair their own ship and provide the parts needed.

For more information on the U.S.S. Iowa,



the plans for its conversion to a museum, or how to donate to the U.S.S. Iowa, visit www.battleshipiowa.org.

Ways and Means

(Contact Matt Hinch at 1-3298.)

Eliminating Federal Deductibility – A Live Round

To kick off the 2010 legislative session, House Democrats sent a message to Iowa taxpayers: the effort to eliminate your ability to deduct your federal taxes paid from your state income tax liability is on the table. In other words, a massive income tax increase is looming.

On January 27, 2010, the House Ways and Means Committee met for the first time of the 2010 legislative session. The meeting was short and to the point. Several bills were assigned to subcommittee, including House File 807 the highly controversial bill to eliminate federal deductibility, and then the meeting adjourned.

As you know, federal deductibility gives taxpayers the ability to fully deduct 100% of

all federal tax payments on their state income tax returns. This is extremely important for low and middle class income earners. For many of them, this is the only and largest deduction available to them. For example, low and middle income taxpayers who do not own a home or have children cannot utilize income tax deductions and credits available to others; such as mortgage interest, property taxes and child and dependent care tax credits. Moreover, it is an issue of fairness. It is not fair to taxpayers to be required to pay state taxes on income never realized. Eliminating federal deductibility is a tax on a tax plain and simple.

If enacted, House File 807 will create win-

ners and losers in every tax bracket. Taxes will increase for some taxpayers regardless of how much they make. The cumulative tax increase on Iowa taxpayers over the next five years under the plan is over \$400 million.

“If enacted, House File 807 will create winners and losers in every tax bracket.”

It is no surprise that Iowans are outraged over the proposal. Last year, hundreds of concerned citizens filled the House chamber to convey their displeasure with the tax

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increase. In addition, the National Taxpayers Union released a poll on January 12, 2010 that states 77% of Iowans support keeping federal deductibility and believe it is in their best financial interest.

House Republicans will stand by Iowa taxpayers and continue to fight against this fundamentally flawed proposal that seeks to increase taxes on hardworking Iowa families. While it is never wise to allow the government to increase the amount of hard earned dollars it withholds from individuals,

it is especially destructive to do so during tough economic times. Iowans know better than government on how to spend and invest their money and House Republicans are committed to allowing them to do so.