

Sweeney from the State House

This week at the State House was hectic but a good working week. I was very excited to have a high school friend, Brenda Bjelland-Stotser now from Ackley, come and participate in a House Resolution recognizing Blue Star mothers. Her husband Jim came along and participated in the recognition and the Veterans Day celebrations.

We are playing the waiting game on the State Budget. Unfortunately, the Governor did not include his proposed budget as part of his Condition of the State address. He announced that the Legislature would have to wait until the end of January before he would release his budget. This means that the Joint Appropriation Subcommittees cannot start the budgeting process, creating a real time crunch for making critical decisions. We need his budget as a “road map” that would help us come to some kind of agreement on our priorities for the year. It was already going to be difficult to close the billion dollar gap. Having three fewer weeks to work with the budget only complicates our efforts.

The challenges are clear. We must work together to pass a budget that is sustainable and responsible, that funds the core essential services of government, and reflects the priorities of its citizens. We must pass a budget that does not shift the cost to our local governments, raise fees and taxes, or spend one-time monies for one-time expenditures. We are going to have to identify millions of dollars of savings and eliminate waste. It has been a difficult week and will be a difficult 2010 legislative session. But tough times call for tough people and we will do our best for the people of Iowa.

Information For Iowa Employers and Students Looking For Internships

The Iowa Department of Economic Development recently announced it is currently accepting applications from Iowa employers that wish to participate in the Iowa Student Internship Program. The Iowa Student Internship Program provides grants to small and medium size businesses – in the industries of advanced manufacturing, biosciences and information technology – to support their internship programs. The goal is to prepare Iowa students with the skills necessary to achieve full-time employment in the state once they have graduated.

The deadline to submit applications is April 16, 2010, or until funding for the program is committed, whichever comes first. Companies looking for additional information or interested in submitting an application for consideration can do so by visiting: http://iowalifechanging.com/business/ic/internship_program.aspx

Moreover, students looking for work as an intern can access a list of opportunities at: www.iowaintern.com. The website serves as a clearinghouse for Iowa employers to post information on internships with companies located throughout the state.

Potential for \$400 million Property Tax Increase

The big hype last week about a “big” surprise for K-12 education fell flat.

In the state-of-the-state message, it was promised to cover just a fraction of the \$540 million “promissory note” looming for K-12 funding.

The \$540 million hole in the school aid formula for FY11 was created by two across-the-board cuts, one-time TARP money (federal stimulus) money, 2 percent allowable growth and the statewide voluntary preschool program.

Here’s a quick breakdown of the \$540 million funding hole:

\$238 million - October 2009 - FY10 10 percent Across the Board (ATB)

\$32 million - December 2008 - FY09 1.5 percent ATB

\$200 million – One-time TARP (Federal Stimulus funding)

\$43 million – 2 percent allowable growth for K-12 school aid

\$20 million – Estimated increase in 4 yr old preschool program

\$7 million – 2 percent allowable growth for categoricals (Teacher Comp, Class Size, Professional Dev.)

\$542 million – TOTAL K-12 school aid formula funding hole

It was promised to partially backfill \$100 million of the \$235 million October ATB cut and to fund 2 percent allowable growth for the K-12 funding formula.

That leaves an overwhelming \$400 million that will likely fall on Iowa taxpayers.

Property Taxpayers Beware! - Education Bill Watch

A. House File 2001 - Expands Levy Authority By Up to \$380 million This bill – cosponsored by key Democrats including the Chair of the House Education Committee and the Speaker of the Iowa House – allows Iowa school districts to shift up to \$380 million in health insurance and benefits onto property taxes.

Under current law health benefits for current school employees must be paid for from the district’s general fund budget. HF 2001 allows districts to shift that cost onto property taxes. **Potential Property Tax Impact: \$380 million**

B. House File 2040 – Property Taxes Can be Used for Any General Fund Purpose
This bill allows districts to use the board approved portion of the Physical Plant and Equipment Property Tax Levy (PPEL) for any General Fund purpose. The bill specifies that districts may do this for the FY11 and FY12 school year. The bill opens any board-approved PPEL dollars generated in that fiscal year and any like unspent dollars to any general fund purpose.

There are three potential far reaching implications for this temporary “help”.

1. HF 2040 trumps an elected local school board's vote to levy property taxes for school infrastructure related purpose.
 2. HF 2040 could create an incentive to levy. Not every district has a board-approved PPEL levy. Opening up the use could prompt those school boards to initiate a new levy to supplement their general fund.
 3. HF 2040 raises questions about the SILO/state sales tax. Under Iowa law SILO/state sales tax proceeds can be used for any PPEL purpose proceeds. Questions are being asked whether districts can deposit SILO proceeds into the PPEL fund.. Hopefully this language can't be interpreted as opening the SILO/sales tax for any general fund purpose.
- Potential Property Tax Increase: Unknown.**

Tightening Driving Restrictions on Teens

A presentation was given at the joint meeting of the House and Senate Transportation Committees on January 19 that suggested Iowa's graduated driver's license statute need to be updated. Several changes are included under proposed Senate File 3071.

Under the proposed law, 16 and 17 year olds would have to go a full year without any accidents or violations before their instruction permits would be upgraded to intermediate licenses. Current law only requires a teen to have the instruction permit and be accident/violation free for six months.

Senate File 3071 would also require that a teen with an intermediate license driving between 10:00pm and 5:00am to be accompanied by a licensed driver who is also a parent, guardian, custodian, family member at least 21 years of age, a driver's education instructor or prospective instructor, or a person at least 25 years of age who has the written permission of the parent of the intermediate licensee. This person must be seated next to the intermediate driver. This is a change from current law which only requires the intermediate driver to be accompanied between the hours of 12:30am and 5:00am.

Currently, there is no limit on passengers an intermediate licensee can carry, so long as there are enough seatbelts. Senate File 3071 proposes that an intermediate licensee only be able to drive with one unrelated minor in the vehicle.

A big highlight of the week is the passage of HF 2055 out of committee. The bill was inspired by Heath Stolee of Radcliffe. Heath has served us in the military and had a great idea to help his fellow soldiers. Hopefully, this bill will come to the floor next week. I forgot to mention that Ron Allen from Iowa Falls was here last week with over 1000 people urging the right to vote on the constitutional amendment for traditional marriage! Roscoe Eggers, State Center; Greg Eibs, Laurel; Dave Petty, Eldora; Howard Hodson, Iowa Falls were visitors. It was great to see everyone this week. Please come down to visit and enjoy our capitol.