

STATEHOUSE NEWS

Relief Recovery is Priority #1

January 22, 2009

As the 2009 session got underway, Legislative Leaders and Governor Chet Culver agreed that helping Iowans recover from the tornadoes and floods of 2008 was priority #1 for the Legislature.

In his Condition of the State speech, Governor Culver called for an immediate infusion of \$43 million to help homeowners and communities in their rebuilding efforts. On Wednesday, the House Rebuild Iowa/Disaster Recovery Committee unanimously passed legislation providing an additional \$56 million in state assistance to Iowans.

The funding will include \$24 million in forgivable loans to make more homeowners eligible for Jumpstart Housing assistance. First priority will go to those who have not yet received help through Jumpstart, second priority to those who received less than \$24,999, and any money left will help those who received \$25,000 or more but still have unmet needs.

An additional \$10 million will provide grants of up to \$2,500 to households up to 300% of the federal poverty level. This money can be used for personal needs and mental health expenses.

Finally, \$22 million is available for grants to cities and counties to help with costs associated with the 2008 natural disasters. The grants can be used for home buyouts outside the FEMA buyout program, small business and nonprofit assistance, incentives to replace or rehabilitate lost housing stock, repair or replacement of disaster damaged public infrastructure, or the costs to counties of reevaluating or reassessing property due to the disasters.

“So far, 1,800 families have been helped, but there are at least as many more who have applied for assistance but have not received help,” according to Representative Tom Schueller, Chair of the House Rebuild Iowa Committee. “We need to help these families and communities by filling in the holes not met by other federal and state programs.”

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Recovery Assistance Update

The Rebuild Iowa Office announced that more than \$1.4 billion has been approved for residents and governments in Iowa. This money includes both federal funds and state dollars. Iowa has received more than \$282 million in federal Community Development Block Grants (CDBG) funds.

Jumpstart Program

Of the \$1.4 billion in funding, to date \$85 million has gone to the Jump-

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Representatives Tom Schueller and Roger Thomas on tour of Cedar Rapids.

New Disaster Assistance Program

This new effort, House File 64, will use \$56 million from the \$155 million Economic Emergency Fund. This fund was created to cover just such disasters as those that occurred in 2008.

start program – \$55 million for housing and \$30 million for small business assistance. So far, 3,667 applications have been made to the Jumpstart Housing program, requesting \$64 million. As of January 15, 1,818 applicants have been approved for \$31 million in assistance. The average award is \$17,000. Three hundred and forty-two applicants were ineligible for the program.

Some 798 applicants requested help from the Jumpstart Small Business program, seeking \$104 million. So far, 568 applications have been approved, obligating \$18.5 million. The average award has been \$32,570. One hundred and seventeen of the applicants have been ineligible.

Persons seeking help can go to the Jumpstart website at www.jumpstart.iowa.org or by calling 1-866-849-0323 toll free.

Rental Rehabilitation

Prior to the Legislative session, members of the House and Senate Rebuild Iowa committees toured Cedar Rapids and heard testimony from many citizens affected by the flooding. One of the issues mentioned during the hearing was the lack of assistance for landlords.

This week, a new forgivable loan program was started to help

renovate small rental projects of seven units or less. The Rental Rehabilitation program allows landlords to receive up to \$24,999 per unit for repairs. Supplemental funds will be available for lead hazard reduction, project delivery costs and temporary relocation. Total costs, including supplemental assistance, cannot exceed \$37,500 per unit. Assistance will be in the form of a forgivable loan, forgiven in full at the end of the five-year compliance period.

Eligible applicants must be:

- Rental property owners including individuals, for-profit entities or nonprofits
- Affected by disasters of 2008 Owners of record prior to disaster
- Ability to fund on-going operational expenses associated with the rental property over the life of the forgivable loan
- Must comply with all federal, state and local requirements including fair housing, accessibility to disables, etc

Rental property owners have until Feb. 20 to apply for the first round of funding. Applications can be found on the Rebuild Iowa Office's Web site, www.rio.iowa.gov/resources/assistance.html, or by calling the Rebuild Iowa Office at (515) 242-5004. For more information on

the Rental Rehabilitation program, visit the Department of Economic Development's Web site at www.iowalifechanging.com/flood.html.

Tax Consequences of Assistance

After discussions with federal officials, the Iowa Department of Revenue has clarified the tax consequences of financial assistance received under the Jumpstart Iowa Housing and Small Business programs.

The financial assistance received under these programs will reduce the amount of casualty loss allowed as a deduction on an individual's or small business's federal and Iowa income tax return. This is similar to how insurance proceeds reduce the amount of casualty losses deducted.

For example, \$10,000 of Jumpstart assistance received in 2008 for a \$40,000 casualty loss results in only \$30,000 allowed as a casualty loss on the federal and Iowa 2008 tax returns.

If Jumpstart assistance was not received until 2009, the \$40,000 casualty loss can be deducted on the 2008 federal and Iowa returns, but the \$10,000 is reported as income on the 2009 federal and Iowa returns

Dubuque Lands 1,300 New Jobs

A new IBM service center in downtown Dubuque is expected to bring 1,300 high-paying jobs to the area. One IBM official cited an impressive effort by the business community and government leaders, working cooperatively to seal the deal, as well as the availability of an educated and talented workforce.

With salaries expected to average \$45,000 per year plus benefits, the Dubuque IBM's annual payroll is pegged at \$58.5 million. Once fully operational in 2010, this will be the biggest single job expansion

in the area since John Deere. The project shows that investments in business development, education and workforce development are paying dividends.

The first wave of hiring in the next year would include 350 to 400 workers. The total project costs are expected to surpass \$100 million, including \$22 million that the state

is expected to approve at next month's Economic Development Board meeting. This would include for forgivable loans, tax credits, and funding for new job training.

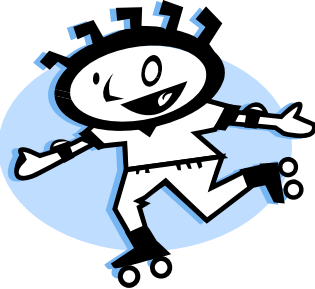
IBM has also signed a ten-year lease to locate it's Dubuque operation in an historic downtown building, the former Roshek's Department Store. Part of the tax credits proposed would be to renovate this historic building through Iowa's Historic Preservation Tax Credit Program. The project may need some legislative changes to that program.



Healthy Kids Act

The Iowa Department of Education has released a report on the progress toward implementation of the Healthy Kids Act.

The Healthy Kids Act was signed into law by Governor Orr Culver on May 13, 2008.



The purpose of the Act is to establish physical activity requirements for students in grades K-12 as well as to establish nutritional content standards for food and beverages sold on the school grounds during the school day.

Some of the provisions of the Act include:

- Establishing nutritional guidelines for all foods sold on the school grounds during the school day. These will apply to

all school districts and accredited nonpublic schools.

- Requires the Department of Education along with the Department of Public Health to convene a nutrition advisory panel to review research on pediatric nutrition and make recommendations regarding the nutritional standards.
- Requires that all children in grades K-3 get 30 minutes a day of physical activity. Students in grades 6-12 are required to get 120 minutes per week.
- Requires the department to convene a working group of elementary and secondary fitness professionals and stakeholders to assist in developing physical activities and models to assist school districts in ways to incorporate physical activities. These will be available to schools in March 2009.
- Requires every student to complete a course that leads to certification in CPR by the end of

grade 12. This requirement will begin with the graduating class of 2011-2012.

- Requires area education agencies to contract with a licensed dietician for the support of nutritional provisions in individual education plans.

Report from Physical Activity Working Group

A physical activity working group was convened and gave input to the department regarding the development of rules to implement this law. They noted that there were many challenges at the secondary level the two biggest being block scheduling and students who have a full schedule of academic course. They recommended allowing individual student contracts to allow students to meet these new physical activity requirements.

School districts are required to implement the Healthy Kids Act on July 1, 2009.

Legislature Receives Health Care Report

The Department of Human Services issued a report to the Iowa Legislature making recommendation options for maximizing enrollment and retention of children in Medicaid and the *hawk-i* programs.

The report was requested by the Legislature in 2007 as part of House File 2539, the bi-partisan health care reform bill.

The twelve options recommended from DHS are divided into three categories: Coverage, Applications & Eligibility Reviews/Renewals, and Administrative En-



hancements. The options include expanding coverage for certain parents and pregnant women, implementing a streamlined process in applying for multiple programs,

and improving technology so coverage is not lost due to an administrative issue.

The House and Senate Human Resources Committees will review all the recommendations of the report and work to implement the most cost effective options for Iowa.

To find the complete report, please click on the following link: <http://www.dhs.state.ia.us/Partners/Reports/LegislativeReports/LegislativeReportsHome.html>

Iowa's Outlook in Three Economic Sectors Looks Good

Iowa's economic outlook looks very positive for three key sectors, according to Financial Week magazine. These three sectors made their top 5 in the recession's "Top Winners."

Biotechnology

The prediction is that the biotechnology sector will continue to grow in 2009. In the article, the company Ibis predicts sales in the biotech industry will rise to \$85.6 billion, or a 13.5 % increase. Biotechnology and life sciences remain a targeted industry in Iowa, and Iowa continues to be a leader in this field.

Corn and Soybeans

Iowa is big on agriculture lead by corn and soybeans. Financial Week is predicting an increased consumption in corn and soybeans in the processed form as vegetable protein. They also mention their rise in the production of biofuels, candle wax, equipment cleaners and biodegradable degreasers.



Wind Transmission Equipment

Financial Week says that the wind industry market in the U.S. is projected to grow 13.7% in 2009. Revenues are also forecast to increase as demand grows in smaller countries.

Iowa is 2nd in the nation, only behind Texas, in wind power production. In November, 2008, Iowa had 2,394 megawatts in wind energy production, triple the amount reported in 2003. In addition, Iowa continues to be one of two states in the nation to manufacture three main components of windmills.

Iowa's Legislative Chambers Join the Presidential Change

After Barack Obama was sworn in as our nation's 44th President, Iowa legislators did their own changing of the guard with a ceremonial changing of the Presidential picture in the House and Senate Chambers.

The Iowa House had an ROTC honorary color-guard from North High School in Des Moines precede a committee of four, who carried a picture of President Obama to replace the picture of President Bush.



President Obama's photo hangs behind the Speaker's desk along with Presidents Abraham Lincoln

and George Washington.

The event was followed with recollections from Representatives Wayne Ford, Janet Petersen, Mark Smith, and Ako Abdul-Samad, on Iowa's history of being a leader in human rights and Iowa role in selecting presidents. Iowans are lucky to meet so many presidential hopefuls and with President Obama, his road to the White House started with a win here in Iowa.

Better Captioned Phone Service For The Hearing Impaired

More and more Iowans are using a relatively new captioned telephone service called CapTel Relay.

Unlike traditional dual party relay services for the hearing or speech-impaired, this is like closed captioning on television programs.

This is not a TTY (text phone with keyboard), but a phone with adjustable amplification that allows a more natural back and forth telephone conversations supported with captions.

The Iowa Utilities Board (IUB) oversees telephone relay service as well as the Equipment Distribution Program.

The IUB contracts with Hamilton Relay to administer Relay Iowa and Telecommunications Access Iowa (TAI) to administer the Equipment Distribution Program.

A CapTel phone and other equipment is available at low cost to those who meet median-income guidelines and qualify for a voucher.

For information on how to apply for a CapTel phone, or other special equipment, contact Telecommunications Access Iowa at 1-800-606-5099 or (515) 282-5099 VOICE, (515) 282-5130 TTY, or TELEIOWA@aol.com.

If you don't qualify for a voucher, you may still buy a CapTel phone for \$99 (normally \$495). This offer is for those directly buying their first CapTel phone at this discount.

To get this limited time offer, one should fill out the form on the Relay Iowa Web site at www.relayiowa.com/captel.html or get a form in the mail by calling 1-888-516-4692 or (712) 653-2440 Voice/TTY.

Relay Iowa and TAI loan Cap-Tel phones to libraries and as-

sisted living facilities to let people use them on a trial basis. Interested facilities should contact Relay Iowa at lori.sporrer@hamiltonrelay.com or by calling 1-888-516-4692 or (712) 653-2440, or contact TAI at TELEIOWA@aol.com or by calling 1-800-606-5099.

Learn more about Relay Iowa through the IUB Web site, www.state.ia.us/iub, by clicking on the *Telecommunications* link at the top of the page and then *Telephone Programs for Deaf, Hard of Hearing or Speech Impaired Iowans*.

DNR Releases Financial and Business Assistance Report

The Iowa Department of Natural Resources (DNR) Financial and Business Assistance (FABA) section released its 2008 annual report.

According to the report, the Pollution Prevention Intern Program created over \$1.5 million in economic savings for Iowa businesses and industries.

More than 1.2 million tons of material was diverted from Iowa's landfills by projects under the Solid Waste Alternative Program.

The program provided forgivable and low interest loans to businesses and organizations.

The Scrap Tire Program's Safe Surfacing Initiative awarded grants for utilizing recycled rubber tiles to surface playgrounds. The grants went to Iowa schools, city parks, and state parks. The program awarded 59 grants.

Allan Goldberg, FABA section supervisor, said, "We provide financial and technical assistance to clients throughout the state to help

transform Iowa's environmental future in ways that positively impact our economy. We're enthusiastic to continue assisting Iowans in 2009 to conserve and improve the quality of Iowa's air, water and land through environmental stewardship."

The full FABA report can be found at http://www.iowadnr.com/waste/financial/files/faba_08.pdf.

Air Quality Reporting for Livestock Operators Continues

The Department of Natural Resources is encouraging large livestock and poultry operators to continue reporting ammonia and hydrogen sulfide air releases. A new U.S. Environmental Protection Agency rule requires only large animal feeding operations to report releases by January 20, 2009. The DNR has indicated reporters should not fear a \$25,000 fine for late reporting.

The rule only applies to large producers. The rule applies to operations with 2,500 finishing hogs, 700 mature dairy cows, 1,000 cattle and for poultry operations 125,000 broilers, 82,000 layers on dry litter, 30,000 broilers or layers on wet litter, or 55,000 turkeys.

Producers should call the DNR at (515) 281-8694 between 8 a.m. and 4 p.m. Monday through Friday. If a technical specialist is not avail-

able the call will be returned within a few days. The DNR is working with livestock groups on a reporting form.

More information on the rule can be found at <http://www.epa.gov/fedrgstr/EP A-AIR/2008/December/Day-18/a30003.htm>