



# STATEHOUSE NEWS

January 15, 2009

## Iowa Legislature Opens 2009 Session

The 83<sup>rd</sup> General Assembly opened the 2009 legislative session at the State Capitol on Monday, January 12<sup>th</sup>, with a focus on helping Iowans recover from the natural disasters last summer and the difficult economic times.



Of the 46 states currently facing economic hardship, Iowa is in a better position than almost any other state to weather this economic storm. We are one of only a few states that are now net exporters of energy – our investments in ethanol and wind development are beginning to bear fruit and these investments will continue to bring jobs to our state.

Last fall, House Democrats outlined a Plan to Secure Iowa’s Economic Future to guide

their work during the 2009 legislative session. The goal is to help middle class families and Iowa businesses succeed in today’s global economy.

The plan includes making Iowa an energy independent “green” state, creating new jobs, expanding job training, reducing commercial property taxes, and providing a quality and affordable education for students.

## Governor’s Condition of the State Address

On Tuesday, January 13<sup>th</sup>, Governor Chet Culver addressed a joint session of the Iowa Legislature to provide the Condition of the State of Iowa. He said that despite some setbacks, he is both optimistic and confident about what the future holds for our state. The condition of our state is strong because the people of Iowa are strong.

Governor Culver said 2008 was a year we will never forget with the tornadoes and historic floods that raged through most of the state. He remarked that at the same

time we saw Iowans working together helping each other no matter if they were old or young, rich or poor, Democrat or Republican. He asked lawmakers to carry on that lesson this year, as a team, to rebuild Iowa.

He asked the Legislature, as their first order of business, to rebuild this state that we all love so much. He has three key areas he wants the Legislature to address:

- Pass a \$43 million rebuild Iowa recovery assistance package, funded from the state’s rainy day fund.

- Act on the 12 key recommendations outlined in the Rebuild Iowa Advisory Commission report, including modern flood plain mapping, levee mitigation, watershed management, and first responder and emergency management training.
- Create a Rebuild Iowa Infrastructure Authority that will issue up to \$700 million of bonds over the next several years. This is designed to stimulate economic growth in Iowa, create good private sector jobs, and

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address unmet infrastructure needs.

And finally, Governor Culver asked lawmakers to protect the investments we've already made.

This includes the Iowa Power Fund, which has helped create green collar jobs and is making Iowa the renewable energy capitol of the United States; keeping Iowa a national

leader in education; working to make health care more accessible and affordable; and maintaining our commitments to public safety.

## Governor Proposes Additional Help for Communities

The Governor's condition of the State address included a review of progress being made in rebuilding Iowa's communities ravaged by floods and tornados. The Governor's speech included a video segment that brought highlights of the disaster back before the legislators.

More than \$520 million in federal money has been committed to support more than 5,400 projects in 513 cities, counties and school districts throughout the state. This will help us rebuild our public infrastructure: everything from roads to schools, from senior centers, to water treatment plants.

In addition, more than \$260 million in both state and federal

funds are helping 24,000 Iowans repair or replace their homes damaged by last summer's storms. Nearly 1,000 small businesses are receiving over \$135 million dollars in state and federal money to re-open their doors.

And, over 2,200 Iowans who lost their jobs because of the storms are getting a helping hand from \$6.5 million in Disaster Unemployment Assistance. Another \$4 million is being used to provide crisis counseling and mental health services to literally tens of thousands of Iowa families impacted by the storms. And, \$500,000 in Iowa College Aid has helped more than 400 flood-affected students to stay in school and pay their tuition.

The Governor called on the Legislature to act quickly to approve a \$43 million Rebuild Iowa bill, which takes the money from the Economic Emergency Fund, one of the state's rainy day funds, to help struggling communities. This will help cities like Cedar Rapids pay their bills, assist non-profits and cultural organizations, and provide much needed financial assistance for individuals and families still facing challenges.

It will also provide additional funding to address unmet rental housing and small business needs, which are currently not eligible for federal funds.

## Governor Proposes New Jobs and Infrastructure Initiative

Governor Culver is proposing an investment in bricks and mortar in Iowa – to create jobs and keep our economy going. It is now up to the Legislature to consider the proposal.

Governor Culver wants the creation of a Rebuild Iowa Infrastructure Authority, to issue \$700 million in 20-year tax-exempt state revenue bonds. These bonds would be secured with approximately \$56 million annually from gaming tax revenues.

Culver said this proposal makes use of near-historic low tax-exempt interest rates and avoids

future increases in construction costs for ready-to-go projects across Iowa. He also noted that this proposal will allow us to build upon any additional federal stimulus or flood recovery funds Iowa may receive in the future.

Governor Culver stressed the need to continue rebuilding Iowa following last summer's floods and tornadoes. He said his proposal creates new jobs by addressing the state's infrastructure needs and balances the budget without raising taxes on working Iowans.

The Governor's infrastructure proposal is more than just bridges



and roads. It also includes rail, trails, public buildings, water and sewer treatment facilities, the utility grid and telecommunications.

# Small Businesses Aided in Disaster Recovery

The Small Business Development Centers (SBDC's) assisted over 2,000 businesses and individuals with disaster relief recovery from June through September, 2008. This was in addition to their regular technical services that they provide to assist small businesses.

Shortly into recovery, it became clear that the demands made on SBDC's would exhaust their resources, and the Small Business Administration (SBA) increased the organizations allocation. In the 90 counties recognized as disaster areas by the SBA, there are over 123,000 small businesses employing 1.2 million people.

Many Iowa businesses did not suffer physical damage this summer, but are just now recognizing their damage economically from



the disasters. They are now seeking the SBDC's free counseling services, education programs and community outreach to new and existing businesses.

Besides the flood and tornado recovery, the SBDC's have co-sponsored a pilot program called the Emerging 200 initiative. It provides intensive training in market-

ing and finance to inner-city business owners in Des Moines. In the spring of 2009, the SBDC's will introduce a partnership with the Iowa Farm Bureau for a revamped business succession and transition program. It provides strategies for selling and transitioning businesses to a next generation owner.

In a report to the Legislature, the SBDC's also provided the following facts on SBDC's:

- Held 8 training sessions attended by 76 people.
- Responded to 1,868 requests for information.
- Provided services with a cost benefit ratio of \$5.41 for every \$1 spent.

# Chief Justice Calls for Help for Needy; Fiscal Needs of Court

Chief Justice Marsha Ternus delivered the annual State of the Judiciary to a joint session of the Iowa House and Senate. The Chief Justice stressed the need for expanded services for the state's neediest individuals in the justice system and the fiscal restraints on the court system.



## Equal Justice

Chief Justice Ternus first stated that one of the greatest dilemmas facing courts today, both in Iowa and the nation, is helping the neediest users of the judicial system. Increasingly individuals cannot access the courts or can-

not use these services effectively because they cannot afford an attorney.

The Chief Justice noted that there is no single response to this issue. Instead she called for providing financial support to legal service organizations, providing better resources to self-represented litigants, and creating new strategies for civil litigants to get justice through a comprehensive study of all options.

Chief Justice Ternus indicated there is an increasing issue with court interpreters. The Chief Justice stressed that federal law requires all agencies and courts that receive federal funds must provide access for limited English proficient persons to important services. To meet this growing need the Chief Justice proposed a statewide language interpreting center to pool and coordinate resources

Chief Justice Ternus next focused on juvenile offenders. The Chief Justice stated that new federal requirements require juvenile

court officers to visit juveniles in out-of-home situations, and that this new procedure has placed additional strains on the judicial officer network. To alleviate this issue, the Chief Justice requested additional staff to comply with the federal mandate. In the same vein, the Chief Justice noted that the judicial system would like to expand drug courts, but without federal funding this was not possible.

## Fiscal Restraints

Chief Justice Ternus stated the judiciary will do its part to meet the current fiscal reductions, but that nearly any cuts to the judiciary budget are likely to result in furloughs.

The Chief Justice stated that while new resources are out of the question, the court will continue to try to find new revenue sources and cost savings. The court will find these new sources and cost savings through "updating, inno-

vating, and reallocating.” Chief Justice Ternus stated that the judiciary will update the court structure and procedures for maximum efficiency, will use technology to lower the cost of doing the court’s business, and the court can shift

existing resources to meet new challenges.

Chief Justice Ternus did stated that none of her proposals include consolidation, be it of clerks offices, trial courts or judicial districts. The Chief Justice stressed that the judi-

ciary does not have an opinion on the validity of any consolidation, only that the political reality is that consolidation is unlikely so the judiciary will not spend resources on the concept.

## Legislative Property Tax Study Makes Recommendations

The Legislative Property Tax Study Committee recommended that cities and counties be allowed to adopt alternative revenue sources, if most of the new revenue is used to cut property taxes.

The committee did not endorse any particular revenue option, but suggested that the Legislature consider allowing cities and counties to adopt:

1. Utility franchise fees of up to 5%.
2. Hotel/motel taxes of up to 9%, rather than the current 7%, or a \$1.50 per room/per night fee.
3. Income surtaxes, like the school income surtaxes.
4. Entertainment taxes, possibly

- on alcohol and restaurant sales.
5. Cigarette/tobacco taxes.
6. Real estate transfer fees.
7. False alarm fees.
8. Development impact fees.
9. Payments in lieu of property taxes (PILOTS), such as for fire and police for tax-exempt properties.

### Property Tax Relief

A city/county that adopts new revenue sources must use at least 75% to cut property taxes, with two-thirds used to cut commercial property taxes and one-third to cut taxes for other classes of property.

The maximum 25% of new revenue not used for tax cuts could only

be spent on public safety, infrastructure, disaster recovery and prevention, energy efficiency, or service sharing programs that cut costs.

### Local Spending Limits

The committee also said that the Legislature should consider local spending limits as part of any an bill authorizing new revenue sources.

### Disaster Recovery

The committee also recommended that the Legislature give cities and counties more flexibility to issue bonds for the purpose of disaster recovery.

## School Districts See Changes in Student Enrollment

The Iowa Department of Education has released certified enrollment numbers for Iowa’s 362 school districts. According to the report, 249 districts, or 69 percent of Iowa’s school districts saw a decline in enrollment as of the fall of 2008.

The decrease follows the trend that some school districts have been experiencing. Over three-quarters of Iowa school districts have reported a decline in enrollment since the 2003-2004 school year.

### Districts reporting a decrease in enrollment

Five school districts reporting the largest percentage decreases over the five-year period include:

- Seymour School District, a decrease of 32.7 percent;
- Riceville School District, a decrease of 30.9 percent,
- Olin Consolidated, a decrease of 31.1 percent;
- Orient-Macksburg, a decrease of 29.7 percent;
- South Page, a decrease of 28.8 percent.

The following districts reported the largest decrease in the numbers of students:

- Des Moines, a decrease of 1,356 students;
- Davenport, a decrease of 768 students;
- Sioux City, a decrease of 670 students;

- Council Bluffs, a decrease of 608 students;
- Mason City, a decrease of 349 students.



### Some schools saw increases in enrollment

One hundred twelve school districts reported an increase in enrollment over the past five

years. Those experiencing the largest percentage of increase include:

- Waukee, an increase of 67.5 percent;
- Johnston, an increase 25.2 percent;
- Bondurant-Farrar, an increase of 24.8 percent;
- North Polk, an increase of 23.9 percent;
- Ankeny, an increase of 23.3 percent.
- The following districts showed the greatest increase in the

number of students enrolled:

- Waukee, an increase of 2,405 students;
- Ankeny, an increase of 1,502 students;
- Johnston, an increase of 1,163 students;
- Southeast Polk, an increase of 1,098 students;
- Linn-Mar, an increase of 1,078.

### **Total certified enrollment count**

Total certified enrollment count for this school year is 477,019.

This is a decline of 3,590 students and is the 11<sup>th</sup> consecutive year that school districts have reported a decline in certified enrollment.

This number is important to school districts. The state provides funding to local school districts on a per pupil basis. The number of students enrolled in a district on October 1 impacts state aid to school districts for the next school year. The actual enrollment is used in calculating the school district's budget and the amount of state aid.

## Medicaid Forecast Shows Need for Supplemental Funding

The Medicaid forecasting group agreed that total Medicaid expenditures will require supplemental funding of \$32 million to \$62 million with a midpoint of a \$47 million supplemental need. The range includes the 1.5% across-the-board cuts from the Governor.

When the Legislature adjourned in 2008, they expected Medicaid to be fully funded for Fiscal Year 2009. However, due to the tornadoes and the floods, enrollment has increased.

In addition, for Fiscal Year 2010, the Medicaid forecasting group agreed Medicaid will require an increase of \$62 to \$110 million, with a midpoint of \$86 million compared to the FY 2009 after the 1.5% cuts.

The estimates are made by staff members from the Department of Management, the Department of Human Services, and the Fiscal Services Division of the non-partisan Legislative Service Agency. The forecasting group meets monthly to discuss estimated ex-

penditures and to agree on a range for the current and upcoming fiscal years.

Currently, President-Elect Obama is working on a stimulus plan that will include additional federal funding for Medicaid. Medicaid is funded with state and federal dollars. The Legislature is closely following what the incoming administration is working on and will continue to work to ensure all Iowans needs are met.

## Water Quality Grants Available

Both the Iowa Department of Natural Resources (DNR) and the Iowa Department of Agriculture and Land Stewardship (IDALS) are encouraging groups across the state to apply for grant funding to help improve Iowa's water quality.

The grants from DNR and IDALS allow groups, such as Iowa's 100 Soil and Water Conservation Districts and other organizations, to further their local water quality improvement efforts. Watershed and water quality projects help individual Iowans make changes on the land in order to improve the quality of water enter-



ing our rivers, streams and lakes. The deadline for applications is April 1, 2009. The DNR is able to provide these grants annually through funding from the U.S. Environmental Protection Agency. The grants, made possible through Section 319 of the federal Clean Water Act, are often called "Section 319 Grants" and currently fund about

50 projects in Iowa, focusing on impaired waters.

The IDALS is able to provide grants annually through funding from the state's Resource Enhancement and Protection (REAP) program and the Environment First Fund. Currently, 70 watershed and water quality projects in 65 Soil and Water Conservation Districts are supported by these funds.

Groups considering applying for a grant can contact Steve Hopkins, DNR watershed improvement coordinator, at (515) 281-6402 with questions and for one-

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on-one assistance. Those with questions about IDALS funding can contact Jim Gillespie, Field Services Bureau Chief, at (515) 281-7043.

More information on grants and watershed improvement is available on the DNR's website at <http://watershed.iowadnr.gov> or the IDALS website at

[www.iowaagriculture.gov/soilConservation.asp](http://www.iowaagriculture.gov/soilConservation.asp).

## Manure Application on Frozen Ground Risky

The Department of Natural Resources (DNR) warns livestock producers who lack adequate manure storage to be very careful when applying manure after the ground has frozen. Manure thaws on top of the ground and runs off before the ground thaws and it can soak in.

The department wants producers to know that they may be setting themselves up for a problem, and should carefully evaluate the risk that the manure could reach a stream or underground tile inlet before they apply. Producers are responsible if manure reaches surface or groundwater and causes a water quality violation.

The department said that if storage is full, the best choice is to transfer the manure to another storage structure. But, if they must land apply, they may be able to reduce the risks by choosing flat ground a long distance from a stream or tile inlet. Another good choice may be to remove just enough manure to keep the manure storage from overflowing before spring, without emptying the entire storage structure.

When surface applying manure, producers must stay at least 200 feet away from environmentally sensitive areas such as wells, streams and sinkholes, and at least 800 feet from high quality water resources, such as the Iowa great lakes.

The Iowa Manure Management Action Group has information available on winter application at [www.agronext.iastate.edu/immag/pubs/imms/vol3.pdf](http://www.agronext.iastate.edu/immag/pubs/imms/vol3.pdf).

The DNR also recommended revisions to the current state rules for manure application on snow covered or frozen ground at the January 13<sup>th</sup> Environmental Protection Commission meeting. The recommendations are at [www.iowadnr.gov/epc/09jan13a.html](http://www.iowadnr.gov/epc/09jan13a.html).

## Iowa National Guard Troops to Support Inauguration

Approximately 1,000 Soldiers and Airmen from the Iowa National Guard were requested by the National Guard Bureau, Washington, D.C., to assist federal, state, and local agencies with support missions for the presidential inauguration of President-Elect Obama on January 20. The request was made as a result of increased operational requirements and the expected large crowds.

Iowa will activate Soldiers from 2nd Brigade Combat Team, 34<sup>th</sup> Infantry Division, Iowa Army National Guard, and Airmen from the 185<sup>th</sup> Air Refueling Wing and 132<sup>nd</sup> Fighter Wing, Iowa Air National Guard, in mid-January.

The Soldiers and Airmen will serve in support of the inauguration for approximately 10 days, which includes personnel readiness processing and travel. Duties will in-

clude transportation and attendee management, traffic control, event ingress/egress, personnel support, and transportation.

A total of approximately 7,000 National Guard Soldiers and Airmen from at least eight states will supplement security, communications, medical evacuation, and other support during the presidential inauguration period.

## Iowa Independent Film Festival to be in Clear Lake

The 2009 Iowa Independent Film Festival (IIFF) is moving from Mason City to nearby Clear Lake where it will take place on July 17, 18, and 19. The festival's main venue will be the Clear Lake Art Center, which is located in the downtown, and films will also be shown at the historic Lake Theatre less than a block away.

In 2008, the festival featured over 50 films from around the U.S. as well as a number of filmmakers from as far away as New York and Los Angeles.

The festival is now open to submissions in each of its five categories: feature films, short features, feature length documenta-

ries, short documentaries, and student films.

Complete information about the IIFF and the submission process may be found at its website at [www.iowaindie.org](http://www.iowaindie.org).

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## Transportation Commission Awards Funding

At their January 13 meeting, the Department of Transportation Commissioners approved funding for the Safe Routes to Schools Program and the Transportation Enhancement Program. Each program receives funding from the federal government, and entities receiving an award in an Enhancement Program must put forth a 30% match.

### **Safe Routes to School Program**

The Safe Routes to School Program was designed to help local entities create safe routes for chil-

dren to walk and/or ride their bicycles to and from school.

The DOT (Department of Transportation) Commission approved over \$450,000 in noninfrastructure funding for items such as bicycle rider education, and bicycle and pedestrian routes.



Over \$1 million dollars was approved for infrastructure items such as sidewalk and trail improvements and bicycle racks.

### **Statewide Transportation Enhancement Program**

The Statewide Transportation Enhancement Program funds enhancement or preservation activities associated with transportation-related projects. Trail and bikeway, historic and archaeological, and scenic and environmental are the three activity areas.

## DOT Warns of Black Ice

The Iowa Department of Transportation (DOT) is warning drivers to be aware of the black ice on Iowa roadways. Black ice most commonly forms on roads near water, such as lakes and rivers, in rural areas, and on bridges and overpasses. It can also form on heavily traveled roads when blowing snow sticks on warm vehicle tire tracks. Black ice can form on

gravel roads and hard-surface roads and can form unexpectedly on any road surface.

Black ice is a thin and transparent layer of ice. The ice allows the pavement to show through, making the road appear to be wet or even clear and dry.

Road salt loses effectiveness on snow and ice when temperatures

drop below 25 degrees Fahrenheit. The temperature threshold for the effectiveness of road salt is 15 to 20 degrees Fahrenheit.

Updated Iowa road conditions can be found online at [511ia.org](http://511ia.org) or by calling 511 in Iowa or 1-800-288-1047 outside of the state.

## Commercial Vehicles Reminded to do Inspections

The Iowa Department of Transportation (DOT) reminded commercial vehicle operators, including truck drivers, to perform pre-trip inspections.

In particular, air brake systems need additional attention in

cold weather. Frozen air brake lines and defects and failures of brake lines, filters, brake chambers, pushrods, valves and seals are more likely in cold weather.

The DOT has a complete list of pre-trip inspection requirements

available on the DOT website. The Complete Driver's License Manual can be found online at <http://www.iowadot.gov/Mvd/ods/cdl/section11.pdf>.